

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

This document comprises a prospectus (the “**Prospectus**”) for the purpose of Article 3 of the Prospectus Regulation relating to CC Japan Income & Growth Trust plc (the “**Company**”) in connection with an bonus issue of Subscription Shares to existing Shareholders (the “**Bonus Issue**”), prepared in accordance with the prospectus regulation rules of the Financial Conduct Authority (the “**FCA**”) made pursuant to section 73A of FSMA and approved by the FCA as competent authority under the Prospectus Regulation.

This Prospectus has been approved by the FCA (address: 12 Endeavour Square, London, E20 1JN, United Kingdom; telephone number: +44 (0) 20 7066 1000), as competent authority under the Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

If you have sold or otherwise transferred all of your shares in the Company, you should pass this document, but not any accompanying personalised Form of Proxy, as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded in or into the United States, Canada, Australia, New Zealand South Africa, Japan, any EEA State (which for the avoidance of doubt does not include the United Kingdom) or into any other jurisdictions if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions. The attention of Restricted Shareholders and other recipients of this document who are residents or citizens of any country outside the UK is drawn to the section entitled “Restricted Shareholders” in Part 1 of this document.

Application will be made to the FCA and the London Stock Exchange for all of the Subscription Shares of the Company to be issued pursuant to the Bonus Issue to be admitted to the standard segment of the Official List and to trading on the standard segment of the London Stock Exchange’s main market. It is expected that Admission pursuant to the Bonus Issue of Subscription Shares will become effective and that dealings for normal settlement in such Subscription Shares will commence at 8.00 a.m. on 18 February 2021. All dealings in Subscription Shares will be at the sole risk of the parties concerned. The Subscription Shares will not be dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

The Company and each of the Directors, whose names appear on page 5 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

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## **CC Japan Income & Growth Trust plc**

*(Incorporated in England and Wales with company no. 9845783 and registered as an investment company under section 833 of the Companies Act 2006)*

### **PROSPECTUS AND CIRCULAR TO SHAREHOLDERS**

### **BONUS ISSUE OF SUBSCRIPTION SHARES**

### **AND**

### **NOTICE OF GENERAL MEETING TO CONSIDER PROPOSALS FOR THE BONUS ISSUE**

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Peel Hunt LLP (“**Peel Hunt**”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no-one else and will not regard any other person (whether or not a recipient of this Prospectus) as its client and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or providing any advice in relation to the Bonus Issue, the Subscription Shares or to Admission, the contents of this Prospectus, or any transaction or arrangement referred to in this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Peel Hunt does not make any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of this Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Subscription Shares, the Bonus Issue or Admission. Peel Hunt (together with its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which it might otherwise have in respect of this Prospectus or any other statement.

Notice of a General Meeting of the Company to be held at 11.00 a.m. on 15 February 2021 is set out at the end of this document. The Bonus Issue described in this document is conditional upon Shareholder approval of the Resolution at the General Meeting. Please note that as a result of the Covid-19 pandemic and associated

UK Government guidance, physical attendance at the General Meeting will not be possible. The General Meeting will be held virtually via video conference as the safety of Shareholders and of the Company's service providers is the Board's primary concern. Shareholders (other than those required to form the quorum for the General Meeting) therefore cannot attend the meeting. There will be an opportunity to ask questions in advance of the General Meeting. If Shareholders have a question relating to the business of the General Meeting, they should send it by email to [ukfundcosec@PraxisIFM.com](mailto:ukfundcosec@PraxisIFM.com). To the extent that it is appropriate to do so, the Company will respond to any questions received in a Q&A which will be posted on the Company's website [www.ccjapanincomeandgrowthtrust.com](http://www.ccjapanincomeandgrowthtrust.com) in advance of the General Meeting. Please note that all questions should be submitted by close of business on 11 February 2021 to ensure that the Company is able to respond to them in advance of the General Meeting.

Voting on the Resolution will be conducted on a poll.

Shareholders are requested to complete and return the Form of Proxy accompanying this document. To be valid, the Form of Proxy must be completed and returned in accordance with the instructions printed thereon and returned so as to be received by Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive by not later than 11.00 a.m. on 11 February 2021. Alternatively, you may register your proxy appointment electronically by visiting <https://www.signalshares.com/>. Electronic proxy appointments must also be lodged by not later than 11.00 a.m. on 11 February 2021. Given Shareholders will not be able to attend the General Meeting, Shareholders are strongly urged to appoint the Chairman of the General Meeting as their proxy to vote on their behalf. If you appoint someone else (other than the Chairman of the General Meeting) to be your proxy, this would result in your proxy not being counted since he/she will not be able to attend the General Meeting.

For Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST), to appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number RA10) by not later than 11.00 a.m. on 11 February 2021. Please refer to the accompanying notes to the notice of General Meeting at the end of this document.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 11.00 a.m. on 11 February 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

The Ordinary Shares are not, and the Subscription Shares will not be, registered under the Securities Act or under the relevant laws of any State of the United States or any state, province or territory of Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA State (which for the avoidance of doubt does not include the United Kingdom) and any other jurisdiction in which the Bonus Issue may result in the contravention of any registration or legal requirement of such jurisdiction (each a "**Restricted Territory**"). Subscription Shares issued under the Bonus Issue may not, directly or indirectly, be offered, sold, taken up, delivered or transferred in or into any Restricted Territory or to, or for the account or benefit of, US persons (as defined in Regulation S (under the Securities Act) ("**US Persons**") EXCEPT to a Shareholder that has represented and warranted to the Company (to the satisfaction of the Company at its sole discretion) that it both a qualified institutional buyer (as defined in Rule 144A) and a qualified purchaser (as defined in Section 2(a)(51) of the U.S. Investment Company Act 1940, as amended (the "**Investment Company Act**")) and that has undertaken to comply with certain transfer restrictions in relation to the Subscription Shares and Ordinary Shares as required by the Company (a "**Permitted US Shareholder**").

The Subscription Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Bonus Issue or the accuracy or adequacy of this document.

Any representation to the contrary is a criminal offence in the United States. The attention of Restricted Shareholders and other recipients of this document who are residents or citizens of any country outside the UK is drawn to the section entitled "Restricted Shareholders" in Part 1 of this document.

The Company has not been and will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of that act.

The whole text of this document should be read. The attention of potential investors is drawn in particular to the section of this document entitled "Risk Factors".

Prospective investors should inform themselves as to: (a) the possible tax consequences; (b) the legal requirements; and (c) any foreign exchange restrictions or exchange control requirements, which they might encounter under the laws of the countries of their citizenship, residence or domicile, and which might be relevant to the subscription, holding or disposal of Subscription Shares or the exercise of the Subscription Share Rights.

22 January 2021

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## SUMMARY

<b>1.</b>	<b><i>Introduction and warnings</i></b>
<b>a.</b>	<b>Name and ISIN of securities</b>
	Ordinary Shares: Ticker: CCJI. ISIN: GB00BYSRMH16 Subscription Shares: Ticker: CCJS. ISIN: GB00BM90B010
<b>b.</b>	<b>Identity and contact details of the issuer</b>
	Name: CC Japan Income & Growth Trust plc (the “ <b>Company</b> ”) (incorporated in England and Wales with registered number 9845783) Registered Office: 1 <sup>st</sup> Floor, Senator House, 85 Queen Victoria Street, London EC4V 4AB, United Kingdom Tel: +44(0) 20 4513 9260 Legal Entity Identifier (“ <b>LEI</b> ”): 549300FZANMYIORK1K98
<b>c.</b>	<b>Identity and contact details of the competent authority</b>
	Name: Financial Conduct Authority (the “ <b>FCA</b> ”) Address: 12 Endeavour Square, London, E20 1JN, United Kingdom. Tel: +44 (0) 20 7066 1000
<b>d.</b>	<b>Date of approval of the prospectus</b>
	22 January 2021
<b>e.</b>	<b>Warnings</b>
	This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where 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 securities.
<b>2.</b>	<b><i>Key information on the issuer</i></b>
<b>a.</b>	<b>Who is the issuer of the securities?</b>
<b>i.</b>	<b><i>Domicile and legal form, LEI, applicable legislation and country of incorporation</i></b> The Company is a public limited company, registered and incorporated in England and Wales under the Companies Act 2006 (the “ <b>Act</b> ”) on 28 October 2015 with registered number 9845783. The Company’s LEI is 549300FZANMYIORK1K98. The Company is registered as an investment company under section 833 of the Act and carries on its activities as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.
<b>ii.</b>	<b><i>Principal activities</i></b> The principal activity of the Company is to invest in accordance with the Company’s investment policy with a view to achieving its investment objective.
<b>iii.</b>	<b><i>Investment objective</i></b> The investment objective of the Company is to provide Ordinary Shareholders with dividend income combined with capital growth, mainly through investment in equities listed or quoted in Japan.

iv.	<p><b>Major Shareholders</b></p> <p>So far as is known to the Company, and which is notifiable under the Disclosure Guidance and Transparency Rules, as at 20 January 2021 (the “<b>Latest Practicable Date</b>”), the following persons held, directly or indirectly, 3 per cent. or more of the issued Ordinary Shares or the Company’s voting rights:</p> <table border="1" data-bbox="240 282 1442 629"> <thead> <tr> <th data-bbox="240 331 1123 371">Name</th> <th data-bbox="1139 282 1294 371">Number of Ordinary Shares</th> <th data-bbox="1294 282 1442 371">Percentage of voting rights (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="240 389 1123 416">1607 Capital Partners LLC</td> <td data-bbox="1139 389 1294 416">15,319,652</td> <td data-bbox="1294 389 1442 416">11.37</td> </tr> <tr> <td data-bbox="240 416 1123 443">Rathbone Investment Management Ltd</td> <td data-bbox="1139 416 1294 443">13,404,704</td> <td data-bbox="1294 416 1442 443">9.95</td> </tr> <tr> <td data-bbox="240 443 1123 470">City of London Investment Management Company Limited</td> <td data-bbox="1139 443 1294 470">7,013,404</td> <td data-bbox="1294 443 1442 470">5.2</td> </tr> <tr> <td data-bbox="240 470 1123 497">Close Asset Management Limited</td> <td data-bbox="1139 470 1294 497">6,778,757</td> <td data-bbox="1294 470 1442 497">5.03</td> </tr> <tr> <td data-bbox="240 497 1123 524">WM Thomson</td> <td data-bbox="1139 497 1294 524">6,454,660</td> <td data-bbox="1294 497 1442 524">4.79</td> </tr> <tr> <td data-bbox="240 524 1123 551">Charles Stanley Group PLC</td> <td data-bbox="1139 524 1294 551">5,689,763</td> <td data-bbox="1294 524 1442 551">4.22</td> </tr> <tr> <td data-bbox="240 551 1123 577">J M Finn Nominees Limited</td> <td data-bbox="1139 551 1294 577">5,455,300</td> <td data-bbox="1294 551 1442 577">4.05</td> </tr> <tr> <td data-bbox="240 577 1123 604">Derbyshire County Council</td> <td data-bbox="1139 577 1294 604">5,000,000</td> <td data-bbox="1294 577 1442 604">3.71</td> </tr> <tr> <td data-bbox="240 604 1123 629">Brooks Macdonald Asset Management Limited</td> <td data-bbox="1139 604 1294 629">4,725,154</td> <td data-bbox="1294 604 1442 629">3.51</td> </tr> </tbody> </table> <p data-bbox="240 669 1442 752">As at the Latest Practicable Date, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. All Shareholders have the same voting rights in respect of shares of the same class in the share capital of the Company.</p>	Name	Number of Ordinary Shares	Percentage of voting rights (%)	1607 Capital Partners LLC	15,319,652	11.37	Rathbone Investment Management Ltd	13,404,704	9.95	City of London Investment Management Company Limited	7,013,404	5.2	Close Asset Management Limited	6,778,757	5.03	WM Thomson	6,454,660	4.79	Charles Stanley Group PLC	5,689,763	4.22	J M Finn Nominees Limited	5,455,300	4.05	Derbyshire County Council	5,000,000	3.71	Brooks Macdonald Asset Management Limited	4,725,154	3.51
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v.	<p><b>Directors</b></p> <p>Richard Harry Wells (<i>Chairman</i>), Kate Cornish-Bowden, John Philip Henry Schomberg Scott, Mark Ian Gibson Smith and Peter Hugh Wolton.</p>																														
vi.	<p><b>Statutory auditors</b></p> <p>Ernst &amp; Young LLP of 1 More London Place, London SE1 2AF, United Kingdom</p>																														
b.	<p><b>What is the key financial information regarding the issuer?</b></p>																														
<p><b>Table 1: Additional information relevant to closed end funds</b></p>																															
Share Class	Total Net Asset Value*	No. of shares*	Net Asset Value per share*	Historical performance of the Company*																											
Ordinary Shares	£214,989,634.38	134,730,610	159.57p (including current financial year revenue items)	Since the first admission of the Company’s Ordinary Shares to: (i) the premium segment of the Official List; and (ii) trading on the London Stock Exchange’s main market, which became effective on 15 December 2015 (“ <b>First Admission</b> ”), the Company has delivered Net Asset Value and share price total returns (with dividends reinvested) of 82.12 per cent. and 60.12 per cent., respectively and the Ordinary Shares have traded at an average discount to Net Asset Value per Ordinary Share of 0.66 per cent.																											
<p>*As at the Latest Practicable Date.</p>																															

**Table 2: Income statement for closed end funds**

	Audited annual report and accounts for the year ended 31 October 2019 (£'000)	Audited annual report and accounts for the year ended 31 October 2018 (£'000)	Audited annual report and accounts for the year ended 31 October 2017 (£'000)	Unaudited interim report for the six months ended 30 April 2020 (£'000)	Comparative unaudited interim from the same period in the prior year (i.e. for the six months ended 30 April 2019) (£'000)
Net gain/(loss) on investments at fair value through profit and loss	14,083	(1,769)	18,540	(38,576)	(3,166)
Net investment income	8,671	6,693	4,361	4,743	4,215
Administrative and other expenses	(2,149)	(2,091)	(1,357)	(1,127)	(990)
Profit/(loss) before tax	20,605	2,833	21,544	(34,960)	59
Taxation	(867)	(669)	(371)	(474)	(422)
Profit/(loss) after tax	19,738	2,164	21,173	(35,434)	(363)
Profit/(loss) per Ordinary Share	14.83p	1.93p	25.53p	(26.30)p	(0.27)p

**Table 3: Balance sheet for closed end funds**

	Audited annual report and accounts for the year ended 31 October 2019 (£'000)	Audited annual report and accounts for the year ended 31 October 2018 (£'000)	Audited annual report and accounts for the year ended 31 October 2017 (£'000)	Unaudited interim report for the six months ended 30 April 2020 (£'000)
<b>Non-current assets</b>				
Investments at fair value through profit or loss	211,240	189,419	129,211	165,644
<b>Current assets</b>				
Cash and cash equivalents				
Other receivables	8,317	6,134	6,429	17,325
<b>Total assets</b>	<b>219,557</b>	<b>195,553</b>	<b>135,640</b>	<b>182,969</b>
<b>Current liabilities</b>				
Other payables	(5,431)	(4,638)	(5,495)	(8,454)
<b>Total net assets</b>	<b>214,126</b>	<b>190,915</b>	<b>130,145</b>	<b>174,515</b>
Net asset value per Ordinary Share	158.93p	148.63p	145.95p	129.53p

**c. What are the key risks that are specific to the issuer?**

- The Company may not achieve its investment objective. There is no guarantee that such objective can or will be met.
- The Company has no employees and is reliant on the performance of third party service providers. Failure by the Company's investment manager ("**Investment Manager**") or any other third party service provider to perform in accordance with the terms of its appointment could have a material detrimental impact on the operation of the Company.
- Investor returns will be dependent upon the performance of the portfolio and the Company may experience fluctuations in its operating results.
- The departure of some or all of the Investment Manager's investment professionals could prevent the Company from achieving its investment objective.
- The long-term impacts of Covid-19 are unknown, rapidly-evolving and may be materially more severe and/or more permanent than anticipated. The future development of the outbreak is highly uncertain and the outbreak could have an adverse impact, which might be materially worse and/or longer than anticipated, on the financial condition and future results of the investee companies within the Company's portfolio.



	<ul style="list-style-type: none"> <li>• The securities of small-to-medium-sized (by market capitalisation) companies may have a more limited secondary market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market.</li> <li>• The Company has no limits on the amount it may invest in any sector. This may lead to the Company having significant concentrated exposure to portfolio companies in certain business sectors from time to time.</li> <li>• There are risks associated with the Company's ability to use derivative instruments for gearing and the Company's ability to borrow. These may expose the Company to greater risk and have a materially adverse effect on the Company's performance and returns to Shareholders.</li> <li>• A failure to maintain HMRC approval as an investment trust, including as a result of a change in tax law or practice could result in the Company not being able to benefit from the current exemption for investment trusts from UK tax on chargeable gains and could affect the Company's ability to provide returns to Shareholders.</li> <li>• The Company is subject to laws and regulations enacted by European, national and local governments. As from 1 January 2021, certain elements of EU law were transposed into UK law by the European Union (Withdrawal) Act 2018 ("EUWA") and amended by secondary legislation made under EUWA. This 'on-shoring' of EU law created a new body of UK domestic law derived from EU law ("<b>Retained EU Law</b>"). It is unclear how much Retained EU Law will diverge from EU law in the future however. To the extent any change in law and regulation will affect the Company's operations, the Company may have to adapt its existing operations in order to comply with any additionally-imposed requirements, which could have an adverse effect on the value of the Company and the Shares. In such event, the investment returns of the Company could be adversely affected.</li> </ul>
<b>3.</b>	<b>Key information on the securities</b>
a.	<b>What are the main features of the securities?</b>
i.	<p><b>Type, class and ISIN of the securities being admitted to trading on a regulated market</b></p> <p>The securities that may be issued under the Bonus Issue are subscription shares of 0.1 pence each in the capital of the Company ("<b>Subscription Shares</b>").</p> <p>The ISIN of the Subscription Shares is GB00BM90B010.</p>
ii.	<p><b>Currency, denomination, par value, number of securities issued and term of the securities</b></p> <p>The Subscription Shares are denominated in pounds sterling and have a nominal value of 0.1 pence each. The Company is proposing to issue Subscription Shares to Shareholders whose names are entered on the register of members of the Company at 6.00 p.m. on the Record Date, but excluding Restricted Shareholders (being Shareholders who are resident in, or citizens of, any Restricted Territory other than a Permitted US Shareholder) ("<b>Qualifying Shareholders</b>") on the basis of 1 Subscription Share for every 5 Existing Ordinary Shares held on the Record Date, subject to the passing of the Resolution set out in the Notice of General Meeting. Up to 26,946,122 Subscription Shares will be issued by way of a Bonus Issue to Qualifying Shareholders.</p>
iii.	<p><b>Rights attached to the securities</b></p> <p>Subject to the paragraph below, Subscription Shares carry no right to any dividend or other distribution by the Company and (save to the extent that the Directors elect in connection with an exercise of Subscription Share Rights) no right to be redeemed (although the Company may elect to purchase Subscription Shares). Each Subscription Share will confer the right (but not the obligation) to subscribe for one Ordinary Share on exercise of the rights attaching to the Subscription Shares (the "<b>Subscription Share Rights</b>") and on payment of the Subscription Price, which will be equal to the unaudited published NAV per Ordinary Share as at the close of business on 15 February 2021, plus a one per cent. premium to such NAV per Ordinary Share, rounded up to the nearest whole penny.</p> <p>In the event of the winding-up of the Company prior to the exercise of the Subscription Share Rights, subject to the proviso below, each Subscription Shareholder shall be treated as if immediately before the date of the relevant order or resolution for winding-up (as the case may be) his/her/its Subscription Share Rights had been exercisable and had been exercised in full. He/she/it shall be entitled to receive out of the assets available in the liquidation <i>pari passu</i> with Ordinary Shareholders such sum as they would have received had he/she/it been the holder of the Ordinary Shares to which he/she/it would have become entitled by virtue of such subscription after deducting a sum per Subscription Share equal to the Subscription Price. The above is PROVIDED THAT in such winding-up and on the basis that all Subscription Share Rights then unexercised had been exercised in full and the Subscription Price in respect thereof at the relevant Subscription Date had been received in full by the Company there would be a surplus available for distribution amongst the Ordinary Shareholders (including for this purpose the Ordinary Shares which would arise on exercise of all the Subscription Share Rights), which surplus would, on such basis, exceed in respect of each Share a sum equal to such Subscription Price.</p> <p>Subject to the foregoing, all Subscription Share Rights shall lapse on liquidation of the Company. <b>Subject to the foregoing</b>, Subscription Shareholders have no right to share in any surplus in the event of liquidation beyond the right to be repaid the sum of 0.1 pence, being the nominal value of each Subscription Share (in respect of which conversion rights have not been exercised) held (which rights rank immediately after the rights of the Ordinary Shareholders to be repaid the nominal value of £0.01 for each Ordinary Share).</p>

	<p>Subscription Shareholders are not entitled to attend or vote at meetings of Shareholders.</p> <p>The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares (save for any such dividends declared, made or paid on the Ordinary Shares by reference to a record date prior to the issue of the relevant Ordinary Shares).</p> <p>Subject to the above, on a winding-up or a return of capital by the Company, the net assets of the Company shall be divided <i>pro rata</i> among the holders of the Ordinary Shares.</p> <p>The Ordinary Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company. The consent of the holders of Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares. The Company has no fixed life but, pursuant to the Articles, an ordinary resolution for the continuation of the Company was required to be proposed at the third AGM of the Company and must be proposed every three years thereafter. The continuation vote was passed at the third AGM of the Company in 2019. The next AGM of the Company at which such resolution shall be proposed will be in 2022. Upon any such resolution not being passed, proposals would be put forward to the effect that the Company be wound up, liquidated, reconstructed or unitised.</p>
iv.	<p><b>Relative seniority of the securities in the event of insolvency</b></p> <p>In the event of the winding-up of the Company prior to the exercise of the Subscription Share Rights, subject to the proviso below, each Subscription Shareholder shall be treated as if immediately before the date of the relevant order or resolution for winding-up (as the case may be) his/her/its Subscription Share Rights had been exercisable and had been exercised in full. He/she/it shall be entitled to receive out of the assets available in the liquidation <i>pari passu</i> with Ordinary Shareholders such sum as they would have received had he/she/it been the holder of the Ordinary Shares to which he/she/it would have become entitled by virtue of such subscription after deducting a sum per Subscription Share equal to the Subscription Price. The above is PROVIDED THAT in such winding-up and on the basis that all Subscription Share Rights then unexercised had been exercised in full and the Subscription Price in respect thereof at the relevant Subscription Date had been received in full by the Company there would be a surplus available for distribution amongst the Ordinary Shareholders (including for this purpose the Ordinary Shares which would arise on exercise of all the Subscription Share Rights), which surplus would, on such basis, exceed in respect of each Share a sum equal to such Subscription Price.</p> <p>Subject to the foregoing, all Subscription Share Rights shall lapse on liquidation of the Company. <b>Subject to the foregoing</b>, Subscription Shareholders have no right to share in any surplus in the event of liquidation beyond the right to be repaid the sum of 0.1 pence, being the nominal value of each Subscription Share (in respect of which conversion rights have not been exercised) held (which rights rank immediately after the rights of the Ordinary Shareholders to be repaid the nominal value of £0.01 for each Ordinary Share).</p> <p>Subject to the above, on a winding-up or a return of capital by the Company, the net assets of the Company shall be divided <i>pro rata</i> among the holders of the Ordinary Shares.</p>
v.	<p><b>Restrictions on free transferability of the securities</b></p> <p>There are no restrictions in the United Kingdom on the free transferability of the Subscription Shares as a class.</p>
vi.	<p><b>Dividend policy</b></p> <p>The Company intends to continue to pay dividends, in respect of the Ordinary Shares, on a semi-annual basis, with dividends normally declared in January and June and paid in March and July/August in each year, and to grow the dividend over time.</p> <p>The Company paid its dividend (interim dividend) of 1 penny per Ordinary Share on 29 July 2016.</p> <p>The Company paid its dividend of 2 pence per Ordinary Share on 29 March 2017.</p> <p>The Company paid its dividend (interim dividend) of 1.15 pence per Ordinary Share on 4 August 2017.</p> <p>The Company paid its dividend of 2.30 pence per Ordinary Share on 16 February 2018.</p> <p>The Company paid its dividend of 1.25 (interim dividend) pence per Ordinary Share on 31 July 2018.</p> <p>The Company paid its dividend of 2.50 pence per Ordinary Share on 19 March 2019.</p> <p>The Company paid its dividend of 1.40 (interim dividend) pence per Ordinary Share on 31 July 2019.</p> <p>The Company paid its dividend of 3.10 pence per Ordinary Share on 19 March 2020.</p> <p>The Company paid its dividend (interim dividend) of 1.40 pence per Ordinary Share on 24 July 2020.</p> <p>The Company declared a second interim dividend (in substitution for a final dividend) of 3.20 pence per Ordinary Share on 14 January 2021. The payment date is expected to be 5 March 2021.</p> <p>The Subscription Shares carry no right to any dividend.</p> <p>In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period.</p> <p>In order to increase the distributable reserves available to facilitate the payment of dividends, the amount standing to the credit of the share premium account of the Company immediately following completion of the Company's initial public offering on 15 December 2015 was cancelled and transferred to a special distributable reserve.</p>



	The Company may, at the discretion of the Board, pay all or part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective. Dividends will normally be funded through distributions from portfolio companies including dividends and other distributions, and taking account of share buybacks by portfolio companies. The interim dividends will not necessarily be of equal amounts because the dividends from the Company's underlying investments are expected to arrive irregularly throughout the financial year.																										
<b>b.</b>	<b>Where will the securities be traded?</b>																										
	Application will be made to the FCA and the London Stock Exchange for all of the Subscription Shares of the Company to be issued pursuant to the Bonus Issue to be admitted to the standard segment of the Official List and to trading on the standard segment of the London Stock Exchange's main market.																										
<b>c.</b>	<b>What are the key risks that are specific to the securities?</b>																										
	<ul style="list-style-type: none"> <li>• The share price of Subscription Shares may be volatile, there is no guarantee of a market value on them and the market liquidity on them may be less than the market liquidity of Ordinary Shares. Furthermore they are affected by the same risks as the Ordinary Shares.</li> <li>• The market price of the Ordinary Shares, like shares in all investment trusts, may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply of and demand for the Ordinary Shares, market conditions and general investor sentiment. Similarly, the market price of the Subscription Shares may also fluctuate and may fluctuate independently to the market price of the Ordinary Shares resulting in a dislocation between the market prices of the Ordinary Shares and Subscription Shares.</li> <li>• Market liquidity in the shares of investment trusts is sometimes less than market liquidity in shares issued by larger companies traded on the London Stock Exchange. There can be no guarantee that a liquid market in the Ordinary Shares will be maintained or will exist for the Subscription Shares. Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price (or at the prevailing Net Asset Value per Ordinary Share) or their Subscription Shares at the quoted market price or, in either case, at all.</li> <li>• The allotment of the Subscription Shares will mean that the equivalent of 20 per cent. of the Company's issued ordinary share capital is under option immediately following the Bonus Issue. On each occasion the Subscription Shares Rights are exercised this will dilute the ordinary shareholding of any Ordinary Shareholders who do not exercise a corresponding proportion of the Subscription Share Rights attaching to their Subscription Shares or who have sold their Subscription Shares.</li> </ul>																										
<b>4.</b>	<b>Key information on the admission to trading on a regulated market</b>																										
<b>a.</b>	<b>Under which conditions and timetable can I invest in this security?</b>																										
<b>i.</b>	<p><b>General terms and conditions</b></p> <p>The Company is seeking authority to issue up to 26,946,122 Subscription Shares to Qualifying Shareholders pursuant to the Bonus Issue.</p> <p>The Bonus Issue is conditional on the Resolution at the General Meeting being passed and Admission becoming effective at 8.00 a.m. on 18 February 2021 (or such later time and date as the Company, the Investment Manager and Peel Hunt LLP may agree).</p>																										
<b>ii.</b>	<p><b>Expected Timetable</b></p> <table> <tr> <td>Publication of the Prospectus</td> <td>22 January 2021</td> </tr> <tr> <td>General Meeting to approve the Bonus Issue</td> <td>15 February 2021</td> </tr> <tr> <td></td> <td>Close of business on 15 February 2021</td> </tr> <tr> <td>Subscription Price of Subscription Shares calculated</td> <td>2021</td> </tr> <tr> <td>Record Date for the Bonus Issue</td> <td>6.00 p.m. on 15 February 2021</td> </tr> <tr> <td>Announcement of the Subscription Price</td> <td>16 February 2021</td> </tr> <tr> <td>Ex-date for the Bonus Issue</td> <td>18 February 2021</td> </tr> <tr> <td>Admission of the Subscription Shares to the standard segment of the Official List and dealings in the Subscription Shares commence</td> <td>18 February 2021</td> </tr> <tr> <td>Crediting of CREST stock accounts in respect of the Subscription Shares</td> <td>18 February 2021</td> </tr> <tr> <td></td> <td>Week commencing 22 February 2021</td> </tr> <tr> <td>Share certificates despatched in respect of the Subscription Shares</td> <td>2021</td> </tr> <tr> <td>First date on which Subscription Share Rights can be exercised</td> <td>31 May 2021</td> </tr> <tr> <td>Final date on which Subscription Share Rights can be exercised</td> <td>Last business day in February 2023</td> </tr> </table>	Publication of the Prospectus	22 January 2021	General Meeting to approve the Bonus Issue	15 February 2021		Close of business on 15 February 2021	Subscription Price of Subscription Shares calculated	2021	Record Date for the Bonus Issue	6.00 p.m. on 15 February 2021	Announcement of the Subscription Price	16 February 2021	Ex-date for the Bonus Issue	18 February 2021	Admission of the Subscription Shares to the standard segment of the Official List and dealings in the Subscription Shares commence	18 February 2021	Crediting of CREST stock accounts in respect of the Subscription Shares	18 February 2021		Week commencing 22 February 2021	Share certificates despatched in respect of the Subscription Shares	2021	First date on which Subscription Share Rights can be exercised	31 May 2021	Final date on which Subscription Share Rights can be exercised	Last business day in February 2023
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<b>iii.</b>	<p><b>Details of admission to trading on a regulated market</b></p> <p>Currently, the Ordinary Shares which are already in issue are listed on the premium segment of the Official List of the FCA and are traded on the premium segment of the London Stock Exchange's main market. The Company is seeking to issue Subscription Shares to Qualifying Shareholders pursuant to the Bonus Issue.</p>																										

	Application will be made to the FCA and the London Stock Exchange for all of the Subscription Shares of the Company to be issued pursuant to the Bonus Issue to be admitted to the standard segment of the Official List and to trading on the standard segment of the London Stock Exchange's main market.
iv.	<p><b>Plan for distribution</b></p> <p>The Company is proposing to issue Subscription Shares to Qualifying Shareholders whose names are entered on the register of members of the Company at 6.00 p.m. on the Record Date, but excluding Restricted Shareholders, on the basis of 1 Subscription Share for every 5 Existing Ordinary Shares held on the Record Date, subject to the passing of the Resolution set out in the Notice of General Meeting. Up to 26,946,122 Subscription Shares will be issued by way of a Bonus Issue to Qualifying Shareholders only.</p>
v.	<p><b>Amount and percentage of immediate dilution resulting from the issue</b></p> <p>Pursuant to the Bonus Issue, each Qualifying Shareholder will be issued with one Subscription Share for every five Existing Ordinary Shares held by such Qualifying Shareholder on the Record Date. If a Qualifying Shareholder exercises all of his Subscription Share Rights before the Final Subscription Date, his percentage interest in the ordinary share capital of the Company as at the Final Subscription Date should not be reduced below his percentage interest in the ordinary share capital of the Company immediately prior to the Bonus Issue. A Qualifying Shareholder's shareholding may, however, be diluted during the period ending on the Final Subscription Date, depending on how many Subscription Share Rights that Shareholder chooses to exercise on each Subscription Date, and the difference between the Subscription Price and the Net Asset Value per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to each exercise of Subscription Share Rights. As Restricted Shareholders will not receive Subscription Shares pursuant to the Bonus Issue, such Shareholders may be diluted by up to 20 per cent., of their respective shareholdings, depending on the aggregate number of Subscription Share Rights which are exercised on or before the Final Subscription Date.</p>
vi.	<p><b>Estimate of the total expenses of the issue</b></p> <p>The Company's fixed expenses in connection with the Bonus Issue are expected to amount to £404,716, inclusive of VAT and £354,680 exclusive of VAT. These expenses will be borne by the Company and will be taken into account in the Company's Net Asset Value with effect from the date of this Prospectus.</p>
vii.	<p><b>Estimated expenses charged to the investor</b></p> <p>The fixed expenses in connection with the Bonus Issue will be borne by the Company and will be taken into account in the Company's Net Asset Value with effect from the date of this Prospectus.</p>
b.	<b>Why is this prospectus being produced?</b>
i.	<p><b>Reasons for the Bonus Issue</b></p> <p>The Bonus Issue of Subscription Shares is proposed because the Directors believe that Subscription Shares should represent an attractive way for Qualifying Shareholders to participate in any future growth of the Company by giving Qualifying Shareholders the right to convert the Subscription Shares into Ordinary Shares at a predetermined price.</p>
ii.	<p><b>The use and estimated net amount of the proceeds</b></p> <p>This is a Bonus Issue of Subscription Shares to Qualifying Shareholders. <b>The Company is not seeking a further fundraise under this Prospectus.</b> The net proceeds resulting from the exercise of any Subscription Share Rights (thereby converting any Subscription Shares into Ordinary Shares) will be invested in accordance with the investment objective and policy of the Company.</p>
iii.	<p><b>Underwriting</b></p> <p>The Bonus Issue is not underwritten.</p>
iv.	<p><b>Material conflicts of interest</b></p> <p>As at the date of this Prospectus, there are no interests that are material to the Bonus Issue.</p>

## RISK FACTORS

Any investment in the Company involves a degree of risk. Accordingly, investors should consider carefully all of the information set out in this Prospectus and the risks attaching to an investment in the Company, including, in particular, the risks described below.

The Directors believe that the risks described below are the material risks relating to the Company at the date of this Prospectus. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Prospectus, may also have an adverse effect on the performance of the Company. Investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before investing. Furthermore, if Shareholders are in doubt as to the consequences of acquiring, holding or disposing of the Subscription Shares or exercising the Subscription Share Rights they should consult an independent financial adviser authorised under the FSMA.

As required by the Prospectus Regulation, the risk that the Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, has been set out first. Given the forward-looking nature of the risks, there can be no guarantee that any such risk is, in fact, the most material or the most likely to occur. Investors and Shareholders should, therefore, review and consider each risk.

### 1. RISKS RELATING TO THE COMPANY

#### **The Company may not meet its investment objective**

The Company may not achieve its investment objective. There is no guarantee that such objective can or will be met. The Company's investment objective includes the aim of providing Ordinary Shareholders with a dividend income. There is no guarantee that any dividends will be paid in respect of any financial year or period. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Company's portfolio of investments. There can be no guarantee that the Company's portfolio will not sustain any capital losses through its investments.

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

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company is reliant upon the performance of third party service providers for its executive function. In particular, the Investment Manager, the Administrator, the Depositary and the Registrar will be performing services that are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

The past performance of the Company and other investments managed or advised by the Investment Manager or the Investment Manager's investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy. The success of the Company will depend *inter alia* on the Investment Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Investment Manager to apply its investment processes in a way that is capable of identifying suitable investments for the Company to invest in. There can be no assurance that the Investment Manager will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

#### **Investor returns will be dependent upon the performance of the portfolio and the Company may experience fluctuations in its operating results**

Market value of the Company's shares can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the Company's portfolio. The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the amount of distributions, dividends or interest paid by companies in the portfolio, changes in the Company's

operating expenses and the operating expenses of the Investment Manager, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Company's share and cause the Company's results for a particular period not to be indicative of its performance in a future period.

## **2. RISKS RELATING TO THE INVESTMENT MANAGER**

### **The departure of some or all of the Investment Manager's investment professionals could prevent the Company from achieving its investment objective**

The Company depends on the diligence, skill and judgment of the Investment Manager's investment professionals and the information and ideas they generate during the normal course of their activities. The Company's future success depends on the continued service of these individuals, who are not obliged to remain employed with the Investment Manager, and the Investment Manager's ability to recruit, retain and motivate new talented personnel. However, the Investment Manager may not be successful in its efforts to recruit, retain and motivate the required personnel as the market for qualified investment professionals is extremely competitive. The departure of any of these individuals without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations. Accordingly, the ability of the Company to achieve its investment objective depends heavily on the experience of the Investment Manager's investment professionals. As such, the Company may not achieve its investment objective.

### **There can be no assurance that the Directors will be able to find a replacement manager if the Investment Manager resigns**

Under the terms of the Management Agreement, the Investment Manager may resign by giving the Company not less than six months' written notice. The Investment Manager shall, from the date such notice takes effect, cease to make investment decisions on behalf of the Company. The Directors would, in these circumstances, have to find a replacement manager for the Company and there can be no assurance that such a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company. In this event, the Directors would have to formulate and put forward to Shareholders proposals for the future of the Company, which may include its merger with another investment company, reconstruction or winding-up.

### **The Investment Manager may allocate some of its resources to activities in which the Company is not engaged, which could have a negative impact on the Company's ability to achieve its investment objective**

The Investment Manager is not required to commit all of its resources to the Company's affairs. Insofar as the Investment Manager devotes resources to its responsibilities to other business interests, its ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, Net Asset Value and Ordinary Share price.

### **The Investment Manager and its affiliates may provide services to other clients which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of its activities on behalf of the Company**

The Investment Manager and its affiliates are involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager manages funds other than the Company and may provide investment management, investment advisory or other services in relation to these funds or future funds which may have similar investment policies to that of the Company.

The Investment Manager and its affiliates may carry on investment activities for their own accounts and for other accounts in which the Company has no interest. The Investment Manager and its affiliates also provide management services to other clients, including other collective investment vehicles. The Investment Manager and its affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar.

### **3. RISKS RELATING TO THE COMPANY'S INVESTMENTS**

#### **The long-term impacts of Covid-19 are unknown, rapidly-evolving and may be materially more severe and/or more permanent than anticipated**

On 11 March 2020, the World Health Organisation announced that the outbreak of Covid-19 (commonly referred to as Coronavirus) had been declared a global pandemic. The long-term impacts of the outbreak are unknown and rapidly evolving. A widespread health crisis has adversely affected the Japanese and global economy, resulting in a decline in financial markets. The long-term impacts of the outbreak are unknown and rapidly evolving.

Whilst the extent of the impact will depend on the continued range of the virus, infection rates, the severity and mortality rates of the virus, the efficacy of and timing of regulatory approvals of vaccines and/or therapeutics in development, the steps taken nationally and internationally to prevent the spread of the virus as well as fiscal and monetary stimuli which may be offered by the Japanese government and governments globally, it is difficult to accurately predict the effects these factors may have on the investee companies within the Company's portfolio and on the Company.

The future development of the pandemic is highly uncertain and the outbreak could continue to have an adverse impact, which might be materially worse and/or longer than anticipated, on the financial condition and future results of the investee companies within the Company's portfolio.

Small-to-medium-sized companies may not have the financial strength, diversity and resources which larger companies may have and there may be a higher risk that these companies will find it more difficult to operate during the Covid-19 crisis, as well as in periods of economic slowdown and recession. The risk of bankruptcy of such companies is also generally higher. Therefore, investment in such companies could be riskier than investments in larger companies and the deterioration in the financial condition or bankruptcy of such companies may result in greater volatility in the Company's NAV and may materially and adversely affect the performance of the Company and returns to Shareholders.

The Covid-19 crisis may result in significant social changes and/or changes in consumer, social and other behaviours which could have a material adverse impact on certain industry sectors. Any social changes and/or changes in behaviours mentioned above could particularly materially affect a sector (or sectors) to which the Company may have a significant exposure. Should this occur, this could materially adversely affect the performance of the Company, the NAV and the returns to Shareholders.

#### **There are risks associated with investments in securities of small-to-medium-sized (by market capitalisation) companies**

The securities of small-to-medium-sized (by market capitalisation) companies may have a more limited secondary market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they can be more vulnerable to adverse market factors such as unfavourable economic reports.

#### **There are risks associated with the Company not having a limit on the amount it may invest in any sector**

The Company has no limits on the amount it may invest in any sector. This may lead to the Company having significant concentrated exposure to portfolio companies in certain business sectors from time to time. Concentration of investments in any one sector may result in greater volatility in the value of the Company's investments which may materially and adversely affect the performance of the Company and returns to Shareholders.

#### **There are risks associated with the Company's ability to use derivative instruments for gearing and the Company's ability to borrow**

The Company's investment policy permits the utilisation of long only contracts for difference or equity swaps for gearing and efficient portfolio management purposes. The Company also permits the use of borrowings. The Company currently utilises long only contracts for difference for gearing and efficient portfolio management purposes. Leverage may be generated through the use of contracts for difference (or equity swaps). Such financial instruments inherently contain greater



leverage than a non-margined purchase of the underlying security or instrument. This is due to the fact that, generally, only a very small portion (and in some cases none) of the value of the underlying security or instrument is required to be paid in order to make such leveraged investments. As a result of any leverage employed by the Company, small changes in the value of the underlying assets may cause a relatively large change in the Net Asset Value of the Company. Many such financial instruments are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions. Where the Company utilises contracts for difference (or equity swaps), it is likely to take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. Accordingly, the Company's use of contracts for difference (or equity swaps) may expose the Company to greater risk and have a materially adverse effect on the Company's performance and returns to Shareholders.

As mentioned above, the Company permits the use of borrowings. While the use of borrowings can enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is lower than the cost of borrowing, further reducing the total return on the Ordinary Shares. As a result, the use of borrowings/leverage by the Company may increase the volatility of the Net Asset Value per Ordinary Share. The Company has an overdraft facility agreement with The Northern Trust Company, London Branch, under which the Company has access to an unsecured, uncommitted line of credit of up to £12,000,000.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the price of an Ordinary Share). Any reduction in the number of Ordinary Shares in issue (for example, as a result of buybacks) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

The Company will pay interest on its borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.

#### **The Company is exposed to currency risk**

The majority of the Company's assets are denominated in a currency other than Sterling (predominantly in Yen) and changes in the exchange rate between Sterling and Yen may lead to a depreciation of the value of the Company's assets as expressed in Sterling and may reduce the returns to the Company from its investments and, therefore, negatively impact the level of dividends paid to Shareholders. The Company does not, and does not currently intend to, hedge against such exchange rate risk.

#### **The Company is exposed to credit risk**

Cash and other assets that are required to be held in custody will be held by the Depositary or its sub-custodians. Cash and other assets may not be treated as segregated assets and will therefore not be segregated from any custodian's own assets in the event of the insolvency of a custodian.

Cash held with any custodian will not be treated as client money subject to the rules of the FCA and may be used by a custodian in the course of its own business. The Company will therefore be subject to the creditworthiness of its custodians. In the event of the insolvency of a custodian, the Company will rank as a general creditor in relation thereto and may not be able to recover such cash in full, or at all.



**The Company is subject to risks associated with changes in economic conditions**

Changes in economic conditions in Japan (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events and other factors) and in the countries in which the Company's investee companies operate could substantially and adversely affect the Company's prospects.

**There are risks associated with investments in J-REITs**

The Company may invest in J-REITs. Investing in real estate investment trusts involves many of the same risks associated with direct ownership of real estate, such as declines in market value, shortages of mortgage funds, changes in applicable laws, overbuilding and defaults by tenants and borrowers. Real estate investment trusts are subject to leverage risk when they borrow to finance acquisitions. The properties owned or leased by J-REITs may be subject to risks that are specific to certain industries or geographic regions. In addition, many real estate companies, including J-REITs, utilise leverage (and some may be highly leveraged), which increases stock market risk. J-REITs are subject to complex tax regulation in Japan and a failure to comply with those requirements could disqualify the J-REIT from special tax benefits and reduce the amount available for distribution to J-REIT investors such as the Company.

**The Company does not follow any benchmark**

The Company does not follow any benchmark. Accordingly, the portfolio of investments held by the Company will not mirror the stocks and weightings that constitute any particular index or indices, which may lead to the Ordinary Shares failing to follow either the direction or extent of any moves in the financial markets generally (which may or may not be to the advantage of Shareholders). The Ordinary Shares and Subscription are an unsuitable investment for those who seek investments in some way correlated to a stock market index.

**There are risks associated with investments in exchange traded funds**

The Company may invest in exchange traded funds, although to date, the Company has never invested in exchange traded funds. Exchange traded funds represent a basket of securities that are traded on an exchange and may not necessarily trade at the net asset value of their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio. The Company will bear its *pro rata* share of the expenses (including any management fees) of any exchange traded funds in which the Company invests.

**The value of Japanese equities may be affected by factors and events not typically associated with investments in the United Kingdom**

The value of Japanese equities may be affected by factors and events not typically associated with investments in the United Kingdom and which may be outside the control of the Company and its advisers. Such events may affect the performance of particular investments or the Japanese stock markets and the value of Japanese equities generally, thereby affecting the profitability of the Company. For example, Japan is in a major earthquake zone and has had a history of earthquakes and natural disasters. The occurrence of natural disasters in Japan (such as the tsunami which damaged the Fukushima power plant in March 2011) could substantially and adversely affect the value of the Company's assets. Furthermore, conflict, or the threat of conflict, in the Asia Pacific region could affect Japan and could substantially and adversely affect the value of the Company's assets.

**There are risks associated with investments in unquoted or untraded companies**

The Company has the flexibility to invest up to 10 per cent. of its Gross Assets at the time of investment in unquoted or untraded companies. To date, the Company has never invested in unquoted or untraded companies. Should it do so in the future, such investments, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed and quoted securities and they may be more difficult to realise.

In comparison with listed and quoted investments, unquoted and untraded companies are subject to further particular risks, including that such companies: (a) may be subject to a higher risk of default under financing and contractual arrangements, leading to severe adverse consequences for those

companies and the value of the Company's investment in them; (b) may have limited financial resources and reduced access to financing sources; (c) may have shorter operating histories, narrower product lines and smaller market shares, rendering them more vulnerable to competitors' actions and market conditions, as well as general economic downturns; (d) are more likely to depend on the management talents and efforts of a founder or small group of persons and, if any such persons were to cease to be involved in the management or support of such companies, this could have a material adverse impact on their business and prospects and the investment in them made by the Company; (e) generally have less predictable operating results and may require significant additional capital to support their operations, expansion or competitive position; and (f) may remain unquoted or untraded and may therefore be difficult to value and/or realise.

Investment in the securities of smaller companies may involve greater risks than is customarily associated with investments in larger, more established companies. In particular, such companies may often have limited product offerings, markets or financial resources and may be dependent on a small number of key individuals. Investments made by the Company in unquoted or untraded securities may rank behind investments made by others, which may mean that more senior ranking investors take actions outside the control of the Company which are adverse to the interests of the Company, and may adversely affect the performance of the Company and returns to Shareholders.

#### **4. RISKS RELATING TO THE SHARES**

##### **Risks relating to the Subscription Shares**

###### **Price volatility of Subscription Shares**

Subscription Shares represent a geared investment, so a relatively small movement in the market price of the Ordinary Shares may result in a disproportionately large movement, unfavourable or favourable, in the market price of the Subscription Shares. The market price of the Subscription Shares may therefore be volatile.

###### **Realisable value of Subscription shares**

The market price of the Subscription Shares will be determined by market forces (including the NAV and market price of an Ordinary Share) and there is no guarantee that they will have a market value. The published market price of the Subscription Shares will typically be their mid-market price. Due to the potential difference between the mid-market price of the Subscription Shares and the price at which Subscription Shares can be sold, there is no guarantee that the realisable value of the Subscription Shares will reflect their published market price.

###### **The market liquidity of Subscription Shares may be less than the market liquidity of Ordinary Shares**

Although Subscription Shares are tradable securities, market liquidity of Subscription Shares may be less than the market liquidity of Ordinary Shares. It is possible that there may not be a liquid market in the Subscription Shares and investors may have difficulty in selling such securities.

###### **Ordinary Share risks**

The Subscription Shares, in so far as they give an entitlement to subscribe for Ordinary Shares, are affected by the same risk factors as the Ordinary Shares as set out in this section headed "Risks relating to the Ordinary Shares".

However, although the price of the Subscription Shares is linked to the price of the Ordinary Shares, the price of a Subscription Share may not follow that of an Ordinary Share because of other factors contributing to their respective prices, for example supply and demand. Further, the price of a Subscription Share is affected by factors that do not affect the Ordinary Share price, such as the remaining duration of the Subscription Share Rights.

###### **Suspension of trading risks**

The Company has applied for the Subscription Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange and to listing on the standard segment of the Official List of the FCA. The London Stock Exchange has the right to suspend or limit trading in a company's securities. Any suspension or limitation on trading in the Subscription Shares may affect the ability of the Shareholders to realise their investments.

***Shareholders in certain jurisdictions may not be able to participate in the Bonus Issue and may not be able to exercise Subscription Share Rights***

The Ordinary Shares are not, and the Subscription Shares will not be, registered under the Securities Act, and the Company has not been, and will not be, registered under the Investment Company Act. Restricted Shareholders will not receive Subscription Shares pursuant to the Bonus Issue, and Restricted Persons will not be able to exercise Subscription Share Rights. In addition, securities laws of certain jurisdictions (such as the United States) may restrict the Company's ability to allow participation by Shareholders in the Bonus Issue. In particular, Shareholders that are US Persons or are located in the United States will not be able to exercise their rights to participate in the Bonus Issue and will not be able to exercise Subscription Share Rights, unless they are Permitted US Shareholders.

**Risks relating to the Ordinary Shares**

**The Ordinary Shares are subject to discount risks**

The price of shares in an investment trust is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The price of shares can therefore fluctuate and may represent a discount or premium to the net asset value per share. This discount or premium is itself variable as conditions for supply and demand for a company's shares change. This can mean that the share price can fall when the net asset value per share rises, or *vice versa*.

Fluctuations in the share price could also result from a change in national and/or global economic and financial conditions, general investor sentiment, the actions of governments in relation to changes in the national and global financial climate or taxation and various other factors and events, including variations in the Company's operating results, business developments of the Company and/or its competitors. Stock markets have experienced significant price and volume fluctuations in the past that have affected market prices for securities.

The price of an Ordinary Share may also be affected by speculation in the press or investment community regarding the business or investments of the Company or factors or events that may directly or indirectly affect its investments.

Similarly, the market price of the Subscription Shares may also fluctuate and may fluctuate independently to the market price of the Ordinary Shares resulting in a dislocation between the market prices of the Ordinary Shares and Subscription Shares.

**The Shares are subject to liquidity risks**

The Company is a closed-ended vehicle. Accordingly, Shareholders have no right to have their Ordinary Shares (or Subscription Shares) repurchased by the Company at any time. Shareholders wishing to realise their investment in the Company will therefore be required to dispose of their Ordinary Shares (or Subscription Shares) on the stock market.

Market liquidity in the shares of investment trusts is sometimes less than market liquidity in shares issued by larger companies traded on the London Stock Exchange. There can be no guarantee that a liquid market in the Ordinary Shares will be maintained or will exist for the Subscription Shares. Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price (or at the prevailing Net Asset Value per Ordinary Share) or their Subscription Shares at the quoted market price or, in either case, at all.

**The allotment of the Subscription Shares will mean that on each occasion the Subscription Shares Rights are exercised this will dilute the ordinary shareholding of any Ordinary Shareholders who do not exercise a corresponding proportion of the Subscription Share Rights**

The allotment of the Subscription Shares will mean that the equivalent of 20 per cent. of the Company's issued ordinary share capital is under option immediately following the Bonus Issue. On each occasion the Subscription Shares Rights are exercised this will dilute the ordinary shareholding of any Ordinary Shareholders who do not exercise a corresponding proportion of the Subscription Share Rights attaching to their Subscription Shares or who have sold their Subscription Shares. However, if a Shareholder continues to hold the Subscription Shares issued to him pursuant to the Bonus Issue and exercises his Subscription Share Rights before their expiry, that Shareholder's percentage interest in the ordinary share capital of the Company will not ultimately be

reduced below his percentage interest in the ordinary share capital of the Company immediately prior to the Bonus Issue. If the NAV per Ordinary Share at the time of exercise of the Subscription Share Rights exceeds the applicable Subscription Price, the issue of the Ordinary Shares upon such exercise will also have a dilutive effect on the NAV per Ordinary Share. The extent of such dilution will depend on the number of Subscription Shares which are converted on each occasion and the difference between the Subscription Price and the NAV per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to the exercise of the Subscription Share Rights.

## **5. RISKS RELATING TO TAXATION AND REGULATION**

### **A failure to maintain HMRC approval as an investment trust, including as a result of a change in tax law or practice could result in the Company not being able to benefit from the current exemption for investment trusts from UK tax on chargeable gains and could affect the Company's ability to provide returns to Shareholders**

It is the intention of the Directors to conduct the affairs of the Company so as to continue to satisfy the conditions for approval as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010. A failure to maintain HMRC approval as an investment trust, including as a result of a change in tax law or practice could result in the Company not being able to benefit from the current exemption for investment trusts from UK tax on chargeable gains and could affect the Company's ability to provide returns to Shareholders. It is not possible to guarantee that the Company will remain a company that is not a close company for UK tax purposes, which is a requirement to maintain status as an investment trust, as the Ordinary Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for approval as an investment trust company, will, as soon as reasonably practicable, notify Shareholders of this fact.

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company.

Changes in taxation legislation or practice, whether in the UK or elsewhere, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investments in the Company (including rates of tax and availability of reliefs).

Investors should consult their tax advisers with respect to their own particular tax circumstances and the tax effects of an investment in the Company. Statements in this Prospectus concerning the taxation of investors or prospective investors in Shares are based upon current tax law and tax authority practice, each of which is, in principle, subject to change. The value of particular tax reliefs, if available, will depend on each Shareholder's particular circumstances. This Prospectus does not constitute tax advice and must not therefore be treated as a substitute for independent tax advice.

### **Changes in laws or regulations governing the Company's operations may adversely affect the Company's business**

The Company is subject to laws and regulations enacted by European, national and local governments. As from 1 January 2021, certain elements of EU law were transposed into UK law by the EUWA and amended by secondary legislation made under EUWA. This 'on-shoring' of EU law created a new body of UK domestic law derived from EU law ("**Retained EU Law**"). It is unclear how much Retained EU Law will diverge from EU law in the future however. To the extent any change in law and regulation will affect the Company's operations, the Company may have to adapt its existing operations in order to comply with any additionally-imposed requirements, which could have an adverse effect on the value of the Company and the Shares. In such event, the investment returns of the Company could be adversely affected.

### **The Company is subject to due diligence and reporting obligations which may be onerous**

The UK has entered into a number of international arrangements which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, FATCA, the Common Reporting Standard (CRS), the EU Directive on Administrative Cooperation in Tax Matters, and a number of other arrangements with particular jurisdictions. In connection with agreements and arrangements of this kind, the Company may, among other things,

be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to the authorities in other jurisdictions. Failure of the Company to comply with these obligations, which may be onerous, may result in fines being imposed on the Company and, in such event, the target returns of the Company may be affected.

**The Company may be adversely affected by the UK's exit from the European Union**

The UK left the European Union on 31 January 2020 ("**Brexit**"), following which a UK-EU withdrawal agreement came into force and the UK entered into an 11 month transition period (the "**Transition Period**"). During the Transition Period, most EU law continued to apply to, and in, the UK and the UK continued to be treated for most purposes as if it were still an EEA Member State. The Transition Period ended on 31 December 2020.

Whilst the UK and the EU have concluded a Trade and Cooperation Agreement on the terms of their relationship following the end of the Transition Period, and whilst the Company's assets are invested in Japanese equities – and therefore the macroeconomic effect of Brexit on the value of investments of the Company is likely to be limited, as at the date of this Prospectus, it is not possible to accurately predict the effect which Brexit may have on the value of the Company's portfolio or on the Sterling/Yen exchange rate. Brexit could also make it potentially more difficult for the Company to raise capital in the European Union and/or increase the regulatory compliance burden on the Company. This could restrict the Company's future activities and thereby negatively affect returns to Shareholders.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 11 February 2021
General Meeting to approve the Bonus Issue	11.00 a.m. on 15 February 2021
Subscription Price of Subscription Shares calculated	Close of business on 15 February 2021
Record Date for the Bonus Issue	6.00 p.m. on 15 February 2021
Announcement of the Subscription Price	16 February 2021
Ex-date for the Bonus Issue <sup>1</sup> (“ <b>Ex-Date</b> ”)	18 February 2021
Admission of the Subscription Shares to the standard segment of the Official List and dealings in the Subscription Shares commence	18 February 2021
Crediting of CREST stock accounts in respect of the Subscription Shares	18 February 2021
Share certificates despatched in respect of Subscription Shares	Week commencing 22 February 2021
First date on which Subscription Share Rights can be exercised	31 May 2021
Final date on which Subscription Share Rights can be exercised	Last business day in February 2023

*The dates and times specified (save for the time and date of the General Meeting) may be adjusted subject to agreement between the Company, the Investment Manager and Peel Hunt. All references to times in this Prospectus are to London time unless otherwise stated. Any changes to the expected timetable will be notified by the Company via a Regulatory Information Service. All references to time in this document are reference to London time.*

## DEALING CODES

The dealing codes for the Subscription Shares will be as follows:

ISIN	GB00BM90B010
SEDOL	BM90B01
Ticker	CCJS

The dealing codes for the Ordinary Shares are as follows:

ISIN	GB00BYSRMH16
SEDOL	BYSRMH1
Ticker	CCJI

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<sup>1</sup> Please note that, whilst the Record Date for the Bonus Issue will be 6.00 p.m. on 15 February 2021, the ex-date for the Bonus Issue will be 18 February 2021. Unless the counterparties specifically agree otherwise, a buyer of the Company's Ordinary Shares ahead of the Ex-Date will assume the benefit to the Subscription Shares, and the seller would need to pass the benefit to the buyer, even if the seller is the registered holder of such Ordinary Shares at the Record Date.



## IMPORTANT NOTICES

Shareholders should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Shareholders should inform themselves as to: (a) the legal requirements within their own countries for the holding, transfer or other disposal of Subscription Shares and the exercise of the Subscription Share Rights; (b) any foreign exchange restrictions applicable to the holding, transfer or other disposal of Subscription Shares and the exercise of the Subscription Share Rights which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the holding, transfer or other disposal of Subscription Shares or the exercise of the Subscription Share Rights. Shareholders must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

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.

**The Subscription Shares, the Subscription Share Rights and the Ordinary Shares to be issued upon exercise of the Subscription Share Rights have not been and will not be registered under the Securities Act. The Subscription Shares, the Subscription Share Rights and the Ordinary Shares to be issued upon exercise of Subscription Share Rights are only being offered outside the United States to non-US Persons and to Permitted US Shareholders. The Subscription Shares, the Subscription Share Rights and the Ordinary Shares to be issued upon exercise of the Subscription Share Rights may not be offered, sold, resold or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons.**

### Forward-looking statements

This Prospectus contains forward-looking statements including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, “should”, “could” 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, financial condition, performance or achievement of the Company, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

Given these uncertainties, Shareholders are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements apply only as at the date of this Prospectus. Subject to its legal and regulatory obligations (including under the Prospectus Regulation Rules), the Company expressly disclaims any obligations 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 unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Regulation Rules and the Disclosure Guidance and Transparency Rules.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 4 of Part 3 of this document.

The Directors have considered the requirements of the MiFID II Delegated Regulation in relation to the Subscription Shares and the Subscription Shares should be considered “complex” under MiFID II for the purpose of acquisitions of the Subscription Shares on the secondary market.

Without limitation, neither the contents of the Company’s website nor the Investment Manager’s website, nor the contents of any website accessible from hyperlinks on the Company’s website or on the Investment Manager’s website, is/are incorporated into, or form(s) part of, this Prospectus.

Throughout this document, words denoting any gender (e.g. “he”, “she”, “it”, “him”, “his”, “her” or “its”) shall include all genders (including without limitation masculine, feminine and/or neuter).

### Information to Distributors

Solely for the purposes of the product governance requirements contained within Chapter 3 of the Product Intervention and Product Governance Sourcebook of the FCA (the “**Product Governance**”

**Requirements**”), and disclaiming all and any liability whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Subscription Shares have been subject to a product approval process, which has determined that: (i) such securities are compatible with an end target market of retail clients investing through services with a suitability and appropriateness assessment, professional clients and eligible counterparties, each as defined in MiFID II; (ii) all distribution channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Subscription Shares to retail clients are appropriate: investment advice and portfolio management, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the Product Governance Requirements) should note that: the market price of the Subscription Shares may decline and investors could lose all or part of their investment; the Subscription Shares offer no income and no capital protection; and an investment in the Subscription Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory restrictions in relation to the Bonus Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt will not be procuring any investors since this is a Bonus Issue of Subscription Shares to Qualifying Shareholders only. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Subscription Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Subscription Shares and determining appropriate distribution channels.

It is acknowledged that, subject to the Bonus Issue becoming unconditional, each Qualifying Shareholder will be issued with one Subscription Share for every five Existing Ordinary Shares held by him/her/it on the Record Date by way of a Bonus Issue of such Subscription Shares to him/her/it.

## DIRECTORS AND ADVISERS

Directors	Richard Harry Wells ( <i>Chairman</i> ) Kate Cornish-Bowden John Philip Henry Schomberg Scott Mark Ian Gibson Smith Peter Hugh Wolton  <i>all independent, non-executive and of the registered office below</i>
Registered Office	1 <sup>st</sup> Floor, Senator House 85 Queen Victoria Street London EC4V 4AB Telephone: +44(0) 20 4513 9260
Investment Manager and AIFM	Coupland Cardiff Asset Management LLP 31-32 St James's Street 5 <sup>th</sup> Floor London SW1A 1HD
Company Secretary and Administrator	PraxisIFM Fund Services (UK) Limited 1 <sup>st</sup> Floor, Senator House 85 Queen Victoria Street London EC4V 4AB
Financial Adviser	Peel Hunt LLP 100 Liverpool Street London EC2M 2AT
English Legal Advisers to the Company	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
US Legal Advisers to the Company	Proskauer Rose (UK) LLP 110 Bishopsgate London EC2N 4AY
English Legal Advisers to the Financial Adviser	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Auditors and Reporting Accountant	Ernst & Young LLP 1 More London Place London SE1 2AF
Registrar	Link Market Services Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

Receiving Agent

Link Group  
Corporate Actions  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

Depositary

Northern Trust Global Services SE  
10 Rue du Château d'Eau  
L-3364 Leudelange  
Grand-Duché de Luxembourg

## PART 1

### LETTER FROM THE CHAIRMAN

## CC Japan Income & Growth Trust plc

*(Incorporated in England and Wales with company no. 9845783 and registered as an investment company under section 833 of the Companies Act 2006)*

*Directors:*

Richard Harry Wells *(Non-Executive Chairman)*  
Kate Cornish-Bowden *(Non-Executive Director)*  
John Philip Henry Schomberg Scott *(Non-Executive Director)*  
Mark Ian Gibson Smith *(Non-Executive Director)*  
Peter Hugh Wolton *(Non-Executive and Senior Independent Director)*

*Registered Office:*

1<sup>st</sup> Floor, Senator House  
85 Queen Victoria Street  
London EC4V 4AB

22 January 2021

Dear Shareholders

### Introduction

The Company announced on 26 November 2020 that the Board was considering proposals for a bonus issue of Subscription Shares to existing Shareholders. After further consideration following wider consultation with Shareholders the Board has decided to proceed. I am now writing to give you details of the Bonus Issue, as well as to explain the benefits of the Bonus Issue and to set out the reasons why the Board is recommending that you vote in favour of the Resolution to be proposed at the General Meeting of the Company to be held at 11.00 a.m. on 15 February 2021.

### The Bonus Issue

The Company is proposing to issue up to 26,946,122 Subscription Shares to Qualifying Shareholders on the basis of one Subscription Share for every five Existing Ordinary Shares held on the Record Date, subject to the passing of the Resolution set out in the Notice of General Meeting. The Subscription Shares will be issued by way of a bonus issue to Qualifying Shareholders.

Each Subscription Share will confer the right (but not the obligation) to subscribe for one Ordinary Share on exercise of the rights attaching to the Subscription Shares (the “**Subscription Share Rights**”) and on payment of the Subscription Price, as set out below.

Notice of the exercise of the Subscription Share Rights may be given on the last Business Day of each calendar quarter commencing on 31 May 2021 and finishing on the last Business Day in February 2023, after which the Subscription Share Rights will lapse **except** where the circumstance under paragraph 3(h) of Part 4 of this document applies. The Ordinary Shares arising on exercise of the Subscription Share Rights will be allotted within ten Business Days of the relevant exercise date. To be exercised, a notice of exercise must be received by the Registrar no later than 6.00 p.m. on the relevant Subscription Date.

Qualifying Shareholders’ entitlements will be assessed against the register of members on the Record Date, which will be 6.00 p.m. on 15 February 2021.

Please note that, whilst the Record Date for the Bonus Issue will be 6.00 p.m. on 15 February 2021, the ex-date for the Bonus Issue will be 18 February 2021 (the “**Ex-Date**”). Unless the counterparties specifically agree otherwise, a buyer of the Company's Ordinary Shares ahead of the Ex-Date will assume the benefit to the Subscription Shares, and the seller would need to pass the benefit to the buyer, even if the seller is the registered holder of such Ordinary Shares at the Record Date.

Subscription Shares will rank equally with each other and will not carry the right to receive any dividends from the Company or to attend and/or vote at general meetings of the Company (although the holders of the Subscription Shares have the right to vote in certain circumstances in the event where there is a variation of the rights attached to the Subscription Shares).

The Subscription Price will be equal to the unaudited published NAV per Ordinary Share as at the close of business on 15 February 2021, plus a one per cent. premium to such NAV per Ordinary Share, rounded up to the nearest whole penny.

The NAV for the purpose of calculating the Subscription Price will be the unaudited value of the Company's assets calculated in accordance with the Company's accounting policies (including revenue items for the current financial year) less all prior charges and other creditors at their par value (including the costs of the Bonus Issue). Prior charges include all loans and overdrafts that are to be used for investment purposes.

The New Articles provide that the Subscription Price is subject to adjustment upon the occurrence of certain corporate events affecting the Company before the last Business Day in February 2023. The relevant corporate events include consolidations or sub-divisions of share capital, pre-emptive offers of securities to Ordinary Shareholders, takeover offers and the liquidation of the Company. Such adjustments serve to protect any intrinsic value of the Subscription Shares or the time value of the Subscription Shares, or both.

The New Articles also provide for certain circumstances whereby the Subscription Share Rights may be modified, for example, in the event that the Company is subject to a takeover offer, to the extent that any Subscription Share Rights remain unexercised at that point.

The percentage premium applying on exercise and the resulting Subscription Price reflect the Board's confidence in the Company's medium to long-term prospects and its hope that Qualifying Shareholders will be able to exercise their Subscription Share Rights and acquire Ordinary Shares on favourable terms in the future.

It is expected that an announcement setting out the Subscription Price will be made on 16 February 2021.

Fractions of Subscription Shares will not be allotted or issued and entitlements will be rounded down to the nearest whole number of Subscription Shares.

#### ***Benefits of and reasons for the Bonus Issue***

The Directors believe the Bonus Issue has the following attractions:

- Qualifying Shareholders will receive securities which will give them the right to convert them into Ordinary Shares at a predetermined price; the Board believes that Subscription Shares should represent an attractive way for Qualifying Shareholders to participate in any future growth of the Company;
- Qualifying Shareholders will receive securities which could have an immediate monetary value and which may be traded in a similar fashion to their existing Ordinary Shares or converted into Ordinary Shares;
- provided that the Company maintains its status as an investment trust approved by HMRC, Qualifying Shareholders will receive securities which should generally be eligible to be held in an ISA and for inclusion in a SIPP (subject to the rules of the SIPP and discretion of the trustees of the SIPP);
- the ongoing charges per Ordinary Share may fall on the exercise of the Subscription Share Rights as the capital base of the Company will increase and the Company's fixed costs will be spread across a larger number of Ordinary Shares;
- liquidity in the market for the Company's Ordinary Shares may improve on exercise of the Subscription Share Rights as the number of Ordinary Shares in issue will increase; and
- the Bonus Issue may broaden the Company's Shareholder base as the Subscription Shares are dispersed in the market which may attract new investors and may also improve liquidity for Shareholders.

The Bonus Issue is also intended to result in an amount of proceeds being raised (through the exercise of any Subscription Share Rights to convert any Subscription Shares into Ordinary Shares), being an amount up to the aggregate Subscription Price of all Subscription Shares the Subscription Share Rights of which have been exercised.



The net proceeds resulting from the exercise of any Subscription Share Rights (thereby converting any Subscription Shares into Ordinary Shares) will be invested in accordance with the investment objective and policy of the Company.

#### ***Implementation of the Bonus Issue***

The implementation of the Bonus Issue will require Shareholders to approve the Resolution which is to be proposed at the General Meeting as a special resolution. If passed, the Resolution will:

- (a) approve the adoption of the New Articles containing the rights attaching to the Subscription Shares;
- (b) authorise the Directors to allot the Subscription Shares pursuant to the Bonus Issue;
- (c) waive statutory pre-emption rights in relation to the issue of the Subscription Shares and the allotment of Ordinary Shares pursuant to the exercise of the Subscription Share Rights;
- (d) authorise the capitalisation of sums standing to the credit of the Company's reserve accounts or to the credit of the share premium account, capital redemption reserve, profit and loss account or otherwise available for the purpose of paying up in full at par the Subscription Shares to be issued pursuant to the Bonus Issue;
- (e) authorise the consolidation, sub-division or redemption of any share capital in connection with the exercise of the Subscription Share Rights so as to enable conversion of the Subscription Shares into Ordinary Shares in accordance with the Subscription Share Rights; and
- (f) authorise the purchase by the Company of Subscription Shares representing up to 14.99 per cent. of the Company's issued Subscription Share capital following Admission (subject to certain conditions), as more fully described under the heading "Authority to repurchase Subscription Shares" below.

#### ***Authority to repurchase Subscription Shares***

In order to allow the Company to repurchase Subscription Shares, the Company is seeking authority at the General Meeting to buy back up to 14.99 per cent. of the issued Subscription Share capital following Admission. This authority to purchase Subscription Shares is contained within the Resolution, which needs to be approved as a special resolution in order to authorise the Company to implement the Bonus Issue.

Any Repurchases of Subscription Shares will be made at the discretion of the Board, and will only be made when market conditions are considered by the Board to be appropriate and in accordance with the Listing Rules.

Purchases through the market will not exceed the higher of (i) 5 per cent. above the average of the middle market quotations (as derived from the Official List) for the 5 consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for Subscription Shares on the trading venue where the purchase is carried out. Any Subscription Shares repurchased by the Company will be cancelled and will not be held in treasury for re-issue or resale.

It is intended that authorisation for repurchases of Subscription Shares will be renewed at the AGM of the Company in March 2022.

#### ***New Articles of Association***

If the Resolution is approved, the New Articles will be adopted in place of the Existing Articles. The New Articles will set out the rights attaching to the Subscription Shares, but otherwise will be identical to the Existing Articles.

The New Articles will be on display at the registered office of the Company and at the Company's website [www.ccjapanincomeandgrowthtrust.com](http://www.ccjapanincomeandgrowthtrust.com) from the date of this document until the end of the General Meeting.

### **Continuation vote**

Under the Articles, the Company is required to propose a continuation vote as an ordinary resolution at every third AGM of the Company (“**continuation vote**”). If a continuation vote is not passed the Directors are required to convene a general meeting within three months of the date of the continuation resolution, at which proposals for the winding up or other reconstruction of the Company would be considered.

The last continuation vote took place at the AGM of the Company held in 2019 and the next continuation vote is due at the AGM of the Company to be held in 2022.

If the next continuation vote is not passed at the AGM of the Company in 2022, and if subsequently an effective resolution is then passed for the liquidation of the Company, subject to the proviso below, each Subscription Shareholder shall be treated as if immediately before the date of the relevant order or resolution for winding-up (as the case may be) his/her/its Subscription Share Rights had been exercisable and had been exercised in full. He/she/it shall be entitled to receive out of the assets available in the liquidation *pari passu* with Ordinary Shareholders such sum as they would have received had he/she/it been the holder of the Ordinary Shares to which he/she/it would have become entitled by virtue of such subscription after deducting a sum per Subscription Share equal to the Subscription Price (subject to any adjustments in accordance with the rights of the Subscription Shares as set out in Part 4 of this document).

The above is PROVIDED THAT in such winding-up and on the basis that all Subscription Share Rights then unexercised had been exercised in full and the Subscription Price in respect thereof at the relevant Subscription Date had been received in full by the Company there would be a surplus available for distribution amongst the Ordinary Shareholders, including for this purpose the Ordinary Shares which would arise on exercise of all the Subscription Share Rights (subject to any adjustments in accordance with the rights of the Subscription Shares as set out in Part 4 of this document), which surplus would, on such basis, exceed in respect of each Share a sum equal to such Subscription Price.

Subject to the foregoing, all Subscription Share Rights shall lapse on liquidation of the Company. The full rights attaching to the Subscription Shares are set out in Part 4 of this document.

### **Admission and dealings**

The Subscription Shares will be in registered form and may be issued either in certificated or uncertificated form. No temporary documents of title will be issued. Pending despatch of definitive certificates, transfers of Subscription Shares in certificated form will be certified against the Company’s share register. All documents or remittances sent by or to Shareholders will be sent through the post at the risk of the Shareholder.

Applications will be made to the FCA for the Subscription Shares to be admitted to the standard segment of the Official List and to the London Stock Exchange for such Subscription Shares to be admitted to trading on its main market. It is expected that Admission will occur, and that dealings will commence, in respect of the Subscription Shares on 18 February 2021 (or such later time and date as the Company, the Investment Manager and Peel Hunt LLP may agree). On Admission, the Subscription Shares will confer rights to subscribe for new Ordinary Shares representing, in aggregate, up to 20 per cent. of the then issued ordinary share capital of the Company.

The Ordinary Shares resulting from the exercise of the Subscription Share Rights will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the Ordinary Shares arising on the exercise of the Subscription Share Rights).

The existing investment objective and investment policy of the Company, as set out in Part 2 of this document, will not be amended as a result of the Bonus Issue.

### **Costs of the Bonus Issue**

The Company’s fixed expenses in connection with the Bonus Issue are estimated to amount to £404,716 inclusive of VAT and £354,680 exclusive of VAT. These expenses will be borne by the Company and will be taken into account in the Company’s Net Asset Value with effect from the date of this Prospectus.

## **Restricted Shareholders**

The issue of the Subscription Shares to persons who have a registered or mailing address in Restricted Territories may be affected by the law or regulatory requirements of the relevant jurisdiction.

The Subscription Shares to be issued under the Bonus Issue are not being issued to Restricted Shareholders (which for the avoidance of doubt include any US Persons that are not Permitted US Shareholders).

The Board will allot any Subscription Shares due under the Bonus Issue to Restricted Shareholders to a market maker who will sell such Subscription Shares promptly at the best price obtainable. The proceeds of the sale will be paid to the Restricted Shareholders entitled to them save that entitlements of less than £5.00 per Restricted Shareholder will be retained by the Company for its own account.

Furthermore, Restricted Persons will not be able to exercise Subscription Share Rights, unless they are Permitted US Shareholders.

As Restricted Shareholders will not receive Subscription Shares pursuant to the Bonus Issue, such Shareholders may be diluted by up to 20 per cent. of their respective shareholdings, depending on the aggregate number of Subscription Share Rights which are exercised on or before the Final Subscription Date.

Notwithstanding any other provision of this document, the Company reserves the right to permit any Shareholder to take up Subscription Shares under the Bonus Issue if the Company, in its sole and absolute discretion, is satisfied at any time prior to the General Meeting that the transaction in question is exempt from, or not subject to the legislation or regulations giving rise to the restrictions in question.

Restricted Shareholders who believe that they are entitled to take up Subscription Shares under the Bonus Issue (or Restricted Persons that believe they are entitled to exercise Subscription Share Rights) should contact the Company Secretary as soon as possible to discuss the matter. The telephone number for the Company Secretary is +44(0) 20 4513 9260.

Any Shareholder who is in any doubt as to his position should consult an appropriate independent professional adviser without delay.

## **Taxation**

The attention of Shareholders is drawn to the summary of United Kingdom tax matters set out in paragraph 10 of Part 5 of this document. This summary is general in nature and does not constitute tax advice. Any Shareholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their own professional adviser.

## **General Meeting**

The Bonus Issue is conditional on, amongst other things, the approval by Shareholders of the Resolution to be proposed at a General Meeting of the Company which has been convened for 11.00 a.m. on 15 February 2021. The formal Notice of General Meeting is set out at the end of this document. The Resolution will allow the Company to implement the Bonus Issue, including the adoption of the New Articles.

The Resolution is to be proposed at the General Meeting as a special resolution, which will require at least 75 per cent. of the votes cast in respect of it to be voted in favour, whether in person\* or by proxy, in order for it to be passed. The Board is recommending Shareholders to vote in favour of the Resolution to be proposed at the General Meeting.

\*As a result of the Covid-19 pandemic and associated UK Government guidance, attendance at the General Meeting will not be possible. Arrangements will be made by the Company to ensure that a minimum number of Shareholders required to form a quorum will attend the General Meeting in order that the meeting may proceed. In so doing, the Board is relying on the provisions of the Corporate Insolvency and Governance Act 2020. The General Meeting will be held virtually via video conference as the safety of Shareholders and of the Company's service providers is the Board's primary concern. Shareholders (other than those required to form the quorum for the General Meeting) therefore cannot attend the meeting. Whilst there will not be any opportunity to

ask questions at the General Meeting, there will be an opportunity to ask questions *in advance of* the General Meeting. If Shareholders have a question relating to the business of the General Meeting, they should send it by email to [ukfundcosec@PraxisIFM.com](mailto:ukfundcosec@PraxisIFM.com). To the extent that it is appropriate to do so, the Company will respond to any questions received in a Q&A which will be posted on the Company's website [www.ccjapanincomeandgrowthtrust.com](http://www.ccjapanincomeandgrowthtrust.com) in advance of the General Meeting. Please note that all questions should be submitted by close of business on 11 February 2021 to ensure that the Company is able to respond to them in advance of the General Meeting.

Voting on the Resolution will be conducted on a poll. On a poll, every Shareholder (present by proxy) shall have one vote for every share of which he/she/it is the holder.

The formal notice convening the General Meeting is set out at the end of this document.

### **Dilution**

The allotment of the Subscription Shares will mean that the equivalent of 20 per cent. of the Company's issued ordinary share capital will be under option immediately following the Bonus Issue. On each occasion that the Subscription Share Rights are exercised, this will dilute the ordinary shareholding of any Ordinary Shareholders who do not exercise a corresponding proportion of the Subscription Share Rights attaching to their Subscription Shares or who have sold their Subscription Shares. However, if a Shareholder continues to hold the Subscription Shares issued to him pursuant to the Bonus Issue and exercises his Subscription Share Rights before their expiry, that Shareholder's percentage interest in the ordinary share capital of the Company will not ultimately be reduced below his percentage interest in the ordinary share capital of the Company immediately prior to the Bonus Issue. If the NAV per Ordinary Share at the time of exercise of the Subscription Share Rights exceeds the applicable Subscription Price, the issue of the Ordinary Shares upon such exercise will also have a dilutive effect on the NAV per Ordinary Share. The extent of such dilution will depend on the number of Subscription Shares which are converted on each occasion and the difference between the applicable Subscription Price and the NAV per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to the exercise of the Subscription Share Rights.

### **Action to be taken**

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. You are requested to complete and sign the Form of Proxy and return it, in accordance with the instructions printed thereon, to Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive by not later than 11.00 a.m. on 11 February 2021. Alternatively, you may register your proxy appointment electronically by visiting <https://www.signalshares.com/>. Electronic proxy appointments must also be lodged by not later than 11.00 a.m. on 11 February 2021. Further information on appointing a proxy is given in the notes to the notice of General Meeting at the end of this document. **Given Shareholders will not be able to attend the General Meeting, Shareholders are strongly urged to appoint the Chairman of the General Meeting as their proxy to vote on their behalf. If you appoint someone else (other than the Chairman of the General Meeting) to be your proxy, this would result in your proxy not being counted since he/she will not be able to attend the General Meeting.**

For Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST), to appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number RA10) by not later than 11.00 a.m. on 11 February 2021. Please refer to the accompanying notes to the notice of General Meeting at the end of this document.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 11.00 a.m. on 11 February 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

**Consent**

Peel Hunt LLP has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

**Recommendation**

**The Board considers that the Bonus Issue and the passing of the Resolution are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolution to be proposed at the General Meeting. The Directors intend to vote in favour of the Resolution in respect of their own beneficial holdings of Ordinary Shares which amount to 219,750 Ordinary Shares in aggregate (representing approximately 0.163 per cent. of the issued ordinary share capital of the Company, excluding treasury shares, as at the Latest Practicable Date).**

Yours faithfully

Harry Wells  
(Chairman)

## PART 2

### INFORMATION ON THE COMPANY AND ITS PORTFOLIO

#### **Introduction**

The Company, CC Japan Income & Growth Trust plc, is a closed-ended investment company incorporated on 28 October 2015 in England and Wales and registered as an investment company under Section 833 of the Act. The Company carries on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

The Company is publishing this document to allow it to issue the Subscription Shares pursuant to the Bonus Issue, subject to the granting of the necessary Shareholder approval.

#### **Investment objective**

The investment objective of the Company is to provide Ordinary Shareholders with dividend income combined with capital growth, mainly through investment in equities listed or quoted in Japan.

#### **Investment policy**

The Company intends to invest in equities listed or quoted in Japan. The Company may also invest in exchange traded funds in order to gain exposure to such equities. Investment in exchange traded funds shall be limited to not more than 20 per cent. of Gross Assets at the time of investment. The Company may also invest in listed Japanese real estate investment trusts (J-REITs).

The Company may enter into long only contracts for difference or equity swaps for gearing and efficient portfolio management purposes.

No single holding (including any derivative instrument) will represent more than 10 per cent. of Gross Assets at the time of investment and, when fully invested, the portfolio is expected to have between 30 to 40 holdings although there is no guarantee that this will be the case and it may contain a lesser or greater number of holdings at any time.

The Company will have the flexibility to invest up to 10 per cent. of its Gross Assets at the time of investment in unquoted or untraded companies.

The Company will not be constrained by any index benchmark in its asset allocation.

#### *Borrowing policy*

The Company may use borrowings for settlement of transactions, to meet on-going expenses and may be geared through borrowings and/or by entering into long only contracts for difference or equity swaps that have the effect of gearing the Company's portfolio to seek to enhance performance. The aggregate of borrowings and long only contracts for difference and equity swap exposure will not exceed 25 per cent. of Net Asset Value at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate, although the Company's normal policy will be to utilise and maintain gearing to a lower limit of 20 per cent. of Net Asset Value at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate. It is expected that any borrowings entered into will principally be denominated in Yen.

#### *Hedging policy*

The Company does not currently intend to enter into any arrangements to hedge its underlying currency exposure to investments denominated in Yen, although the Investment Manager and the Board may review this from time to time.

#### *Material change to investment policy*

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution. Non-material changes to the investment policy may be approved by the Board.

#### **Investment strategy**

The primary focus of the Company is to generate total returns by investing in Japanese companies that the Investment Manager determines are undervalued and have strong balance sheets, strong business franchises and favourable attitudes to shareholder returns in the form of sustainable and growing dividends and share buyback policies. The Company is a high conviction, long only fund



invested primarily in Japanese equities quoted on the recognised exchanges in Japan, including equities issued by J-REITs. The Company may also gain exposure to such companies through investment in exchange traded funds.

The Investment Manager's investment philosophy emphasises fundamental, proprietary research based, where possible, on direct company meetings conducted by the dedicated and experienced Japan team at the Investment Manager. The team's efforts are focused on three main areas of opportunity which exist due to what the Investment Manager considers are the pricing anomalies that are present in the Japanese equity market. These opportunities are categorised by the Investment Manager as "Stable Yield", "Dividend Growth" and "Special Situations", depending on historic track record of shareholder return, prospects for increasing the dividend pay-out and management policies. Further detail on these three categories of opportunity is set out below.

The companies are identified using a range of research tools. However, the investment decision is usually made only after direct contact with the company. Screenings will generally be used as a tool to help the Investment Manager draw up the list of potential investments but will not be used in isolation as a means to construct the portfolio.

#### *Stable Yield*

The dividend yield of these companies will be above the average for listed or quoted Japanese companies. The annual pay-out to investors is considered by the Investment Manager to be stable based on the Investment Manager's understanding of both the industry and the company fundamentals, as well as the commitment of the company's management to maintaining a consistent dividend policy. The key characteristics for companies in this category are: (i) dividend yield significantly above the Japanese market average; (ii) stable operating cash flow; (iii) strong balance sheet; and (iv) management commitment to an absolute level of dividend payment.

#### *Dividend Growth*

The dividend yield of these companies is higher than the dividend average for listed or quoted Japanese companies but the Investment Manager considers that they have the ability and the willingness to increase the dividend payment over time, based on the Investment Manager's analysis of their operating cash flow and strength of balance sheet, and critically, on direct contact with the companies' management. Additionally, company management will have demonstrated that the dividend will be, in the Investment Manager's opinion, at worst maintained even when earnings suffer short term downturns. The key characteristics for companies in this category are: (i) dividend yield above the Japanese market average; (ii) improving operating cash flow; (iii) healthy balance sheet; and (iv) management commitment to increasing dividend payments.

#### *Special Situations*

Specific factors such as changing regulations, tax considerations, shareholder structures and management attitudes may offer the greatest opportunity for investment return. The current dividend yield of these companies may be lower than that of the average in Japan. However, the Investment Manager believes that the changes identified by it suggest an increased likelihood of rising distributions to shareholders in the near future. The key characteristics of companies in this category are: (i) inefficient balance sheet; (ii) strong operating cash flow; and (iii) management policy favouring shareholder returns. As set out under "Investment portfolio" below, the majority of the portfolio is invested in companies identified as possessing the characteristics specified as "Dividend Growth" above.

### **Investment portfolio**

The information set out below represents the portfolio of the Company as at the Latest Practicable Date. The information in this section, which has not been audited, has been sourced from information supplied by the Investment Manager.

As at the Latest Practicable Date, the Company's portfolio comprised 44 investments with an aggregate value of £253 million. The Directors believe that the composition of the Company's portfolio described in this paragraph remains current as at the date of this document. As at the Latest Practicable Date, the Net Asset Value (cum income) per Ordinary Share (unaudited) was 159.57 pence.

As at the Latest Practicable Date, the Company's top 15 investments, representing 52 per cent. of the value of the total portfolio were:

<b>Investment</b>	<b>Percentage of value of total portfolio (%) as at the Latest Practicable Date (unaudited)</b>
Shin-Etsu Chemical Co Ltd	4.78
Itochu Corp	4.47
Tokyo Electron Ltd	4.46
Nippon Telegraph And Telephone	4.07
Tokio Marine Holdings Inc	3.87
Softbank Corp	3.79
SBI Holdings Inc	3.62
GLP J-Reit	3.40
Sumitomo Mitsui Financial Group	3.10
Denso Corp	3.00
West Holdings Corp	2.79
Kyocera Corp	2.74
Nitto Denko Corp	2.67
Japan Exchange Group	2.63
Shoei Co Ltd	2.61
<b>Total</b>	<b>52.00</b>

(source: the Investment Manager)

As at the Latest Practicable Date, the Company's portfolio by sub-sector was as follows:

<b>Sector</b>	<b>Percentage of portfolio (%) as at the Latest Practicable Date (unaudited)</b>
Info & Communications	15.20
Chemicals	14.01
Electrical Appliances	12.01
Services	11.97
Real Estate	10.96
Wholesale	6.70
Banks	5.14
Insurance	4.64
Other Products	4.22
Sec&Cmnty	3.62
Transport Equipment	3.00
Other Financing Business	2.63
Construction	2.55
Prec Instruments	2.03
Machinery	1.32
<b>Total</b>	<b>100.0</b>

(source: the Investment Manager)

As at the Latest Practicable Date, the Company's portfolio by area of opportunity (as described under "Investment strategy" above) was as follows:

Area of opportunity	Holdings	(of which are REIT holdings)	Percentage of portfolio (%) as at the Latest Practicable Date (unaudited)
Stable Yield	5	3	8.73
Dividend Growth	35	0	83.77
Special Situation	4	1	7.5
<b>Total</b>	<b>44</b>	<b>4</b>	<b>100.0</b>

### Dividend policy

The Company intends to continue to pay dividends, in respect of the Ordinary Shares, on a semi-annual basis, with dividends normally declared in January and June and paid in March and July/August in each year, and to grow the dividend over time.

The Company paid its dividend (interim dividend) of 1 penny per Ordinary Share on 29 July 2016.

The Company paid its dividend of 2 pence per Ordinary Share on 29 March 2017.

The Company paid its dividend (interim dividend) of 1.15 pence per Ordinary Share on 4 August 2017.

The Company paid its dividend of 2.30 pence per Ordinary Share on 16 February 2018.

The Company paid its dividend of 1.25 (interim dividend) pence per Ordinary Share on 31 July 2018.

The Company paid its dividend of 2.50 pence per Ordinary Share on 19 March 2019.

The Company paid its dividend of 1.40 (interim dividend) pence per Ordinary Share on 31 July 2019.

The Company paid its dividend of 3.10 pence per Ordinary Share on 19 March 2020.

The Company paid its dividend (interim dividend) of 1.40 pence per Ordinary Share on 24 July 2020.

The Company declared a second interim dividend (in substitution for a final dividend) of 3.20 pence per Ordinary Share on 14 January 2021. The payment date is expected to be 5 March 2021.

The Subscription Shares carry no right to any dividend.

In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period.

In order to increase the distributable reserves available to facilitate the payment of dividends, the amount standing to the credit of the share premium account of the Company immediately following completion of the Company's initial public offering on 15 December 2015 was cancelled and transferred to a special distributable reserve.

The Company may, at the discretion of the Board, pay all or part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective. Dividends will normally be funded through distributions from portfolio companies including dividends and other distributions, and taking account of share buybacks by portfolio companies. The interim dividends will not necessarily be of equal amounts because the dividends from the Company's underlying investments are expected to arrive irregularly throughout the financial year.

## **Share rating management**

The Board considers that it would be undesirable for the market price of the Ordinary Shares to diverge significantly from their Net Asset Value.

### *Premium management*

The Directors have authority to allot relevant securities up to an aggregate nominal amount equal to £269,326.48 pursuant to a resolution passed at the Company's AGM on 10 March 2020, such authority to expire at the conclusion of the next AGM (or if earlier, on the expiry of 15 months from 10 March 2020). Shareholders' pre-emption rights over this unissued share capital have been dis-applied so that the Directors will not be obliged to offer any new Ordinary Shares to Shareholders on a *pro rata* basis. No Ordinary Shares will be issued at a price less than the (cum income) Net Asset Value per existing Ordinary Share at the time of their issue. Investors should note that the issuance of new Ordinary Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions.

### *Treasury shares*

The Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This would give the Company the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Ordinary Shares will be sold from treasury at a price less than the (cum income) Net Asset Value per existing Ordinary Share at the time of their sale unless they are first offered *pro rata* to existing Shareholders.

### *Discount management*

The Directors recognise the importance to investors of the Ordinary Shares not trading at a significant discount to their prevailing Net Asset Value. To the extent that the Ordinary Shares trade at a significant discount to their prevailing Net Asset Value, the Board will consider whether (in the light of the prevailing circumstances) the Company should purchase its own Ordinary Shares (whether pursuant to the general authority referred to below or pursuant to tender offers made on appropriate terms). There is, however, no guarantee or assurance that any discount control mechanisms proposed by the Board will reduce any discount.

The Directors have the authority to make market purchases of Ordinary Shares (representing 14.99 per cent. of the Ordinary Shares in issue on 10 March 2020, excluding shares held in treasury). The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of: (i) 5 per cent. above the average of the midmarket values of the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Ordinary Shares will be repurchased only at prices below the prevailing NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for remaining Shareholders.

The authority to make market purchases expires on the earlier of the conclusion of the next AGM of the Company to be held in 2021 and the date 15 months after the date on which the resolution was passed. It is intended that a renewal of the authority to make market purchases will be sought from Shareholders at each AGM of the Company. Purchases of Ordinary Shares will be made within guidelines to be established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

Purchases of Ordinary Shares may be made only in accordance with the Act, the Listing Rules and the Disclosure Guidance and Transparency Rules.

Investors should note that the repurchase of Ordinary Shares is entirely at the discretion of the Board and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of Ordinary Shares that may be repurchased.

## **Life of the Company**

The Company has no fixed life but, pursuant to the Articles, an ordinary resolution for the continuation of the Company was required to be proposed at the third AGM of the Company and must be proposed every three years thereafter. The continuation vote was passed at the third AGM

of the Company in 2019. The next AGM of the Company at which such resolution shall be proposed will be in 2022. Upon any such resolution not being passed, proposals would be put forward to the effect that the Company be wound up, liquidated, reconstructed or unitised.

### **Profile of typical investor in the Ordinary Shares**

The Ordinary Shares are designed to be suitable for retail investors, on an advised and non-advised basis, as well as institutional investors, seeking exposure to the equities of companies listed or quoted in Japan. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Ordinary Shares. **No new Ordinary Shares are offered under this Prospectus however, as this document relates to the Bonus Issue of Subscription Shares to Qualifying Shareholders only.**

### **Profile of typical investor in the Subscription Shares**

The Subscription Shares should be considered “complex” under MiFID II for the purpose of acquisitions of the Subscription Shares on the secondary market. An investment in Subscription Shares is only suitable for investors capable of evaluating the risks (including the potential risk of capital loss) and merits of such investment and who have sufficient resources to bear any loss which may result from such investment. Furthermore, an investment in Subscription Shares should constitute part of a diversified investment portfolio. Accordingly, typical investors in Subscription Shares are expected to be institutional investors and the clients of private client fund managers and private client brokers, as well as private individuals who have received advice from their financial adviser, fund manager or broker regarding investment in Subscription Shares..

### **Net Asset Value**

The unaudited Net Asset Value per Ordinary Share is calculated in Sterling by the Administrator on a daily basis. Such calculations are published daily, on a cum-income and ex-income basis, through a Regulatory Information Service.

The Net Asset Value is the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with the Association of Investment Companies’ valuation guidelines and in accordance with applicable accounting standards. Publicly traded securities are valued by reference to their bid price or, if bid price is unavailable, last traded price on the relevant exchange. Where trading in the securities of an investee company is suspended, the investment is valued at the Board’s estimate of its net realisable value. In the event that the Company acquired any unquoted investments, they would be valued by the Board in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. In making its valuations, the Board takes into account, where appropriate, latest dealing prices, valuations from reliable sources, asset values and other relevant factors. If the Directors consider that any of the above bases of valuation are inappropriate in any particular case, or generally, they may adopt such other valuation procedures as they consider reasonable in the circumstances.

The Directors may temporarily suspend the calculation, and publication, of the Net Asset Value during a period when, in the opinion of the Directors:

- (i) there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company’s business is not reasonably practicable without this being materially detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value cannot be fairly calculated;
- (ii) there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or
- (iii) it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis.

Any suspension in the calculation of the Net Asset Value, to the extent required under the Articles or by the Listing Rules, will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

### **Meetings, reports and accounts**

The Company holds an AGM in each year.

The annual report and accounts of the Company are made up to 31 October in each year with copies expected to be sent to Shareholders within the following four months. The most recent audited annual report was prepared to 31 October 2019. The Company also publishes unaudited half-yearly reports to 30 April in each year with copies expected to be sent to Shareholders within the following three months. The most recent unaudited half-yearly report was prepared to 30 April 2020.

The Company's financial statements are prepared in accordance with the Act and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("**UK GAAP**").

### **The Takeover Code**

The Takeover Code applies to the Company. Given the existence of the buyback powers described in the paragraphs above, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert already hold more than 30 per cent. but not more than 50 per cent. of the voting rights of such company, a general offer will normally be required if any further shares increasing that person's percentage of voting rights are acquired.

Under Rule 37 of the Takeover Code when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. A shareholder who is neither a Director nor acting in concert with a Director will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code in these circumstances.

However, under note 2 to Rule 37 of the Takeover Code where a shareholder has acquired shares at a time when he had reason to believe that a purchase by the company of its own voting shares would take place, then an obligation to make a mandatory bid under Rule 9 of the Takeover Code may arise.

The buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with significant shareholdings. The buyback powers should enable the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any share buyback the Board will seek to identify any Shareholders who they are aware may be deemed to be acting in concert under note 1 of Rule 37 of the Takeover Code and will seek an appropriate waiver in accordance with note 3 of Rule 37. However, neither the Company, nor any of the Directors, nor the Investment Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fail(s) to take appropriate action.

In general, the acquisition of securities convertible into, warrants in respect of, or options or other rights to subscribe for, new shares does not give rise to an obligation under Rule 9 to make a general offer but the exercise of any conversion or subscription rights or options will be considered to be an acquisition of an interest in shares for the purpose of Rule 9.



## **Directors and management**

### **The Board**

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Investment Manager.

All of the Directors are non-executive and are independent of the Investment Manager. The Directors meet at least four times per annum, and the Audit and Risk Committee meets at least three times per annum.

The Directors are as follows:

#### ***Richard Harry Wells (non-executive Chairman)***

Harry has over 40 years' experience of investment markets, primarily as an institutional stockbroker specialising in the Asia Pacific region, based in London and Hong Kong, latterly as a Managing Director of Salomon Smith Barney. Harry has extensive investment trust experience previously serving as a Director and Chairman of both Martin Currie Asia Unconstrained Investment Trust PLC and The Establishment Investment Trust PLC. Harry holds an MA degree in Land Economy from Cambridge University and is a Fellow of the Chartered Institute for Securities and Investment and a Member of the Royal Institution of Chartered Surveyors.

#### ***Kate Cornish-Bowden (non-executive Director and chair of the Audit and Risk Committee)***

Kate worked for Morgan Stanley Investment Management for 12 years, where she was a Managing Director and head of Morgan Stanley Investment Management's Global Core Equity business. Prior to joining Morgan Stanley, Kate worked for M&G Investment Management where she spent two years as a research analyst. Kate is a Director and Senior Independent Director of Schroder Oriental Income Fund Limited, a Director of Finsbury Growth & Income Trust plc and a Director of International Biotechnology Trust plc. Kate was formerly the Chair of the Audit Committee of Calculus VCT plc. Kate is an Associate of the Institute of Investment Management and Research (formerly AIMR, now Chartered Financial Analyst Institute), holds a Masters in Business Administration (MBA), and has completed the Financial Times Non-Executive Director Diploma.

#### ***Mark Smith (non-executive Director)***

Mark is an Investment Manager at Waverton Investment Management (formerly known as J O Hambro Investment Management) which he joined in 2002. He manages portfolios for both UK and international clients, is a Japanese equity specialist and a member of the Stock Selection Committee. Prior to joining Waverton, Mark spent a number of years in institutional fund management specialising in Japanese equities, firstly at Provident Mutual but mainly at Foreign & Colonial where he worked for five years, ultimately managing large Japanese equity funds. Mark graduated from Exeter University in 1994 with a degree in Spanish, has passed his IIMR exams and is an Associate of the Institute (now CFA).

#### ***John Scott (non-executive Director)***

John has considerable experience of both Asian markets and of the investment trust sector. He is also Chairman of the specialist trusts, Impax Environmental Markets plc, JP Morgan Global Core Real Assets plc and Jupiter Emerging and Frontiers Income Trust plc, and Chairman of the Lloyd's Members' agent, Alpha Insurance Analysts. He was Chairman of Scottish Mortgage Investment Trust until 2017. His other Directorships include a Guernsey registered business, Bluefield Solar Income Fund Limited. John started his career in Hong Kong with Jardine Matheson in 1974 and joined investment bank, Lazard Brothers in London in 1981, where he spent 20 years, including three years in Tokyo.

#### ***Peter Wolton (non-executive and Senior Independent Director)***

Peter has wide experience of Japan and the investment trust sector. He was resident in Tokyo from 1994 to 1998 where he was responsible for Schrodgers' asset management activities and, from 1996, Schrodgers' Country Head. He is a former Director of Dunedin Income Growth Investment Trust plc, TR Property Investment Trust plc and Schroder Japan Growth Fund plc. He commenced his career with Savills, qualifying as a Chartered Surveyor in 1980. From 1983 until 2001 he worked for Schrodgers, specialising in the management of UK equity portfolios for pension funds and

charities until 1993 when he was transferred to Japan. From 1998 to 2001 he headed Schroders' global retail businesses and from 2002 to 2003 was Chief Executive Officer of the Investment Management Group of Baring Asset Management. Peter has degrees in Land Economy from Cambridge University and Contextual Theology from Middlesex University.

### **Investment Manager**

The Company's investment manager is Coupland Cardiff Asset Management LLP. The Investment Manager is an award winning, specialist Asian / Japanese fund manager, focused on managing benchmark agnostic, capacity constrained products. Founded in 2005 by Angus Coupland and Richard Cardiff, the partnership focuses on delivering strong performance within a risk controlled framework.

The Investment Manager offers investors access to five Asian and Japanese UCITS sub-funds. The UCITS was originally launched in April 2007.

In 2013, the Investment Manager launched the CC Japan Income & Growth Fund, a sub-fund of the UCITS, focusing on companies committed to shareholder returns and growing dividends. As at 31 December 2020, the CC Japan Income & Growth Fund (JPY S Accumulation share class) was up 123.20 per cent. since inception compared to the TOPIX Total Return Index which was up 124.31 per cent. over the same period and was US\$538 million in size.

As at 31 December 2020, the Investment Manager had total funds under management of approximately US\$4.04 billion. The Investment Manager is authorised and regulated by the FCA and as such is subject to its rules in the conduct of its investment business.

Richard Aston is the portfolio manager at the Investment Manager who is appointed to manage the Company's assets. His biography is set out below.

### **Richard Aston**

Richard Aston is the portfolio manager appointed to manage the Company's assets. In addition to the Company, Richard Aston currently manages the open ended CC Japan Income & Growth Fund. He has over 20 years of experience in Japanese equities and a total of over 25 years of investment experience. Richard has held the Chartered Financial Analyst (CFA) accreditation since 1997. He first moved into the finance industry as an Investment Analyst with Sun Life Asset Management (now part of AXA Investment Managers) in 1992. After various roles within the asset management team, Richard was appointed as a Portfolio Manager on the Japanese desk in 1997. In 2000, he was appointed Head of Japanese equities at Chase Asset Management in London. Following the merger of Chase Manhattan, Flemings and JPMorgan, Richard became a member of JPMorgan Asset Management Japanese Equities team and was based in London and, subsequently, in Tokyo. He was promoted to Managing Director in 2008. In December 2010, Richard returned to London and joined Coupland Cardiff Asset Management LLP. Richard graduated from Cambridge University with an MA in Engineering and a sponsorship from GEC Industrial Controls, where he worked from 1986 to 1992.

### **Management Agreement**

The Company and the Investment Manager have entered into the Management Agreement, a summary of which is set out in paragraph 9 of Part 5 of this document, under which the Investment Manager has been given sole responsibility for the discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment policy, subject to the overall control and supervision of the Directors. The Investment Manager has also been appointed as the Company's AIFM for the purposes of the AIFMD.

Details of the fees and expenses payable to the Investment Manager are set out in the section headed "Fees and expenses" below.

### **Administration of the Company**

The Administrator provides general fund administration services (including calculation of the NAV based on the data provided by the Investment Manager), bookkeeping, and accounts preparation.

## **Fees and expenses**

### ***Costs of the Bonus Issue***

The Company's fixed expenses in connection with the Bonus Issue are estimated to amount to £404,716 inclusive of VAT and £354,680 exclusive of VAT. These expenses include fees of Peel Hunt LLP as the financial adviser to the Company, the Receiving Agent's fees, the Registrar's fees, fees relating to Admission, printing fees, postage fees, legal and accounting fees.

These expenses will be borne by the Company and will be taken into account in the Company's Net Asset Value with effect from the date of this Prospectus.

No additional fee is payable to the Investment Manager as a result of the Bonus Issue.

### ***Ongoing annual expenses***

Ongoing annual expenses of the Company include the following:

#### *(i) Investment Manager*

The Investment Manager is entitled to receive from the Company in respect of its services provided under the Management Agreement a management fee, payable monthly in arrear, at the rate of one-twelfth of 0.75 per cent. per calendar month of Net Asset Value. No performance fee is payable to the Investment Manager. In accordance with the Directors' policy on the allocation of expenses between income and capital, in each financial year 80 per cent. of the management fee payable is expected to be charged to capital and the remaining 20 per cent. to income.

In addition to the management fee, the Investment Manager shall from time to time agree with the Company a periodic charge which shall be payable by the Company and which the Investment Manager shall use solely for the acquisition of research from third party providers.

#### *(ii) Administrator and Company Secretary*

Under the terms of the Administration and Company Secretarial Agreement, the Administrator is entitled to a fixed company secretarial fee of £48,000 per annum, exclusive of VAT. In addition, the Administrator is entitled to an administration fee calculated at the rate of 0.065 per cent. per annum of Net Asset Value up to, and including, £100 million, plus 0.04 per cent. per annum of Net Asset Value in excess of £100 million and an additional 0.025 per cent. per annum of Net Asset Value in excess of £200 million (subject to a minimum overall fee of £5,000 per month), exclusive of VAT. The Administrator is also entitled to reimbursement of all reasonable out of pocket expenses incurred by it in connection with its duties.

#### *(iii) Registrar*

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.80 per Shareholder account per annum, subject to a minimum fee of £6,160 per annum, exclusive of VAT. The fee is subject to increase in line with the retail prices index. The Registrar is also entitled to activity fees under the Registrar Agreement.

#### *(iv) Depositary*

Under the terms of the Depositary Agreement, the Depositary is entitled to be paid a fee based on Net Asset Value. The Depositary is entitled to receive a fee equal to 0.03 per cent. per annum of Net Asset Value up to £160 million, 0.025 per cent. per annum of Net Asset Value between £160 million and £320 million, 0.0225 per cent. per annum of Net Asset Value between £320 million and £640 million and 0.020 per cent. per annum of Net Asset Value over £640 million, exclusive of VAT and subject to a minimum annual fee of £25,000. Pursuant to the Depositary Agreement, the Company is also subject to fees for the provision of custody services. In addition to these fees, the Depositary is entitled to be reimbursed for all expenses properly and reasonably incurred in the performance of its duties under the Depositary Agreement.

#### *(v) Directors*

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairman of the Board, the fees are £25,000 for each Director per annum. The Chairman's fee is £37,500 per annum. The Chairman of the Audit and Risk Committee is entitled to receive an additional £5,125 per annum and the Senior Independent Director is entitled to receive an additional £1,000 per annum.

*(vi) Other operational expenses*

Other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including travel, accommodation, printing, audit, finance costs, due diligence and legal fees. All reasonable out of pocket expenses of the Investment Manager, the Administrator, the Registrar, the Depositary and the Directors relating to the Company will be borne by the Company.

### **Conflicts of interest**

The Investment Manager and its officers and employees may from time to time act for other clients or manage other funds, which may have similar investment objectives and policies to that of the Company. Circumstances may arise where investment opportunities will be available to the Company which are also suitable for one or more of such clients of the Investment Manager or such other funds.

The Directors have satisfied themselves that the Investment Manager has procedures in place to address potential conflicts of interest and that, where a conflict arises, the Investment Manager will allocate the opportunity on a fair basis and in accordance with the Management Agreement.

### **Corporate governance**

The Board of the Company has considered the principles and recommendations of the AIC Code. The AIC Code addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting against the principles and recommendations of the AIC Code (which incorporates the UK Corporate Governance Code), provides better information to Shareholders.

The Financial Reporting Council (“**FRC**”), the UK’s independent regulator for corporate reporting and governance responsible for the UK Corporate Governance Code, has endorsed the AIC Code. The terms of the FRC’s endorsement mean that AIC members who report against the AIC Code meet fully their obligations under the UK Corporate Governance Code and the related disclosure requirements contained in the Listing Rules.

The Company complies with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to: the role of the chief executive; executive directors’ remuneration; and the need for an internal audit function. The Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company and the Company does not therefore comply with them.

The Company’s Audit and Risk Committee, which is chaired by Kate Cornish-Bowden and consists of all the Directors, meets at least three times a year. The Board considers that the members of the Audit and Risk Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Risk Committee. The Audit and Risk Committee examines the effectiveness of the Company’s control systems. It reviews the half-yearly and annual reports and also receives information from the Investment Manager. It also reviews the scope, results, cost effectiveness, independence and objectivity of the external auditor.

In accordance with the AIC Code the Company has established a Management Engagement Committee which is chaired by the Chairman of the Company, Harry Wells, and consists of all the Directors. The Management Engagement Committee meets at least once a year or more often if required. Its principal duties are to consider the terms of appointment of the Investment Manager and it annually reviews that appointment and the terms of the Management Agreement. The Management Engagement Committee also reviews the continued appointment and performance of the Company’s other service providers.

The Company has also established a Nomination Committee which is chaired by the Chairman of the Company, Harry Wells. The Nomination Committee is responsible for identifying and proposing candidates for the office of director of the Company. The Nomination Committee also considers and reviews the fees payable to the non-executive directors and makes recommendations regarding such fees to the Board.

## PART 3

### FINANCIAL INFORMATION RELATING TO THE COMPANY

#### 1 Historical financial information

The Company has published audited financial statements for the three financial years ended 31 October 2017, 2018 and 2019 (the “**Annual Reports**”), in respect of which the Company’s auditors, Ernst & Young LLP of 1 More London Place, London SE1 2AF, have made an unqualified report. The financial statements in each of the Annual Reports have been prepared in accordance with the Act and United Kingdom Accounting Standards including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“**UK GAAP**”). Ernst & Young LLP are chartered accountants and a member of the Institute of Chartered Accountants in England and Wales.

In addition, the Company has published unaudited interim accounts for (i) the six month period ended 30 April 2019 and (ii) the six month period ended 30 April 2020 (the “**Interim Reports**”).

Each of the Annual Reports and Interim Reports, which have been incorporated into this Prospectus by reference, and which are available online at [www.ccjapanincomeandgrowthtrust.com](http://www.ccjapanincomeandgrowthtrust.com), and available for inspection at the address referred to in paragraph 14 of Part 5 of this Prospectus, include, on the pages specified in the table below, the following information:

<b>Nature of Information</b>	<b>Annual report and accounts for the year ended 31 October (audited)</b>			<b>Six months ended 30 April (unaudited)</b>	
	<b>2017 Page No(s)</b>	<b>2018 Page No(s)</b>	<b>2019 Page No(s)</b>	<b>2019 Page No(s)</b>	<b>2020 Page No(s)</b>
Investment Objective, Financial Information and Performance Summary	2	2	2	2	2
Chairman’s Statement	3	3	3	3	3
Investment Manager’s Report	5	5	5	4	5
Portfolio Information	10 – 11	10 – 12	10 – 12	5 – 6	7 – 8
Directors’ Report	12 – 15	13 – 16	13 – 17	n/a	n/a
Interim Management Report		n/a	n/a	7	9
Independent auditors’ report	25 – 29	26 – 30	29 – 35	n/a	n/a
Income Statement	30	31	36	8	10
Statement of Financial Position	31	32	37	9	11
Statement of Changes in Equity	32	33	38	10	12
Statement of Cash Flows	33	34	39	11	13
Notes to the Accounts	34 – 48	35 – 49	40 – 54	12 – 18	14 – 19
Directors, Investment Manager and Advisers	53	56	61	21	23

Those parts of the Annual Reports and Interim Reports which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in this document.

## 1.1 Selected financial information

Selected key audited figures which summarise the Company's financial condition in respect of the three financial years ended 31 October 2017, 2018 and 2019 (audited) are set out in the table below, together with corresponding (unaudited) figures for the interim financial periods for (i) the six month period ended 30 April 2019 and (ii) the six month period ended 30 April 2020. The information has been extracted without material adjustment from the Annual Reports and Interim Reports:

	As at 31 October 2017 (audited) (£'000)	As at 31 October 2018 (audited) (£'000)	As at 30 April 2019 (unaudited) (£'000)	As at 31 October 2019 (audited) (£'000)	As at 30 April 2020 (unaudited) (£'000)
<b>Balance Sheet</b>					
<b>Fixed assets</b>					
Investments at fair value through profit or loss	129,211	189,419	194,411	211,240	165,644
<b>Current assets</b>					
Debtors	1,427	2,811	2,299	2,571	5,532
Amounts due in respect of contracts for difference	4,931	1,001	1,642	3,258	530
Cash collateral paid in respect of contracts for difference	71	689	1	16	101
Cash at bank	—	1,633	2,693	2,472	11,162
	<u>6,429</u>	<u>6,134</u>	<u>6,635</u>	<u>8,317</u>	<u>17,325</u>
<b>Creditors: amounts falling due within one year</b>					
Creditors					
Amounts payable in respect of contracts for difference	(3,970)	(225)	(239)	(291)	(1,808)
Collateral held in respect of contracts for difference	(662)	(4,413)	(4,958)	(5,140)	(6,646)
Bank overdraft	(863)	—	—	—	—
	<u>(5,495)</u>	<u>(4,638)</u>	<u>(5,197)</u>	<u>(5,431)</u>	<u>(8,454)</u>
<b>Net current assets</b>	934	1,496	1,438	2,886	8,871
<b>Total assets less current liabilities</b>	130,145	190,195	195,849	214,126	174,515
<b>Total Net Assets</b>	130,145	190,915	195,849	214,126	174,515
NAV per share – Ordinary Shares (cum income)	145.95p	148.63p	145.36p	158.93p	129.53p
	<u>145.95p</u>	<u>148.63p</u>	<u>145.36p</u>	<u>158.93p</u>	<u>129.53p</u>
	From 1 November 2016 to 31 October 2017 (audited) (£'000)	From 1 November 2017 to 31 October 2018 (audited) (£'000)	From 1 November 2018 to 30 April 2019 (unaudited) (£'000)	From 1 November 2018 to 31 October 2019 (audited) (£'000)	From 1 November 2019 to 30 April 2020 (unaudited) (£'000)
<b>Income Statement</b>					
Gains/(losses) on investments held at fair value	18,540	(1,769)	(3,166)	14,083	(38,576)
Return on ordinary activities before finance costs and taxation	21,675	3,019	176	20,854	(34,836)
Return on ordinary activities before taxation	21,544	2,833	59	20,605	(34,960)
Return on ordinary activities after taxation	21,173	2,164	(363)	19,738	(35,434)
Return per Ordinary Share	25.53p	1.93p	(0.27)p	14.83p	(26.30)p
	<u>25.53p</u>	<u>1.93p</u>	<u>(0.27)p</u>	<u>14.83p</u>	<u>(26.30)p</u>



## 1.2 *Operating and financial review*

The Annual Reports and Interim Reports included, on the pages specified below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and information regarding the Company's portfolio of investments for each of the periods covered by the historical financial information.

Nature of Information	Annual report and accounts for the year ended 31 October (audited)			Six months ended 30 April (unaudited)	
	2017 Page No(s)	2018 Page No(s)	2019 Page No(s)	2019 Page No(s)	2020 Page No(s)
Chairman's Statement	3-4	3-4	3-4	3	3-4
Investment Manager's Report	5-6	5-6	5-6	4	5-6
Portfolio Information	10-12	10-12	10-12	5-6	7-8

The issue of the Subscription Shares itself will have no impact on the Company's assets, earnings or liabilities. Where Subscription Shares are converted into Ordinary Shares, the total assets of the Company will increase by that number of Ordinary Shares multiplied by the Subscription Price. It is not expected that there will be any material impact on the earnings and liabilities per Ordinary Share as the net proceeds resulting from the exercise of any Subscription Share Rights (thereby converting any Subscription Shares into Ordinary Shares) will be invested in accordance with the investment objective and policy of the Company.

## 1.3 *Availability of annual reports and accounts for inspection*

Copies of the Company's annual reports and audited accounts for the three financial years ended 31 October 2017, 2018 and 2019 and the unaudited half-yearly reports for the six months ended 30 April 2019 and 30 April 2020 are available for inspection at the address set out in paragraph 14 of Part 5 of this document.

## 2 **Significant change**

There has been no significant change in the financial or trading position of the Company since 30 April 2020, being the date to which the latest unaudited half-yearly results of the Company were published:

## 3 **Capitalisation and indebtedness**

The following table, sourced from the Company's internal accounting records, shows the Company's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) and the Company's capitalisation as at 8 January 2020:

	<b>8 January 2021 (unaudited) £'000</b>
<b>Total Current Debt</b>	
Guaranteed	—
Secured	—
Unguaranteed/Unsecured	—
<b>Total Non-Current Debt</b>	—
Guaranteed	—
Secured	—
Unguaranteed/Unsecured	—

	<b>8 January 2021 (unaudited) £'000</b>
<b>Shareholders' Equity</b>	
Share capital	1,347
Legal reserves (Share premium and special reserve)	98,437
Other reserves (excluding retained earnings)	118,104
	<b>217,888</b>

The following table shows the Company's unaudited net indebtedness as at 8 January 2021:

	<b>8 January 2021 (unaudited) £'000</b>
(A) Cash	2,965
(B) Cash equivalents	—
(C) Other current financial assets	217,317
<b>(D) Liquidity (A+B+C)</b>	<b>220,282</b>
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	—
(F) Current portion of non-current financial debt	—
<b>(G) Current financial indebtedness (E+F)</b>	<b>—</b>
<b>(H) Net current financial indebtedness (G-D)</b>	<b>(220,282)</b>
(I) Non-current financial debt (excluding current portion and debt instruments)	—
(J) Debt instruments	—
(K) Non-current trade and other payables	—
<b>(L) Non-current financial indebtedness (I+J+K)</b>	<b>—</b>
<b>(M) Total financial indebtedness (H+L)</b>	<b>(220,282)</b>

As at the Latest Practicable Date, there has been no material change in the capitalisation or indebtedness of the Company since 8 January 2021.

#### **4 Working capital**

The Company is of the opinion that the working capital available to it is sufficient for its present requirements, that is for at least 12 months from the date of this document.

## PART 4

### PARTICULARS OF THE SUBSCRIPTION SHARES

Conditional upon the passing of the Resolution at the General Meeting and Admission, the Subscription Shares are expected to be issued on 18 February 2021 and will carry the rights described below. The Existing Articles will be replaced with the New Articles which will incorporate these rights.

#### 1 Subscription Share Rights

- (a) A registered holder for the time being of a Subscription Share (a **Subscription Shareholder**) shall have a right (a **Subscription Share Right**) to subscribe in cash for one Ordinary Share by following the procedures set out in paragraph 1(d) below (in the case of Subscription Shares in certificated form (**Certificated Subscription Shares**)) and in paragraph 1(e) below (in the case of Subscription Shares in uncertificated form (**Uncertificated Subscription Shares**)). Subscription Share Rights may be exercised on the last Business Day of each calendar quarter (any date on which subscription occurs being a **Subscription Date**), between and including the last Business Day in May 2021 and the last Business Day in February 2023 (the "**Final Subscription Date**"). The price per Ordinary Share payable on the exercise of Subscription Share Rights (the "**Subscription Price**") shall be determined by the Company as being equal to the unaudited published Net Asset Value per Ordinary Share as at the close of business on 15 February 2021, plus a one per cent. premium to such Net Asset Value per Ordinary Share, rounded up to the nearest whole pence. The **Net Asset Value** or **NAV** for the purpose of calculating the Subscription Price means the unaudited value of all the Company's assets calculated in accordance with the Company's accounting policies (including revenue items for the current financial year) less all prior charges and other creditors at their par value (including the costs of the Bonus Issue). Prior charges include all loans and overdrafts that are to be used for investment purposes.

The Subscription Price shall be payable in full in Sterling on subscription.

It is expected that the Subscription Price will be announced via a Regulatory Information Service on or around 16 February 2021.

- (b) Each Subscription Share has a Subscription Share Right to one Ordinary Share, but the Subscription Price (and/or the number of Subscription Shares outstanding) will be subject to adjustment as provided in paragraph 2 below. No fraction of an Ordinary Share will be issued on the exercise of Subscription Share Rights and no refund will be made to a Subscription Shareholder in respect of any part of the Subscription Price paid by that Subscription Shareholder which represents such a fraction (if any) provided that if the Subscription Share Rights represented by more than one Subscription Share are exercised by the same Subscription Shareholder on the relevant Subscription Date then the number of Ordinary Shares to be issued to such Subscription Shareholder in relation to all such Subscription Shares exercised shall be aggregated and whether any fractions then arise shall be determined accordingly.
- (c) The Subscription Shares registered in a holder's name will be evidenced by a Subscription Share certificate issued by the Company or, in the case of Uncertificated Subscription Shares, by means of any relevant computer-based system enabling title to units of a security to be evidenced and transferred without a written instrument (the "**Relevant Electronic System**" or "**Relevant System**"). The Company shall be under no obligation to issue a Subscription Share certificate to any person holding Uncertificated Subscription Shares.
- (d) In order to exercise the Subscription Share Rights, in whole or in part, which are conferred by any Certificated Subscription Shares, the Subscription Shareholder must lodge the relevant Subscription Share certificate(s) (or such other document as the Company may, in its absolute discretion, accept) together with a completed notice of exercise of Subscription Share Rights thereon (or by giving such other notice of exercise of Subscription Share Rights as the Company may, in its absolute discretion, accept) (a **Certificated Subscription Notice**) at the office of the Company's Registrar by not later than 6.00 p.m. on the relevant Subscription Date, accompanied by a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Share Rights are exercised. Any notice of exercise

received after 6.00 p.m. on any Business Day will be treated as having been received on the following Business Day. The Directors may, in their absolute discretion, accept as valid, notices of exercise of Subscription Share Rights which are received after the relevant Subscription Date provided they are accompanied by the correct remittance, as described above. Once lodged, a notice of exercise of Subscription Share Rights shall be irrevocable save with the consent of the Directors. To be effective, compliance must also be made with any statutory and regulatory requirements for the time being applicable.

- (e) The Subscription Share Rights which are conferred by any Uncertificated Subscription Shares shall be exercisable, in whole or in part, (and treated by the Company as exercised) on the relevant Subscription Date if by not later than 6.00 p.m. on the relevant Subscription Date, (i) an Uncertificated Subscription Notice is received as referred to below and (ii) a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Share Rights are being exercised is received by the Company or by such person as it may require for these purposes. For these purposes, an **Uncertificated Subscription Notice** shall mean a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company (or by such person as it may require for these purposes) in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the regulations and facilities and requirements of the Relevant Electronic System). The Directors may, in addition but subject to the regulations and facilities and requirements of the Relevant Electronic System, determine when any such properly authenticated dematerialised instruction and/or other instruction or notification and any such remittance is to be treated as received by the Company or by such person as it may require for these purposes. Without prejudice to the generality of the foregoing, the effect of the Uncertificated Subscription Notice may be such as to divest the holder of the Subscription Shares concerned of the power to transfer such Subscription Shares to another person. Once lodged, an Uncertificated Subscription Notice shall be irrevocable save with the consent of the Directors. To be effective, compliance must also be made with any statutory and regulatory requirements for the time being applicable.
- (f) Not later than 30 days before the Final Subscription Date, the Company shall give notice in writing to the holders of the outstanding Subscription Shares reminding them of their Subscription Share Rights and, in relation to any Uncertificated Subscription Shares, stating the form of Uncertificated Subscription Notice prescribed by the Directors.
- (g) Ordinary Shares to be issued pursuant to the exercise of Subscription Share Rights which are conferred by any Certificated Subscription Shares will be allotted within ten Business Days of the first Business Day of the calendar month following the month of the relevant Subscription Date, save in the case of the Final Subscription Date when the relevant Ordinary Shares will be allotted not later than 14 days after the Final Subscription Date. The Ordinary Shares arising shall be allotted with effect from the date of their allotment (and not the Subscription Date on which the relevant Subscription Share Rights were exercised or deemed exercised). Certificates in respect of such Ordinary Shares, together, if applicable, with a new share certificate for the balance of any Certificated Subscription Shares in respect of which the Subscription Share Rights have not been exercised, will be despatched (at the risk of the person(s) entitled thereto) not later than 28 days after the relevant allotment date to the person(s) in whose name(s) the Subscription Share is registered at the date of exercise (and, if more than one, to the first-named, which shall be sufficient despatch for all) or (subject as provided by law and to the payment of stamp duty reserve tax or any like tax as may be applicable) to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the Company's Registrar (and, if more than one, to the first-named, which shall be sufficient despatch for all).
- (h) Ordinary Shares to be issued pursuant to the exercise of Subscription Share Rights which are conferred by Uncertificated Subscription Shares will be allotted within ten Business Days of the first Business Day of the calendar month following the month of the relevant Subscription Date and the Company shall procure that the appropriate instructions are given to enable such Ordinary Shares to be evidenced by means of the Relevant Electronic System as a holding of the person(s) in whose name(s) the Subscription Shares in respect of which Subscription Share Rights have been exercised were registered as at the date of such exercise or (subject as provided by law, to the payment of stamp duty reserve tax or any like tax as may be

applicable, to such terms and conditions as the Directors may from time to time prescribe for this purpose and to the facilities and requirements of the Relevant Electronic System) to such other person(s) (not being more than four in number) as may be named in the properly authenticated dematerialised instruction and/or other instruction or notification in such form. The Ordinary Shares arising shall be allotted with effect from the date of their allotment (and not the Subscription Date on which the relevant Subscription Share Rights were exercised or deemed exercised).

- (i) For the avoidance of doubt, unless the Directors otherwise determine or unless the regulations or the facilities or requirements of the Relevant Electronic System otherwise require, the Ordinary Shares issued on the exercise of any Subscription Share Rights shall be issued in certificated form where such Subscription Share Rights were conferred by Certificated Subscription Shares or in uncertificated form where such Subscription Share Rights were conferred by Uncertificated Subscription Shares.
- (j) Ordinary Shares allotted pursuant to the exercise of Subscription Share Rights will not rank for any dividends or other distributions declared, paid or made on the Ordinary Shares by reference to a record date prior to the relevant allotment date but, subject thereto, will rank in full for all dividends and other distributions declared, paid or made on the Ordinary Shares and otherwise will rank *pari passu* in all other respects with the Ordinary Shares in issue at the relevant allotment date, provided that, on any allotment falling to be made pursuant to paragraph 3(f) below, the Ordinary Shares to be allotted shall not rank for any dividend or other distribution declared, paid or made by reference to a record date prior to the date of actual allotment.
- (k) For so long as the Ordinary Shares are admitted to listing on the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange, it is the intention of the Company to apply to the FCA and to the London Stock Exchange for the Ordinary Shares allotted pursuant to any exercise of Subscription Share Rights to be admitted to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange respectively and, if such an application is made, the Company will use all reasonable endeavours to obtain the admissions pursuant thereto not later than 28 days after the relevant Subscription Date. The Ordinary Shares arising pursuant to any exercise of Subscription Share Rights will be allotted subject to admission to the Official List and to trading on the London Stock Exchange's main market for listed securities.\*
- (l) The Subscription Shares and the Ordinary Shares arising on the exercise of Subscription Share Rights have not been and will not be registered under the Securities Act or the securities laws of any other Restricted Territory and the relevant exemptions have not been and will not be obtained from the securities commission or similar regulatory authority of any province of Canada. Save where agreed otherwise in writing by the Company, the Subscription Shares, the Subscription Share Rights and the Ordinary Shares to be issued upon exercise of the Subscription Share Rights may not be offered, sold, resold, taken up, exercised, renounced, transferred or delivered, directly or indirectly, into or within any Restricted Territory or to any citizen or resident of any Restricted Territory or to, or for the account or benefit of a US Person (other than a Permitted US Shareholder) (a **Restricted Person**). Restricted Persons may not exercise Subscription Share Rights. Persons subscribing for Ordinary Shares in connection with the exercise of Subscription Share Rights shall (unless the relevant Ordinary Shares can lawfully be allotted to them) be required to represent and warrant to the Company in the Subscription Notice that they are not a Restricted Person and that they are not subscribing for such Ordinary Shares for the account of any Restricted Person and are not subscribing with a view to the re-offer or re-sale of such Ordinary Shares, directly or indirectly,

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\*A prospectus will not be required for the admission of the Ordinary Shares resulting from the exercise of the Subscription Share Rights, as such admission will fall under the exemption described in point (b) of the first sub-paragraph of Article 1(5) of the Prospectus Regulation. Furthermore, the requirement of Article 1(5)(b) that "*the resulting shares represent, over a period of 12 months, less than 20% of the number of shares of the same class already admitted to trading on the same regulated market*" will not apply as the Ordinary Shares will fall under the exemption described in point (a) of the second sub-paragraph of Article 1(5) of the Prospectus Regulation (namely that a prospectus will have been drawn up in accordance with the Prospectus Regulation upon the admission to trading on a regulated market of the securities giving access to the Ordinary Shares).



in any Restricted Territory and will not offer, sell, renounce, transfer or deliver, directly or indirectly, such Ordinary Shares in any Restricted Territory or to or for the benefit of any Restricted Person.

- (m) Restricted Persons may not exercise Subscription Share Rights. The exercise of Subscription Share Rights by any Subscription Shareholder or beneficial owner of the Subscription Shares who is a Restricted Person or the right of such a Subscription Shareholder or beneficial holder to receive the Ordinary Shares falling to be issued to them following the exercise of their Subscription Share Rights, will be subject to such other requirements, conditions, restrictions, limitations or prohibitions as the Company may at any time impose, in its sole discretion, for the purpose of complying with (or for avoiding any requirement which would otherwise arise to comply with) the securities laws of the United States (including, without limitation, the Securities Act, the Investment Company Act and any rules or regulations promulgated thereunder) and the laws of any other Restricted Territory.

## **2 Adjustments of Subscription Share Rights**

The Subscription Price (and/or the number of Subscription Shares outstanding) shall from time to time be adjusted in accordance with the provisions of this paragraph 2 and the Company shall not take any of the actions which would require such an adjustment unless there shall be available for issue sufficient Subscription Share and Ordinary Share capital to implement such adjustment and to satisfy in full all Subscription Share Rights remaining exercisable without the need for passing any further resolutions of Shareholders provided that in no event shall the Subscription Price be lower than the nominal value of an Ordinary Share:

- (a) If and whenever there shall be an alteration on a date (or by reference to a record date) on or before the Final Subscription Date in the nominal amount of the Ordinary Shares as a result of a consolidation or sub-division, the Subscription Price in force immediately prior to such alteration shall be adjusted by multiplying it by a fraction of which (x) the numerator shall be the nominal amount of one such Ordinary Share immediately after such alteration and (y) the denominator shall be the nominal amount of one such Ordinary Share immediately prior to such alteration, and such adjustment shall become effective on the date the alteration takes effect.
- (b) If and whenever the Company shall allot to Ordinary Shareholders any Ordinary Shares credited as fully paid by way of capitalisation of reserves or profits (other than Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend) on a date (or by reference to a date) on or before the Final Subscription Date, the Subscription Price in force immediately prior to such allotment shall be adjusted by multiplying it by a fraction of which (x) the numerator shall be the aggregate nominal amount of the issued Ordinary Shares immediately before such allotment and (y) the denominator shall be the aggregate nominal amount of the issued and allotted Ordinary Shares immediately after such allotment and such adjustment shall become effective as at the date of allotment of such Ordinary Shares.
- (c) If on a date (or by reference to a record date) on or before the Final Subscription Date, the Company makes any offer or invitation (whether by way of rights issue, open offer or otherwise but not being an offer to which paragraph 3(f) below applies or an offer made in connection with scrip dividend arrangements) to the Ordinary Shareholders (subject to such exclusions as may be necessary to deal with legal, regulatory or practical problems in any jurisdiction) to subscribe for new Ordinary Shares or for securities convertible into or exchangeable for Ordinary Shares or conferring rights to subscribe for Ordinary Shares, or any offer or invitation (not being an offer to which paragraph 3(f) below applies) is made to such holders otherwise than by the Company, then the Company shall, so far as it is able, procure that at the same time the same offer or invitation is made to the then Subscription Shareholders as if their Subscription Share Rights had been exercisable and had been exercised on the date immediately preceding the record date for such offer or invitation on the terms (subject to any adjustment made previously pursuant to paragraphs 2(a) to (f)) on which the same could have been exercised on that date, provided that, if the Directors so resolve in the case of any such offer or invitation made by the Company, the Company shall not be required to procure that the same offer or invitation is made to the then Subscription Shareholders but the Subscription Price shall be adjusted:



- (i) in the case of an offer of Ordinary Shares for subscription by way of rights (a **Rights Offer**) at a price less than the market price of an Ordinary Share at the date of announcement of the terms of the offer, by multiplying the Subscription Price by a fraction of which (x) the numerator is the number of Ordinary Shares in issue on the date of such announcement plus the number of Ordinary Shares which the aggregate amount payable for the total number of Ordinary Shares comprised in such Rights Offer would purchase at such market price and (y) the denominator is the number of Ordinary Shares in issue on the date of such announcement plus the aggregate number of Ordinary Shares offered for subscription;
- (ii) in the case of a Rights Offer at a price less than the net asset value of an Ordinary Share at the date of announcement of the terms of the offer, or such other date as may be specified for this purpose by the Board, the formula in (i) above shall apply save that the references to market price shall be substituted by references to net asset value; and
- (iii) in any other case, in such manner as the independent financial advisers appointed by the Board (acting as experts and not arbitrators) (the **Financial Advisers**) shall report in writing to be fair and reasonable.

Any such adjustments shall become effective, in the case of (i) and (ii) above, as at the date of allotment of the Ordinary Shares which are the subject of the offer or invitation and, in the case of (iii) above, as at the date determined by the Financial Advisers.

For the purposes of this paragraph 2, and for the purposes of paragraph 3 and paragraph 4 below: (i) **market price** shall mean the average of the middle market quotations (as derived from the Official List) for one Ordinary Share for the five consecutive dealing days ending on the dealing day immediately preceding the day on which the market price is to be ascertained, making an appropriate adjustment if the Ordinary Shares to be issued pursuant to the offer or invitation do not rank, on some or all of the relevant dealing days, *pari passu* as to dividends or other distributions with the Ordinary Shares in issue on those days; and (ii) **net asset value** shall mean the value of the Company's assets (excluding revenue items for the current financial year) minus all prior charges at their par value and the costs of the Rights Offer.

- (d) No adjustment will be made to the Subscription Price pursuant to paragraphs 2(a), (b) or (c) above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above) if it would result in an increase in the Subscription Price and, in any event, no adjustment will be made if such adjustment would (taken together with the amount of any adjustment carried forward under the provisions of this paragraph 2(d)) be less than one per cent. of the Subscription Price then in force and on any adjustment the adjusted Subscription Price will be rounded down to the nearest whole pence. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment.
- (e) Whenever the Subscription Price is adjusted as provided in accordance with paragraphs 2(a) to (d) above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above), the Company shall issue, for no payment, additional Subscription Shares, registered as fully paid, to each Subscription Shareholder at the same time as such adjustment takes effect. The number of additional Subscription Shares to which a Subscription Shareholder will be entitled shall be the number of existing Subscription Shares held by them multiplied by the fraction:

$$(A - B) / B$$

where:

A = the Subscription Price which would have been payable if the Subscription Share Rights had been exercisable and had been exercised immediately prior to the relevant adjustment pursuant to paragraph 2(a) to (d) above; and

B = the Subscription Price as adjusted pursuant to paragraph 2(a) to (d) above.

Fractions of Subscription Shares will not be allotted to Subscription Shareholders but all such fractions will be aggregated and, if practicable, sold in the market. The net proceeds will be paid to the Subscription Shareholders entitled thereto at the risk of such persons, save that amounts of less than £5.00 per Subscription Shareholder will be retained for the benefit of the

Company. Subscription Share certificates relating to such additional Subscription Shares will be issued within 21 days of the said adjustment taking effect or the Company will procure that appropriate instructions are given to enable the adjustment to be made to the Subscription Shareholder's holding of Subscription Shares in the Relevant Electronic System. The Directors shall, and are hereby authorised to, capitalise any part of the amount then standing to the credit of any of the Company's reserve accounts (whether or not the same would lawfully be distributable by way of cash dividend) or to the credit of the share premium account, capital redemption reserve, profit and loss account or otherwise available for the purpose and the same shall be applied in paying up in full at par the additional Subscription Shares so created and to be issued as provided in this paragraph 2(e). Any restrictions and limitations in the New Articles relating to capitalisation issues generally shall not apply to any capitalisation or creation or issue of shares pursuant to this paragraph.

- (f) Whenever the Subscription Price is adjusted in accordance with this paragraph by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above, the number of Ordinary Shares into which each holder of Subscription Shares is entitled to convert such Subscription Shares will be reduced accordingly.
- (g) The Company shall give notice to holders of Subscription Shareholders within 28 days of any adjustment made pursuant to paragraphs 2(a) to (f) above, which will be notified through a Regulatory Information Service.
- (h) If a holder of Subscription Shares shall become entitled to exercise their Subscription Share Rights pursuant to paragraph 3(f) below, the Subscription Price payable on such exercise (but not otherwise) shall be reduced by an amount determined by the Financial Advisers in accordance with the following formula:

$$A = (B + C) - D$$

where:

A = the reduction in the Subscription Price;

B = the Subscription Price which would, but for the provisions of this paragraph 2(h), be applicable (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) above) if the Subscription Share Rights were exercisable on the date on which the Company shall become aware as provided in paragraph 3(f) below;

C = the average of the middle market quotations (as derived from the Official List) for one Subscription Share for the five consecutive dealing days ending on the dealing day immediately preceding the date of the announcement of the offer referred to in paragraph 3(f) below (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made; and

D = the average of the middle market quotations (as derived from the Official List) for one Ordinary Share for the five consecutive dealing days ending on the dealing day immediately preceding the date of the announcement of the offer referred to in paragraph 3(f) below (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made,

provided that:

- (i) if the application of the above formula would, in the absence of this proviso (i), have reduced the Subscription Price to below the nominal value of an Ordinary Share, the number of Ordinary Shares into which a Subscription Share may convert pursuant to paragraph 3(f) below shall be adjusted in such manner as the Financial Advisers shall report to be appropriate to achieve the same economic result for the Subscription Shareholders as if the Subscription Price had been reduced without regard to this proviso (i); and
- (ii) no adjustment shall be made to the Subscription Price where the value of D exceeds the aggregate value of B and C in the above formula.

The notice required to be given by the Company under paragraph 3(f) below shall give details of any reduction in the Subscription Price pursuant to this paragraph 2(h).

- (i) For the purpose of determining whether paragraph 3(h) below shall apply and accordingly whether each Subscription Shareholder is to be treated as if their Subscription Share Rights had been exercisable and had been exercised as therein provided, the Subscription Price which would have been payable on such exercise shall be reduced by an amount determined by the Financial Advisers in accordance with the following formula:

$$A = (B + C) - D$$

where:

A = the reduction in the Subscription Price;

B = the Subscription Price which would, but for the provisions of this paragraph 2(i), be applicable (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) above) if the Subscription Share Rights were exercisable on the date on which the order or the effective resolution referred to in paragraph 3(h) shall be made or passed (as the case may be);

C = the average of the middle market quotations (as derived from the Official List) for one Subscription Share for the five consecutive dealing days ending on the dealing day immediately preceding the earliest of the following dates: (i) the date of an announcement by the Board of their intention to convene a general meeting for the purpose of passing a resolution, or to present a petition for a court order, to wind up the Company, (ii) the date of the notice of a general meeting convened for the purpose of passing a resolution to wind up the Company, (iii) the date of commencement of the winding up of the Company by the court; and (iv) the date of suspension by the London Stock Exchange of dealings in the Subscription Shares prior to the making of any such announcement by the Board; and

D = the amount (as determined by the Financial Advisers) of the assets available for distribution in the liquidation of the Company in respect of each Ordinary Share, taking into account for this purpose the Ordinary Shares which would arise on exercise of all the Subscription Share Rights and the Subscription Price which would be payable on the exercise of such Subscription Share Rights (subject to any adjustments previously made pursuant to paragraphs 2(a) to (f) above but ignoring any adjustment to be made pursuant to this paragraph 2(i)), provided that no adjustment shall be made to the Subscription Price where the value of D exceeds the aggregate value of B and C in the above formula.

- (j) Notwithstanding the provisions of paragraphs 2(a) to 2(h) above, in any circumstances, where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided under the said provisions in order to give a result which is fair and reasonable, the Company may appoint the Financial Advisers to consider whether for any reason whatsoever the adjustment to be made (or the absence of adjustment) would or might not appropriately reflect the relative interests of the persons affected thereby and, if the Financial Advisers shall consider this to be the case, the adjustment shall be modified or nullified, or another adjustment made instead, or no adjustment made, in such manner including without limitation making an adjustment calculated on a different basis and/or to take effect from such other date and/or time as shall be reported by the Financial Advisers to be in their opinion appropriate in order to give a result which is fair and reasonable.
- (k) Where an event which gives or may give rise to an adjustment to the Subscription Price occurs whether in such proximity in time to another such event or otherwise in circumstances such that the Company in its absolute discretion determines that the foregoing provisions need to be operated subject to some modification in order to give a result which is fair and

reasonable in all the circumstances such modification shall be made in the operation of the foregoing provisions as may be advised by the Financial Advisers to be in their opinion appropriate in order to give such a result.

### 3 Other Provisions

So long as any Subscription Share Rights remain capable of exercise:

- (a) the Company shall not (except with the sanction of a special resolution of the Subscription Shareholders):
  - (i) subject to paragraph 3(i) below make any distribution of capital profits or capital reserves except by means of a capitalisation issue in the form of fully paid Ordinary Shares;
  - (ii) subject to paragraph 4 below, issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to Ordinary Shareholders *pro rata* to their existing holdings or at the election of the Ordinary Shareholders instead of cash in respect of all or part of a dividend or dividends or the issue of further Subscription Shares to the Subscription Shareholders in accordance with the rights attaching to the Subscription Shares; or
  - (iii) on or by reference to a record date falling within the period of six weeks ending on the Final Subscription Date, make any such allotment as is referred to in paragraph 2(b) above or any such offer or invitation as is referred to in paragraph 2(c) above (except by extending to the Subscription Shareholders any such offer or invitation or as otherwise provided in paragraph 2(c));
- (b) subject to paragraph 4 below, the Company shall not (except with the sanction of a special resolution of the Subscription Shareholders) in any way modify the rights attached to its existing Ordinary Shares as a class, or create or issue any new class of equity share capital (as defined in section 548 of the Companies Act as applicable) except for shares which carry, as compared with the rights attached to the existing Ordinary Shares, rights which are not more advantageous as regards voting, dividend or return of capital (save as to the date from which such shares shall rank for dividends or distributions), provided that nothing herein shall restrict the right of the Company to increase, consolidate or sub-divide its share capital or to issue further Ordinary Shares which carry, as compared to the rights attached to the existing Ordinary Shares, rights which are not more advantageous as regards voting, dividends or return of capital;
- (c) the Company shall not issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves nor make any such offer as is referred to in paragraph 2(c) if, in either case, the Company would on any subsequent exercise of the Subscription Share Rights be obliged to issue Ordinary Shares at a discount to nominal value;
- (d) the Company shall not (except with the sanction of a special resolution of the Subscription Shareholders or for a reduction not involving any payment to Shareholders) reduce any of its share capital, any uncalled or unpaid liability in respect of any of its share capital or any of its non-distributable reserves provided that the Company shall not be restricted by this paragraph 3(d) from reducing its share capital and from cancelling or reducing any other non-distributable reserve in connection with, or from making, any purchase of (i) Ordinary Shares at prices below the net asset value per Ordinary Share as envisaged by paragraph 3(i) below or (ii) Subscription Shares as envisaged by paragraph 6 below;
- (e) except in the circumstances where paragraph 2(c) applies, the Company shall not grant (or agree to grant) any option in respect of, or create any rights of subscription for, or conversion into, any Ordinary Shares, the nominal amount of which, together with the aggregate nominal amount of any Ordinary Shares over which options or rights of subscription or conversion (including those of the Subscription Shares) shall be subsisting at the date of such grant or creation, would exceed in the aggregate 20 per cent. of the nominal amount of the Ordinary Shares (excluding any treasury shares) then in issue, nor (except with the sanction of a special resolution of the Subscription Shareholders) will the Company grant (or offer or agree to grant) any such option in respect of, or create any such rights of subscription for, or issue

any securities or loan capital carrying rights of conversion into, Ordinary Shares if the price at which any such option or right is exercisable is lower than the Subscription Price for the time being;

- (f) subject as provided in paragraph 3(g) below, if at any time an offer is made to all Ordinary Shareholders (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued share capital of the Company and the Company becomes aware on or before the Final Subscription Date that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons as aforesaid, the Company shall give notice to the Subscription Shareholders of such vesting or pending vesting within 14 days of it becoming so aware, and each such Subscription Shareholder shall be entitled, at any time within the period of 30 days immediately following the date of such notice, to exercise their Subscription Share Rights on the terms (subject to any adjustments pursuant to paragraphs 2(a) to (f) and subject to paragraph 2(h) above) on which the same could have been exercised if they had been exercisable and had been exercised on the date on which the Company shall become aware as aforesaid. The publication of a scheme of arrangement under sections 895 to 901 of the Companies Act 2006 providing for the acquisition by any person of the whole or any part of the issued share capital of the Company shall be deemed to be the making of an offer for the purposes of this paragraph 3(f) and references herein to such an offer shall be read and construed accordingly;
- (g) if under any offer as referred to in paragraph 3(f) above the consideration shall consist solely of the issue of ordinary shares of the offeror and the offeror shall make available to Subscription Shareholders an offer of securities to subscribe for ordinary shares in the offeror in exchange for the Subscription Shares, which the Financial Advisers shall consider to be fair and reasonable (having regard to the terms of the offer and any other circumstances which may appear to such Financial Advisers to be relevant), then a Subscription Shareholder shall not have the right to exercise their Subscription Share Rights on the basis referred to in paragraph 3(f) above and, subject to the offer referred to in paragraph 3(f) above becoming or being declared wholly unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued share capital of the Company not already owned by it or its associates, any Director shall be irrevocably authorised as attorney for the Subscription Shareholders who have not accepted the offer of securities to subscribe for ordinary shares in the offeror in exchange for the relevant securities (subject to applicable law):
  - (i) to execute a transfer of the Subscription Shares held by such holders in favour of the offeror in respect of Certificated Subscription Shares, or to take or procure the taking of such action as shall be required in accordance with and subject to the CREST Regulations and the facilities and requirements of the relevant system concerned in respect of Uncertificated Subscription Shares, in consideration of the issue of securities to subscribe for ordinary shares in the offeror as aforesaid whereupon all the Subscription Share Rights shall lapse; and
  - (ii) to do such acts and things as may be necessary or appropriate in connection therewith including to take account of the fact that Subscription Shares may be held in uncertificated form;
- (h) if:
  - (i) an order is made or an effective resolution is passed for winding up the Company (except for the purpose of reconstruction, amalgamation or unitisation on terms sanctioned by a special resolution of the Subscription Shareholders); and
  - (ii) in such winding up and on the basis that all Subscription Share Rights then unexercised had been exercised in full and the Subscription Price in respect thereof at the relevant Subscription Date had been received in full by the Company there would be a surplus available for distribution amongst the Ordinary Shareholders, including for this purpose the Ordinary Shares which would arise on exercise of all the Subscription Share Rights (taking into account any adjustments pursuant to paragraphs 2(a) to (f) and 2(i), 2(j) and 2(k) above), which surplus would, on such basis, exceed in respect of each Share a sum equal to such Subscription Price, each Subscription Shareholder shall be treated as if



immediately before the date of such order or resolution (as the case may be) his Subscription Share Rights had been exercisable and had been exercised in full on the terms (subject to any adjustments pursuant to paragraphs 2(a) to (f) and 2(i), 2(j) and 2(k) above) on which the same could have been exercised if they had been exercisable and had been exercised in full but at any reduced Subscription Price immediately before the date of such order or resolution (as the case may be), and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the Ordinary Shareholders such sum as they would have received had he been the holder of the Ordinary Shares to which he would have become entitled by virtue of such subscription after deducting a sum per Subscription Share equal to the Subscription Price (subject to any adjustments pursuant to paragraphs 2(a) to (f) and 2(i), 2(j) and 2(k) above). Subject to the foregoing, all Subscription Share Rights shall lapse on liquidation of the Company; and

- (i) notwithstanding paragraphs 3(a) to (h) above, the Company may, without the sanction of a special resolution of the Subscription Shareholders:
  - (i) issue new Ordinary Shares at a price equal to or greater than Net Asset Value per Ordinary Share;
  - (ii) purchase any of its own equity share capital (whether by tender, by private treaty or through the market);
  - (iii) hold its Ordinary Shares in treasury (for the purposes of The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003) and sell any such Ordinary Shares held in treasury (including where such Ordinary Shares are sold out of treasury at a discount to the Net Asset Value per Ordinary Share);
  - (iv) effect a reduction in its share premium account or capital redemption reserve unless prohibited by paragraph 3(d) above; and
  - (v) purchase or redeem any Deferred Shares in accordance with paragraph 9.

#### **4 Issue of C Shares**

- (a) Notwithstanding the provisions of paragraph 3 above, a Qualifying C Share Issue (as defined in paragraph 4(b) below) shall not constitute a modification, alteration or abrogation of the rights attached to the Subscription Shares (and shall not require the sanction of a special resolution of the Subscription Shareholders) even though it may involve modification of the rights attached to the existing Ordinary Shares or the creation or issue of a new class of equity share capital if the Directors are of the opinion (having regard to all the circumstances) that such issue should not have any material dilutive effect on the Net Asset Value per Ordinary Share.
- (b) For the purposes of this paragraph 4, a **Qualifying C Share Issue** means an issue by the Company of shares which will, within one year of the date of issue thereof, be converted into Ordinary Shares ranking *pari passu* in all respects with the Ordinary Shares then in issue (other than, if the case requires, as regards dividends or other distributions declared, paid or made in respect of the financial year in which the conversion takes place) and may include the issue in connection therewith of subscription shares or warrants (whether on the same terms and conditions as the Subscription Shares or otherwise) and any matters reasonably incidental to the process by which such shares are converted into Ordinary Shares, including but not limited to the creation, issue, sub-division, consolidation, re-designation, purchase, redemption or cancellation of any share capital of the Company, including share capital with preferred or deferred rights.

#### **5 Modification of Rights**

All or any of the rights for the time being attached to the Subscription Shares may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of a special resolution of the Subscription Shareholders.



## 6 Purchase

The Company shall have the right to purchase Subscription Shares in the market, by tender or by private treaty, but:

- (a) such purchases will be limited to the maximum price payable per Subscription Share as specified in the Listing Rules from time to time applicable to equity securities; and
- (b) if such purchases are by tender, such tender will be available to all Subscription Shareholders alike (other than Restricted Shareholders).

All Subscription Shares so purchased shall forthwith be cancelled and shall not be available for reissue or resale.

## 7 Transfer

Each Subscription Share will be in registered form and will be transferable:

- (a) in the case of Certificated Subscription Shares, by an instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors; and
- (b) in the case of Uncertificated Subscription Shares, by giving the appropriate instructions for transfer by means of the Relevant Electronic System.

No transfer of a fraction of a Subscription Share may be effected.

## 8 General

- (a) The Company will, concurrently with the issue of the same to the Ordinary Shareholders, send to each Subscription Shareholder (or, in the case of joint holders, to the first named) a copy of each published annual report and accounts of the Company (or such abbreviated or summary financial statements sent to Ordinary Shareholders *in lieu* thereof), together with all documents required by law to be annexed thereto, and a copy of every other statement, notice or circular issued by the Company to Ordinary Shareholders.
- (b) For the purposes of these conditions, **special resolution of the Subscription Shareholders** means a resolution proposed at a meeting of the Subscription Shareholders duly convened and quorate and passed by a majority consisting of not less than three-fourths of the votes cast, whether on a show of hands or on a poll.
- (c) Subject as provided in paragraph 7 above, the provisions of the New Articles relating to notice of meetings, untraced members, lost certificates and the registration, transfer and transmission of Ordinary Shares shall, *mutatis mutandis*, apply to the Subscription Shares as if they were Ordinary Shares.
- (d) Any determination or adjustment made pursuant to these terms and conditions by the Financial Advisers shall be made by them as experts and not as arbitrators and any such determination or adjustment made by them shall be final and binding on the Company and each of the Subscription Shareholders.
- (e) Any references in these particulars to a statutory provision shall include that provision as from time to time modified or re-enacted.
- (f) Subject to paragraph 3(h) above, Subscription Shares carry no right to any dividend or other distribution by the Company and (save to the extent that the Directors elect in connection with an exercise of Subscription Share Rights as provided in paragraph 8(k) below) no right to be redeemed (although the Company may elect to purchase Subscription Shares pursuant to paragraph 6 above). Subscription Shareholders are not entitled to attend or vote at meetings of Shareholders and, save as provided in paragraph 3(h) above, have no right to share in any surplus in the event of liquidation beyond the right to be repaid the sum of 0.1 pence, being the nominal value of each Subscription Share (in respect of which conversion rights have not been exercised) held (which rights rank immediately after the rights of the Ordinary Shareholders to be repaid the nominal value of £0.01 for each Ordinary Share).
- (g) If, immediately after any Subscription Date (other than the Final Subscription Date) and after taking account of any Subscription Share Rights exercised on that date, Subscription Share Rights shall have been exercised or cancelled in respect of 75 per cent. or more of the

Subscription Shares originally issued (subject to the adjustment of the number of Subscription Shares in accordance with paragraph 2 above including any further Subscription Shares issued in accordance with the New Articles), the Company shall be entitled at any time within the next following 14 days to serve notice in writing on the holders of the Subscription Shares then outstanding of its intention to appoint a trustee for the purposes set out in this paragraph 8(g) (the “**Early Subscription Trustee**”) upon the expiry of 21 days from the date of such notice (the “**Notice Period**”) and for this purpose the Notice Period shall expire at 3.00 pm. on the 21st day from the date of such notice. Such notice shall set out the Final Subscription Date and will include all necessary details and instructions to enable the exercise of the Subscription Share Rights. Forthwith after the expiry of the Notice Period, the Company shall appoint the Early Subscription Trustee who, provided that in such trustee’s opinion the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, such trustee will exceed the costs of exercising the Subscription Share Rights, shall within the period of 14 days following the expiry of the Notice Period either:

- (i) exercise all (or such proportion as it may in its absolute direction determine) of the Subscription Share Rights which shall not have been exercised on the terms on which the same could have been exercised immediately prior to the expiry of the Notice Period and sell in the market the Ordinary Shares resulting from such exercise; or
- (ii) (if it appears to the Early Subscription Trustee that doing so is likely to realise greater net proceeds for Subscription Shareholders) accept any offer available to Subscription Shareholders for the purchase of the outstanding Subscription Shares (or such proportion of such Subscription Shares as the Early Subscription Trustee may in its absolute direction determine).

The Early Subscription Trustee shall distribute *pro rata* the proceeds of any such sale or acceptance of any such offer less, in either case, such costs of exercising the Subscription Share Rights and such other fees, costs and expenses to the persons entitled thereto (being, regardless of whether the Early Subscription Trustee has exercised all or only a proportion of unexercised Subscription Share Rights or has accepted any offer for the purchase of all or only a proportion of the outstanding Subscription Shares, all holders of the Subscription Shares outstanding immediately prior to such exercise or acceptance) at the risk of such persons as soon as practicable and in any event within 28 days after the expiry of the Notice Period, provided that entitlements of under £5.00 per Subscription Shareholder shall be retained for the benefit of the Company. Following the expiry of the Notice Period, if the Early Subscription Trustee shall not exercise the Subscription Share Rights then outstanding within the period of 14 days following such expiry as set out in this paragraph 8(g) (and such trustee’s decision in respect thereof shall, in the absence of unreasonableness, be final and binding on all holders of outstanding Subscription Shares), all Subscription Share Rights shall lapse. Where the Early Subscription Trustee exercises some but not all of such Subscription Share Rights or sells some but not all such Subscription Shares in accordance with this paragraph, any Subscription Share Rights which are not so exercised and all Subscription Share Rights attaching to Subscription Shares not so sold shall immediately lapse.

- (h) Within seven days following the Final Subscription Date the Company shall appoint a trustee (the “**Final Subscription Trustee**”) who, provided that in such trustee’s opinion the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, such trustee will exceed the costs of exercising the Subscription Share Rights, shall within the period of 14 days following the Final Subscription Date, either:
  - (i) exercise all (or such proportion as it may in its absolute direction determine) the Subscription Share Rights which shall not have been exercised on the terms on which the same could have been exercised on the Final Subscription Date and sell in the market the Ordinary Shares resulting from such exercise; or
  - (ii) (if it appears to the Final Subscription Trustee that doing so is likely to realise greater net proceeds for Subscription Shareholders) accept any offer available to Subscription Shareholders for the purchase of the outstanding Subscription Shares (or such proportion of such Subscription Shares as the Final Subscription Trustee may in its absolute direction determine).

The Final Subscription Trustee shall distribute *pro rata* the proceeds of any such sale or acceptance of any such offer less, in either case, such costs of exercising the Subscription Share Rights and such other fees, costs and expenses to the persons entitled thereto (being, regardless of whether the Final Subscription Trustee has exercised all or only a proportion of unexercised Subscription Share Rights or has accepted any offer for the purchase of all or only a proportion of the outstanding Subscription Shares, all holders of the Subscription Shares outstanding immediately prior to such exercise or acceptance) at the risk of such persons within 56 days of the Final Subscription Date, provided that entitlements of under £5.00 per Subscription Shareholder shall be retained for the benefit of the Company. If the Final Subscription Trustee shall not exercise the Subscription Share Rights within the period of 14 days following the Final Subscription Date as set out in this paragraph 8(h) (and such trustee's decision in respect thereof shall be final and binding on all holders of outstanding Subscription Shares), all Subscription Share Rights shall lapse. Where the Final Subscription Trustee exercises some but not all of such Subscription Share Rights or sells some but not all such Subscription Shares in accordance with this paragraph, any Subscription Share Rights which are not so exercised and all Subscription Share Rights attaching to Subscription Shares not so sold shall immediately lapse.

- (i) The Company shall, in its discretion, as an alternative to the procedures in paragraphs 8(g) or 8(h) above have the right to make a payment to the holder of each outstanding Subscription Share of an amount equal to the Board's best estimate of the amount which would be received by Subscription Shareholders were such procedures to be followed and upon making such payment the Subscription Share Rights shall lapse.
- (j) The Early Subscription Trustee or the Final Subscription Trustee (as appropriate) shall have no liability of any nature whatsoever where such trustee has acted honestly and reasonably and shall have no responsibility for the safe custody of, or to earn any interest on, any unpaid or unclaimed money.
- (k) The Company shall give effect to Subscription Share Rights in accordance with this paragraph 8(k) or in such other manner as may be authorised by law. For the purposes of this paragraph 8(k) the **Relevant Shares** shall mean those Subscription Shares in respect of which Subscription Share Rights are exercised.
  - (i) To enable such subscription to be effected, the Directors may determine to redeem at par the Relevant Shares on any Subscription Date out of profits of the Company which would otherwise be available for distribution. In the event that the Directors determine to redeem the same at par out of such profits, a Relevant Share shall confer upon the holder thereof the right to subscribe for, and such holder shall be deemed to have appointed the secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on such holder's behalf for, one Ordinary Share at such price as shall represent the aggregate of:
    - a. the Subscription Price; and
    - b. the amount of the redemption monies to which the holder is entitled,and, in any such case, the Certificated Subscription Notice or Uncertificated Subscription Notice (as the case may be, a **Subscription Notice**) given by such holder shall be deemed irrevocably to authorise and instruct such agent to apply the redemption moneys payable to such holder in subscribing for such Ordinary Shares at such price.
  - (ii) To enable such subscription to be effected, the Directors may determine to redeem at par the Relevant Shares on any Subscription Date out of the proceeds of a fresh issue of Ordinary Shares. In the event that the Directors determine to redeem the same at par out of such proceeds, a Relevant Share shall confer upon the holder thereof the right to subscribe for, and shall authorise the secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on such holder's behalf for, one Ordinary Share at such price as shall represent the aggregate of:
    - a. the Subscription Price; and
    - b. the amount of the redemption monies to which the holder is entitled,

and, in any such case, the Subscription Notice given by such holder shall be deemed irrevocably to authorise and instruct such agent to apply the redemption monies payable to such holder in subscribing for such Ordinary Shares at such price.

- (iii) To enable such subscription to be effected, the Directors may determine to effect such subscription by means of a consolidation and sub-division of the Relevant Shares. In such case the requisite consolidation and sub-division shall be effected by consolidating into one share all the Relevant Shares held by any holder or joint holders and in respect of which a Subscription Notice shall have been given in respect of any Subscription Date (treating holdings of the same holders or joint holders in certificated form and uncertificated form as separate holdings, unless the Directors otherwise determine) and, if the Directors so determine, any Ordinary Shares allotted to such holder or joint holder pursuant to paragraph 8(k)(v) and converting (and, if necessary, sub-dividing) such consolidated share into Ordinary Shares of £0.01 each (or such other nominal amount as may be appropriate as a result of any consolidation or sub-division of Ordinary Shares) of which one share for every complete £0.01 (or such other nominal amount as may be appropriate as a result of any consolidation or sub-division of Ordinary Shares) of the nominal amount of the consolidated share shall be Ordinary Shares (fractional entitlements to an Ordinary Share being disregarded) and the balance (if any) of such consolidated share shall be deferred shares (**Deferred Shares**) which shall carry the limited rights set out in the New Articles and paragraph 9 below but in particular will be capable of being redeemed by the Company without further authorisation.
  - (iv) In relation to any Relevant Shares that are to be redeemed in accordance with paragraph 8(k)(i) or 8(k)(ii) above and that are, on any Subscription Date, in uncertificated form, the Directors shall be entitled in their absolute discretion to determine the procedures for the redemption of such Relevant Shares (subject always to the facilities and requirements of the Relevant Electronic System). Without prejudice to the generality of the foregoing, the procedures for the redemption of any such Relevant Shares may involve or include the sending by the Company or by any person on its behalf of an issuer instruction to the operator of the Relevant Electronic System requesting or requiring the deletion of any computer based entries in the relevant system concerned that relate to the holding of the Relevant Shares concerned, and/or the Company may, if the Directors so determine (by notice in writing to the holder concerned), require the holder of the Relevant Shares concerned to change the form of the Relevant Shares from uncertificated form to certificated form prior to the relevant Subscription Date.
  - (v) To enable any subscription to be effected in accordance with this paragraph 8(k) the Directors are authorised to capitalise any part of the amount then standing to the credit of any of the Company's reserve accounts (whether or not the same would lawfully be distributable by way of cash dividend) or to the credit of the share premium account, capital redemption reserve, profit and loss account or otherwise available for the purpose and the same shall be applied in paying up in full at par shares to be allotted and issued, credited as fully paid, to and amongst the Subscription Shareholders exercising their Subscription Share Rights in accordance with their respective entitlements. Any restrictions and limitations in the New Articles relating to capitalisation issues generally shall not apply to any capitalisation or creation or issue of shares pursuant to this paragraph 8(k).
  - (vi) Where the Subscription Share Rights attaching to any Subscription Shares have lapsed in accordance with the provisions of the New Articles, such Subscription Shares will be reclassified as Deferred Shares with immediate effect from the date of such lapse.
- (l) The Directors may make such arrangements or regulations (if any) as they may from time to time in their absolute discretion think fit in relation to the evidencing, issue, conversion and transfer of Uncertificated Subscription Shares, the payment of any monies in respect of Uncertificated Subscription Shares and otherwise for the purpose of implementing and/or supplementing the provisions of the New Articles and the CREST Regulations and the facilities and requirements of the relevant system concerned; and such arrangements and regulations (as the case may be) shall have the same effect as if set out in the New Articles.

## 9 Deferred Shares

- (a) The Deferred Shares arising as a result of a conversion by means of consolidation and subdivision as provided in paragraph 8(k)(iii) above, or otherwise on the lapse of Subscription Share Rights, shall (i) on a return of assets in a winding up entitle the holder only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the Ordinary Shares, the capital paid up on the Subscription Shares plus the payment of £1,000 on each Ordinary Share; (ii) entitle the holder to a cumulative annual dividend at a fixed rate of 0.001 per cent. of the total nominal amount thereof, the first such dividend (adjusted *pro rata* temporis) being payable on the date falling six months after the date on which they arise, to the holders of Deferred Shares on the Register at that date, but shall confer no other right to share in the profits of the Company; and (iii) not entitle the holder to receive notice of or to attend or vote at any general meeting of the Company, and such conversion or reclassification shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such Deferred Shares a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof, to such person as the Company may determine as custodian thereof and to cancel and/or purchase the same (in accordance with the provisions of the Companies Act 2006) without making any payment to or obtaining the sanction of the holder thereof and pending such transfer and/or cancellation and/or purchase to retain the certificate for such Deferred Shares.
- (b) The Company may at its option at any time after the creation of any Deferred Shares redeem all or any of the Deferred Shares then in issue, at a price not exceeding 0.1 pence for all the Deferred Shares redeemed, at any time upon giving the registered holder(s) of such share or shares not less than 14 days' previous notice in writing of its intention so to do, fixing a time and place for their redemption.
- (c) If and whenever the Company shall determine to redeem pursuant to the foregoing paragraph less than the total of the Deferred Shares then outstanding, those to be redeemed shall be selected by the drawing of lots. At the time and place so fixed, each such registered holder shall be bound to surrender to the Company the certificate for their Deferred Shares which are to be redeemed in order that such shares may be cancelled.

## 10 Representations given by all Qualifying Shareholders

Qualifying Shareholders who have registered addresses in, or who are citizens, residents or nationals of, countries other than the United Kingdom should 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 hold or transfer Subscription Shares or to exercise Subscription Share Rights or acquire Ordinary Shares. If you are in any doubt as to your eligibility to hold Subscription Shares, Subscription Share Rights or Ordinary Shares, you should contact your appropriate professional adviser immediately.

Each holder of Subscription Shares (subject to certain exceptions) will be required to have represented, warranted, agreed and acknowledged points (d) to (k) (both inclusive) immediately below (terms used in this paragraph have the same meaning as in Regulation S) and (ii) prior to exercising Subscription Share Rights and receiving Ordinary Shares, will be required to represent, warrant, agree and acknowledge in the Subscription Notice, as follows (again, terms used in this paragraph have the same meaning as in Regulation S):

- (a) He/she/it is not a US Person, is not located within the United States and is not accepting the Ordinary Shares issued upon exercise of the Subscription Share Rights for the account or benefit of a US Person.
- (b) He/she/it is accepting and/or acquiring the Ordinary Shares issued upon exercise of the Subscription Share Rights in an offshore transaction meeting the requirements of Regulation S.
- (c) He/she/it is not accepting and/or acquiring the Ordinary Shares issued upon exercise of the Subscription Share Rights with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of such Ordinary Shares issued upon exercise of the Subscription Share Rights into or within the United States.



- (d) He/she/it is aware that the Subscription Shares, the Subscription Share Rights and the Ordinary Shares issued upon exercise of the Subscription Share Rights have not been and will not be registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons, absent registration or an exemption from registration under the Securities Act.
- (e) He/she/it is aware that the Company has not been registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, to ensure that the Company is not and will not be required to register under the Investment Company Act.
- (f) No portion of the assets used by such investor to purchase, and no portion of the assets used by such investor to hold, the Subscription Shares and the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an “employee benefit plan” as defined in Section 3(3) of US Employee Retirement Income Security Act of 1976, as amended (“**ERISA**”) (whether or not subject to the provisions of Title I of ERISA, but excluding plans maintained outside the US that are described in Section 4(b)(4) of ERISA); (ii) a plan, individual retirement account or other arrangement that is described in Section 4975 of the US Internal Revenue Code of 1986, as amended (the “**US Tax Code**”), whether or not such plan, account or arrangement is subject to Section 4975 of the US Tax Code; (iii) an insurance company using general account assets, if such general account assets are deemed to include assets of any of the foregoing types of plans, accounts or arrangements for purposes of Title I of ERISA or Section 4975 of the US Tax Code; or (iv) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code.
- (g) If in the future he/she/it decides to offer, sell, transfer, assign or otherwise dispose of the Subscription Shares or the Ordinary Shares, he/she/it will do so only under circumstances which will not require the Company to register under the Investment Company Act and, in particular, he/she/it will offer, sell, transfer, assign or otherwise dispose of such Subscription Shares or Ordinary Shares only in an offshore transaction to a person not known to be a US Person or to the Company or an affiliate of the Company.
- (h) He/she/it is not accepting and/or acquiring any Subscription Shares, Subscription Share Rights or Ordinary Shares issued upon exercise of the Subscription Share Rights from within any Restricted Territory and his/her/its acceptance of such Subscription Shares, Subscription Share Rights and Ordinary Shares will not result in the contravention of any applicable legal requirement in any jurisdiction.
- (i) He/she/it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Subscription Shares, Subscription Share Rights or Ordinary Shares issued upon exercise of the Subscription Share Rights and he/she/it is not acting on a non-discretionary basis for any such person.
- (j) He/she/it has received (outside the United States), carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Bonus Issue, the Subscription Shares, the Subscription Share Rights and the Ordinary Shares issued upon exercise of the Subscription Share Rights to any persons within the United States or to any US Persons, nor will he/she/it do any of the foregoing.
- (k) The Company and its directors, officers, affiliates, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations and agreements. If any of the representations or agreements made by he/she/it are no longer accurate or have not been complied with, he/she/it will immediately notify the Company, and he/she/it is accepting and/or acquiring any Subscription Shares, the Subscription Share Rights or Ordinary Shares issued upon exercise of the Subscription Share Rights as a fiduciary or agent for one or more accounts, he/she/it has sole investment discretion with respect to each such account and he/she/it has full power to make such foregoing representations and agreements on behalf of each such account.



## PART 5

### GENERAL INFORMATION

#### 1 Responsibility

The Company, whose registered office appears at paragraph 2.1.4 of this Part 5, and the Directors, whose names and functions appear in Part 2 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

#### 2 The Company, the Investment Manager and the Depositary

##### 2.1 Incorporation

- 2.1.1 The Company, CC Japan Income & Growth Trust plc, was incorporated in England and Wales as a public limited company on 28 October 2015, with registered number 9845783. The Company is registered as an investment company under section 833 of the Act. The Company has received a certificate under section 761 of the Act entitling it to commence business and to exercise its borrowing powers. The Company's Legal Entity Identifier is 549300FZANMYIORK1K98. The Company is domiciled in England and Wales and currently has no employees.
- 2.1.2 The principal activity of the Company is to invest in the equities of companies listed or quoted in Japan in accordance with the Company's investment policy with a view to achieving its investment objective.
- 2.1.3 As at the date of this Prospectus, the Company does not have any subsidiaries.
- 2.1.4 The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is 1<sup>st</sup> Floor, Senator House, 85 Queen Victoria Street, London EC4V 4AB, United Kingdom. The Company's telephone number is +44 (0)20 4513 9260.
- 2.1.5 As a Company with its shares admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market for listed securities, the Company is subject to the Listing Rules, the Prospectus Regulation Rules, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the rules of the London Stock Exchange.
- 2.1.6 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the key conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that: (i) all or substantially all of the business of the Company is investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members the benefit of the results of the management of its funds; (ii) the Company is not a close company at any time during the accounting period for which approval is sought; (iii) the Company is resident in the UK throughout that accounting period; (iv) the Company's ordinary share capital is admitted to trading on a regulated market throughout the accounting period; and (v) the Company must not retain in respect of the accounting period an amount greater than the higher of: (a) 15 per cent. of its income for the period; and (b) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (a) and (b) above, it may retain an amount equal to the amount of such losses.
- 2.1.7 The Company's Ordinary Shares are denominated in Sterling and are listed on the premium segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities. The ISIN of the Ordinary Shares is GB00BYSRMH16. The Subscription Shares will be denominated in Sterling and application will be made to the FCA and the London Stock Exchange for all of the

Subscription Shares of the Company to be issued pursuant to the Bonus Issue to be admitted to the standard segment of the Official List and to trading on the standard segment of the London Stock Exchange's main market. The ISIN of the Subscription Shares is GB00BM90B010.

## 2.2 **Investment Manager**

The Investment Manager, Coupland Cardiff Asset Management LLP, is a limited liability partnership registered in England and Wales with number OC310342. The Investment Manager is authorised and regulated by the FCA. The address of the registered office of the Investment Manager is 31-32 St James's Street, 5<sup>th</sup> Floor, London SW1A 1HD and its telephone number is +44 (0)20 7321 3470. Its legal entity identifier is 549300189GFW87WW6X02 and its website is <https://www.couplandcardiff.com/>.

## 2.3 **Depositary**

The depositary of the Company is Northern Trust Global Services SE (UK branch) (**Depositary**), a UK branch of a European public limited liability company, registered on 1 March 2019 with registered number B232281. Northern Trust Global Services SE's registered office is 10 Rue du Château d'Eau, L-3364 Leudelange, Grand-Duché de Luxembourg (telephone number: +352 28 294000) and the Depositary's principal place of business is at 50 Bank Street, London E14 5NT, United Kingdom.

Northern Trust Global Services SE is authorised as a credit institution in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector. It is subject to supervision by the European Central Bank and the Luxembourg Commission de Surveillance du Secteur Financier and is regulated by the Financial Conduct Authority in the conduct of its depositary activities.

The Depositary's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Illinois, United States of America.

## 3 **Share capital**

- 3.1 The following table shows the issued share capital of the Company as at 30 April 2020 (being the last date in respect of which the Company has published financial information) and as at the Latest Practicable Date:

	30 April 2020		Latest Practicable Date	
	Nominal Value (£)	Number of Ordinary Shares	Nominal Value (£)	Number of Ordinary Shares
Issued share capital (fully paid)	0.01	134,730,610	0.01	134,730,610

As at the date of this Prospectus, the Company does not have any shares held in treasury.

- 3.2 Save as disclosed in this document, no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 3.3 With effect from Admission, all of the Subscription Shares will be in registered form and, subject to the Subscription Shares being admitted to and accordingly enabled for settlement in CREST, the Subscription Shares will be capable of being held in uncertificated form. No temporary documents of title will be issued.
- 3.4 The Company's issued share capital history during the last three financial years and since 31 October 2019 is as follows:
- (a) in the financial year ended 31 October 2017, the Company issued 10,008,000 new Ordinary Shares and repurchased 0 Ordinary Shares into treasury. As at 31 October

2017, the Company had 89,168,162 Ordinary Shares in issue and 0 Ordinary Shares held in treasury;

- (b) in the financial year ended 31 October 2018, the Company issued 39,283,619 new Ordinary Shares and repurchased 0 Ordinary Shares into treasury. As at 31 October 2018, the Company had 128,451,781 Ordinary Shares in issue and 0 Ordinary Shares held in treasury;
- (c) in the financial year ended 31 October 2019, the Company issued 6,278,829 new Ordinary Shares and repurchased 0 Ordinary Shares into treasury. As at 31 October 2019, the Company had 134,730,610 Ordinary Shares in issue and 0 Ordinary Shares held in treasury;
- (d) in the period from 31 October 2019 to the Latest Practicable Date, the Company issued 0 new Ordinary Shares and repurchased 0 Ordinary Shares into treasury. As at the Latest Practicable Date, the Company had 134,730,610 Ordinary Shares in issue and 0 Ordinary Shares held in treasury.

3.5 Other than as described at paragraph 3.4 of this Part 5, the Company did not repurchase any Ordinary Shares during the three financial years ended 31 October 2017, 2018 and 2019 or between 31 October 2019 and the Latest Practicable Date.

3.6 The Company was authorised to issue Ordinary Shares by virtue of the resolutions passed at its AGM held on 10 March 2020. The resolutions were passed as follows:

“12. That the Directors be and are hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused) to exercise all powers of the Company to allot relevant securities (as defined in section 551 of the Companies Act 2006) up to an aggregate nominal amount equal to £269,326.48 PROVIDED THAT the Directors may not allot relevant securities of an aggregate nominal amount more than 19.99% of the nominal value of the issued share capital (excluding Treasury Shares) at the date of the Annual General Meeting and that this authority shall expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2021 or, if earlier, on the expiry of 15 months from the passing of this resolution (the “section 551 period”) but so that the Directors may, at any time prior to the expiry of the section 551 period, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of the section 551 period and the Directors may allot relevant securities in the pursuance of such an offer or agreement as if the authority granted by this resolution had not expired.

13. That, subject to the passing of resolution 12, in substitution for any existing power under section 570 of the Companies Act 2006 but without prejudice to the exercise of any such power prior to the date hereof, the Directors be and are hereby empowered, pursuant to section 570 of that Act, to allot and make offers or agreements to allot equity securities (as defined in section 560 of that Act) and/or sell equity securities held as Treasury Shares pursuant to section 573 of that Act, in each case for cash pursuant to the authority and for the period of the authority conferred by resolution 12 up to an aggregate nominal amount of £269,326.48 as if section 561(1) of that Act did not apply to such allotment (subject to a maximum of 19.99 per cent. of the aggregate nominal value of the issued share capital at the date of this resolution).”

3.7 At the same AGM of the Company a resolution authorising the Company to make market purchases of Ordinary Shares was passed as follows:

“10. That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (“**the Act**”) to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares of 1p each, provided that:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 20,196,118 (representing 14.99 per cent of the Company’s issued Ordinary Share capital (excluding shares held in Treasury) at the date of the notice of this meeting);

- (b) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is 1p;
- (c) the maximum price (excluding expenses) which may be paid for an Ordinary Share is not more than the higher of (i) 5 per cent above the average of the middle market quotations for the Ordinary Shares for the five business days immediately before the day on which it purchases that share and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares;
- (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2021 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and
- (e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.”

3.8 At the General Meeting, Shareholders will be asked to pass the Resolution, which contains the following operative provisions, some of which will, if the Resolution is passed, affect the Company’s share capital:

- (i) to adopt the New Articles to provide for the Subscription Shares;
- (ii) (in addition to the authority granted at the Annual General Meeting of the Company held before the passing of this Resolution as referred to in paragraphs 3.6 and 3.7 above) to authorise the Directors, in accordance with section 551 of the Act, to allot Subscription Shares pursuant to the Bonus Issue and Ordinary Shares (pursuant to the exercise of the Subscription Share Rights) up to a maximum aggregate nominal amount of £296,407.342, such power to expire at the end of the period of five years from the date of passing of this Resolution;
- (iii) (in addition to any existing power and authority granted to the Directors under sections 570 to 573 of the Act at any Annual General Meeting of the Company held before the passing of this Resolution referred to in paragraphs 3.6 and 3.7 above) the Directors be and are hereby empowered, pursuant to section 571 of that Act, to allot equity securities (as defined in section 560(1) of that Act) as if section 561(1) of the Act did not apply to any allotment which is the subject of the authority conferred by sub-paragraph (ii) above, such power to expire at the end of the period of five years from the date of passing of this Resolution;
- (iv) to authorise the Directors to capitalise any part of the amount then standing to the credit of any of the Company’s reserve accounts (whether or not the same would lawfully be distributable by way of cash dividend) or to the credit of the share premium account, capital redemption reserve, profit and loss account or otherwise available for the purpose and the same shall be applied in paying up in full at par up to 26,946,122 Subscription Shares to be issued pursuant to the Bonus Issue and any Ordinary Shares to be issued upon the exercise of the Subscription Share Rights and any additional Subscription Shares required to be issued in accordance with the rights attaching to the Subscription Shares;
- (v) to authorise the Directors to consolidate, sub-divide or redeem share capital to give effect to the rights of the holders of the Subscription Shares; and
- (vi) to authorise the Company to make market purchases of the Subscription Shares up to 14.99 per cent. of the issued subscription share capital following Admission.

The alterations and authorities referred to in sub-paragraphs (i) to (vi) (inclusive) are contained within the Resolution.

3.9 Subject to the Companies Act 2006, any equity securities issued by the Company for cash must first be offered to existing Shareholders in proportion to their holdings of equity securities. Both the Companies Act 2006 and the Listing Rules allow for disapplication of

pre-emption rights which may be waived by a special resolution of the shareholders, either generally or specifically, for a maximum period not exceeding five years. The pre-emption rights have currently been disapplied to the extent referred to in paragraph 3.6 above and, subject to the passing of the Resolution, will be disapplied to the extent referred to in paragraph 3.8 above.

- 3.10 The Subscription Shares will have the rights described in Part 4 of this document. The Subscription Shares will be denominated in Sterling.

#### **4 Articles of Association**

The Existing Articles contain, *inter alia*, material provisions as summarised in paragraph 4.1 below. If the Resolution is passed at the General Meeting the New Articles will be adopted to incorporate the rights attaching to the Subscription Shares (these rights are summarised in Part 4 of this document) and otherwise to make any necessary amendments in connection with the Bonus Issue and the Subscription Share Rights but otherwise the New Articles will be identical to the Existing Articles.

##### **4.1 Articles of Association**

Set out below is a summary of the provisions of the Existing Articles. If the Resolution is passed at the General Meeting the New Articles, which contain the rights attaching to the Subscription Shares, will be adopted. The rights attaching to the Subscription Shares are set out in Part 4 of this document.

###### **4.1.1 Objects**

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

###### **4.1.2 Variation of rights**

Subject to the provisions of the Act as amended and every other statute for the time being in force concerning companies and affecting the Company (the "**Statutes**"), if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class (but not otherwise) and may be so varied either whilst the Company is a going concern or during or in contemplation of a winding-up. At every such separate general meeting the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum), any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him. Where the rights of some only of the shares of any class are to be varied, the foregoing provisions apply as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

###### **4.1.3 Alteration of share capital**

The Company may by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- (ii) sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares; and
- (iii) determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.



Subject to the provisions of the Statutes, the Company may purchase any of its own shares (including any redeemable shares) and may hold such shares as treasury shares or cancel them.

#### 4.1.4 *Issue of shares*

Subject to the provisions of the Act and without prejudice to any rights attaching to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or if the Company has not so determined, as the Directors may determine).

#### 4.1.5 *Dividends*

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the shareholders but no dividends shall exceed the amount recommended by the Directors. Subject to the provisions of the Act, the Directors may pay interim dividends, or dividends payable at a fixed rate, if it appears to them that they are justified by the profits of the Company available for distribution. If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid.

#### 4.1.6 *Voting rights*

Subject to any rights or restrictions attached to any shares, on a show of hands every shareholder present in person has one vote, every proxy present who has been duly appointed by a shareholder entitled to vote has one vote and every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to. On a poll every shareholder (whether present in person or by proxy or by corporate representative) has one vote for every share of which he is the holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register.

No shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

#### 4.1.7 *Transfer of shares*

A share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the Directors, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. A share in uncertificated form may be transferred by means of the relevant electronic system concerned.

In their absolute discretion, the Directors may refuse to register the transfer of a share in certificated form which is not fully paid provided that if the share is listed on the Official List such refusal does not prevent dealings in the shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:



- (i) is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (ii) is in respect of only one class of share; or
- (iii) is not in favour of more than four transferees.

The Directors may refuse to register a transfer of a share in uncertificated form in any case where the Company is entitled to refuse to register the transfer under the CREST Regulations provided that such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

If the Directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company or, in the case of an uncertificated share, the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the CREST Regulations send to the transferee notice of refusal.

No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any Benefit Plan Investor; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the US Securities Act of 1933 and/or the US Exchange Act of 1934 and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the US Exchange Act of 1934; (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the US Tax Code; or (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation), then the Directors may declare the Shareholder in question a “Non-Qualified Holder” and the Directors may require that any shares held by such Shareholder (“**Prohibited Shares**”) shall (unless the Shareholder concerned satisfies the Directors that he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

#### 4.1.8 *General meetings*

Annual general meetings of the Company shall be held at least once each year. Other meetings of the Company shall be called general meetings.

The notice period for annual general meetings of the Company shall be not less than 21 clear days. The notice period for any other general meeting (including a general meeting at which it is proposed to put a special resolution) shall not be less than 14 clear days. Notices of general meetings shall specify the date, place and time of the meeting. In every notice there should appear a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a member.

The quorum for a general meeting shall be two members present in person or by proxy and entitled to vote. Two persons who are proxies for the same member or representatives of the same body corporate can constitute a quorum.

If within ten minutes (or such longer time not exceeding one hour as the Chairman of the meeting may decide to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. If otherwise convened it shall stand adjourned to a day at least ten clear days after the date of the original meeting (or if that day be a public holiday, then to the next Business Day following such public holiday), at the same time and place or to such other day and at such other time and place as the Board may determine, and no notice of such adjournment need be given. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for the meeting, the meeting shall be dissolved.

The Chairman of the Board or, in his absence the senior independent director shall preside as chairman at a general meeting of the Company, subject to the right of the Directors present at any meeting to appoint a chairman if neither the chairman nor deputy chairman of the Board is present within five minutes after the time appointed for holding the meeting, and subject to the right of the members present to appoint a chairman from among their number should no Director be present or should all of the Directors present decline to act as chairman.

#### 4.1.9 *Distribution of assets on a winding-up*

If the Company is wound up, with the sanction of a special resolution and any other sanction required by law and subject to the Act, the liquidator may divide among the shareholders in specie the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. With the like sanction, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he may with the like sanction determine, but no shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

#### 4.1.10 *Restrictions on rights: failure to respond to a section 793 notice*

If a shareholder, or any other person appearing to be interested in shares held by that shareholder, fails to provide the information requested in a notice given to him under section 793 of the Act by the Company in relation his interest in shares (the "default shares") within 28 days of the notice (or, where the default shares represent at least 0.25 per cent. of their class, 14 days of the notice), sanctions shall apply unless the Directors determine otherwise. The sanctions available are the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting or any separate meeting of the holders of any class or on any poll and, where the default shares represent at least 0.25 per cent. of their class (excluding treasury shares), the withholding of any dividend payable in respect of those shares and the restriction of the transfer of those shares (subject to certain exceptions).

#### 4.1.11 *Untraced shareholders*

Subject to various notice requirements, the Company may sell any of a shareholder's shares if, during a period of 12 years, at least three dividends (either interim or final) on such shares have become payable and no cheque for amounts payable in respect of such shares has been presented and no warrant or other method of payment has been effected and no communication has been received by the Company from the shareholder or person concerned.

#### 4.1.12 *Appointment of Directors*

Unless the Company determines otherwise by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two.

Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act as, and is permitted by law to do so, to be a Director either to fill a vacancy or as an additional Director. The Directors may appoint a person who is willing to act, and is permitted by law to do so, to be a Director, either to fill a vacancy or as an additional Director. A person appointed as a Director by the other Directors is required to retire at the Company's next annual general meeting and shall then be eligible for reappointment.

#### 4.1.13 *Powers of Directors*

The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company.

Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

#### 4.1.14 *Borrowings*

The Board on behalf of the Company may exercise all the powers of the Company to borrow money, to indemnify, to guarantee and to mortgage or charge its undertaking property and uncalled capital and (subject to the provisions of the Statutes regarding authority to allot debentures convertible into shares) to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

#### 4.1.15 *Voting at board meetings*

No business shall be transacted at any meeting of the Directors unless a quorum is present and the quorum may be fixed by the Directors; unless so fixed at any other number the quorum shall be two. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate Director who is not himself a Director shall, if his appointor is not present, be counted in the quorum.

Questions arising at a meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

#### 4.1.16 *Restrictions on voting*

Subject to any other provision of the Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest arises only because the case falls within certain limited categories specified in the Articles.

#### 4.1.17 *Directors' interests*

Subject to the provisions of the Act and provided that the Director has disclosed to the other Directors the nature and extent of any material interest of his, a Director, notwithstanding his office, may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

#### 4.1.18 *Indemnity*

Subject to the provisions of the Act, the Company may indemnify any person who is a Director, secretary or other officer (other than an auditor) of the Company, against (a) any liability whether in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company or (b) any other liability incurred by or attaching to him in the actual or purported

execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office; and purchase and maintain insurance for any person who is a Director, secretary, or other officer (other than an auditor) of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as Director, secretary or officer.

#### 4.1.19 *General meetings*

In the case of the annual general meeting, 21 clear days' notice at the least shall be given to all the members and to the auditors. All other general meetings shall also be convened by not less than 21 clear days' notice to all those members and to the auditors unless the Company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than fourteen clear days has been passed in which case a general meeting may be convened by not less than fourteen clear days' notice in writing.

No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a shareholder or a proxy for a shareholder or a duly authorised representative of a corporation which is a shareholder (including for this purpose two persons who are proxies or corporate representatives of the same shareholder), shall be a quorum.

A shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. A shareholder may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Subject to the provisions of the Act, any corporation (other than the Company itself) which is a shareholder may, by resolution of its directors or other governing body, authorise such person(s) to act as its representative(s) at any meeting of the Company, or at any separate meeting of the holders of any class of shares.

Delivery of an appointment of proxy shall not preclude a shareholder from attending and voting at the meeting or at any adjournment of it.

Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are shareholders.

A poll on a resolution may be demanded at a general meeting either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. A poll may be demanded by the Chairman or by: (a) not less than two members having the right to vote at the meeting; or (b) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or (c) a member or members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

#### 4.1.20 *Life*

The Articles contain a provision requiring the Directors to propose an ordinary resolution for the continuation of the Company as an investment company at the third annual general meeting of the Company and, if passed, every three years thereafter. Upon any such resolution not being passed, proposals would be put forward by the Directors to the effect that the Company be wound up, liquidated, reconstructed or unitised.

## **5 Sections 974 to 991 of the Companies Act 2006**

### **5.1 *Compulsory acquisition***

Under sections 974 to 991 of the Companies Act 2006, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding

shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act 2006 must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act 2006, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## 6 Interests of Directors, major shareholders and related party transactions

### 6.1 *Directors' interests*

As at the Latest Practicable Date, the Directors had a beneficial interest in the following number of Ordinary Shares and will, if the Bonus Issue is approved, have a beneficial interest in the following number of Subscription Shares:

<u>Name</u>	<u>Number of Ordinary Shares</u>	<u>% of issued ordinary share capital</u>	<u>Number of Subscription Shares to be issued under the Bonus Issue</u>	<u>% of subscription share capital</u>
Richard Harry Wells	40,000	0.03	8,000	0.03
Kate Cornish-Bowden	40,000	0.03	8,000	0.03
John Philip Henry				
Schomberg Scott	62,500	0.05	12,500	0.05
Mark Ian Gibson Smith	10,000	0.01	2,000	0.01
Peter Hugh Wolton	67,250	0.05	13,450	0.05

6.2 Save as disclosed in paragraph 6.1 above, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

### 6.3 *Directors' contracts with the Company*

6.3.1 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Directors are subject to retirement by rotation in accordance with the Articles.

6.3.2 There is no notice period specified in the letters of appointment or Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.

6.3.3 The Directors' current level of remuneration is £25,000 per annum for each Director other than the Chairman, who receives £37,500 per annum. The Chairman of the

Audit and Risk Committee is also entitled to additional fees of £5,125 per annum and the Senior Independent Director is entitled to additional fees of £1,000 per annum.

6.3.4 There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

6.3.5 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.

#### 6.4 **Other interests**

Over the five years preceding the date of this Prospectus, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of the following administrative, management or supervisory bodies and/or partnerships:

<b>Name</b>	<b>Current</b>	<b>Previous</b>
Richard Harry Wells	Georgia Farm Partners Morrells Holdings Limited	Martin Currie Asia Unconstrained Trust plc (under voluntary liquidation) The Establishment Investment Trust plc (under voluntary liquidation)
Kate Cornish-Bowden	Finsbury Growth & Income Trust plc International Biotechnology Trust plc Schroder Oriental Income Fund Limited	Calculus VCT plc Arcis Biotechnology Holdings Limited KCB Research Limited (voluntarily struck off and subsequently dissolved on 9 May 2017) Scancell Holdings PLC
John Philip Henry Schomberg Scott	Alpha Insurance Analysts Limited Archimedes Partners Trustees Limited Archimedes Partnership Limited Bluefield SIF Investments Limited Bluefield Solar Income Fund Limited Gala Farms Partnership Impax Environmental Markets plc Jupiter Emerging & Frontier Income Trust plc River Tweed Commission The Abbotsford Trust The Oundle School Foundation The Tweed Foundation JPMorgan Global Core Real Assets Limited	The Abbotsford Trust Alternative Asset Opportunities PCC (entered members' voluntary liquidation on 8 December 2016) (now dissolved) Dawson 2012 Limited Endace Ltd JPMorgan Claverhouse Investment Trust plc Martin Currie Asia Unconstrained Trust plc Miller E.T. Limited Miller Insurance Holdings Limited Miller Insurance Investments Limited Oundle School Services Company Limited PH (Dawson) Limited Schroder Japan Growth Fund plc Scottish Mortgage Investment Trust PLC
Mark Ian Gibson Smith	None	None



<b>Name</b>	<b>Current</b>	<b>Previous</b>
Peter Hugh Wolton	None	Dunedin Income Growth Investment Trust PLC The New Model School Company Ltd The Foundation of St. Edmund

Save as set out in paragraph 6.4 immediately above, none of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and that Director's private interests and any other duties.

6.5 Save as set out in paragraph 6.4 above, the Directors in the five years before the date of this Prospectus:

6.5.1 do not have any convictions in relation to fraudulent offences;

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

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

#### 6.6 **Major Shareholders**

6.6.1 As at the Latest Practicable Date, insofar as known to the Company, the following parties had declared a notifiable interest in the Company's voting rights (under the Disclosure Guidance and Transparency Rules):

<b>Name</b>	<b>Number of Ordinary Shares</b>	<b>Percentage of voting rights</b>
1607 Capital Partners LLC	15,319,652	11.37
Rathbone Investment Management Ltd	13,404,704	9.95
City of London Investment Management Company Limited	7,013,404	5.2
Close Asset Management Limited	6,778,757	5.03
WM Thomson	6,454,660	4.79
Charles Stanley Group PLC	5,689,763	4.22
J M Finn Nominees Limited	5,455,300	4.05
Derbyshire County Council	5,000,000	3.71
Brooks Macdonald Asset Management Limited	4,725,154	3.51

6.6.2 All Ordinary Shareholders have the same voting rights in respect of the share capital of the Company.

6.6.3 The Company and the Directors are not aware of any person, who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

6.6.4 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

#### 6.7 **Related party transactions**

Other than as disclosed in note 16 to the "Notes to the Accounts" in the Company's annual report for the year ended 31 October 2019, in the "Interim Management Report" on page 9 in the Company's half-yearly report for the six months ended 30 April 2020 and in note 12 to the "Notes to the interim financial statements" in the Company's half-yearly report for the six

months ended 30 April 2020 or as set out below, the Company has not entered into any related party transaction at any time during the periods covered by the historical financial information set out in Part 3 of this document and up to the date of this document.

#### **6.8 Other material interests**

The Investment Manager and any of their respective directors, officers, employees, agents and affiliates and any person or company with whom they are affiliated or by whom they are employed (each an “**Interested Party**”) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

### **7 Share options and share scheme arrangements**

Subject to the Subscription Share Rights attaching to the Subscription Shares, no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

### **8 Investment restrictions**

The Company will at all times invest and manage its assets with the objective of spreading risk and in accordance with its published investment policy as set out in Part 2 of this Prospectus.

In order to comply with the Listing Rules, the Company will not invest more than 10 per cent. of its Gross Assets in other listed closed-ended investment funds, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds.

In the event of a breach of the investment policy set out in Part 2 of this Prospectus and the investment restrictions set out therein, the Investment Manager shall inform the Board and the Depositary upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

The Company must not conduct any trading activity which is significant in the context of its group as a whole.

### **9 Material contracts**

Save as described below, the Company has not (i) entered into any material contracts (other than contracts in the ordinary course of business) within the two years immediately preceding the publication of this document; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this document.

#### **9.1 Management Agreement**

The Management Agreement dated 13 November 2015 between the Company and the Investment Manager, as amended by letters of amendment dated 2 December 2015 and 18 December 2017 between the Company and the Investment Manager, pursuant to which the Investment Manager is appointed to act as investment manager and AIFM of the Company with responsibility for portfolio management and risk management of the Company’s investments. The Investment Manager also acts as the Company’s valuer for the purposes of the AIFMD and is responsible for the proper valuation of the Company’s assets, such valuation data to be provided to the Administrator who assists in relation to the calculation of NAV under the terms of the Administration and Company Secretarial Agreement. With the agreement of the Company, the Investment Manager is entitled to delegate certain of its duties under the Management Agreement to such persons as it thinks fit.

Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee together with reimbursement of all reasonable costs and expenses incurred

by it in the performance of its duties. In addition, the Investment Manager shall from time to time agree with the Company a periodic research charge which it uses solely to fund its acquisition of research from third party providers. Details of the management fee and the research charge are set out in Part 2 of this Prospectus under the sub-heading "Ongoing annual expenses".

The Management Agreement is terminable by either the Investment Manager or the Company on not less than six months' written notice. The Management Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or in the event of a material breach which fails to be remedied within 30 days of receipt of notice.

The Company has given an indemnity in favour of the Investment Manager in respect of the Investment Manager's potential losses in carrying on its responsibilities under the Management Agreement. The indemnity will not apply in the event of the Investment Manager's fraud, negligence, wilful default or in the case of a material breach of the agreement by the Investment Manager. The indemnity is customary for an agreement of this nature.

The Management Agreement is governed by the laws of England and Wales.

## 9.2 ***Depository Agreement***

The Depository Agreement dated 13 November 2015, between the Company, the Investment Manager and the Depository, pursuant to which the Depository has been appointed as the Company's depository for the purposes of the AIFMD.

Under the terms of the Depository Agreement, the Depository is entitled to payment of fees for its services. Details of the fee are set out in Part 2 of this Prospectus under the sub-heading "Ongoing annual expenses".

The Depository Agreement provides for the Depository, its affiliates and their respective directors, officers and employees to be indemnified by the Company from any and all losses and any claim arising out of or in connection with any act or omission taken by the Depository pursuant to the agreement, except where the Depository is liable for such loss pursuant to the terms of the Depository Agreement, or in the case of negligent, fraudulent or intentional failure by the Depository to perform its obligations pursuant to the AIFMD.

In accordance with the terms of the Depository Agreement, and subject to the provisions of the AIFMD, the Depository may delegate its safe-keeping functions in relation to securities and other assets of the Company to one or more sub-custodians (who may be an affiliate of the Depository). The Depository has appointed The Northern Trust Company, London Branch as sub-custodian. The liability of the Depository is in principle not be affected by any delegation of its custody function and the Depository is liable to the Company or its investors for the loss of securities by the Depository or a third party to whom the custody of securities has been delegated. The Depository may discharge its responsibility in case of a loss of a security: (i) in the event that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) where it has contractually discharged its responsibility in compliance with article 21(13) of the AIFMD; or (iii) in compliance with the conditions set out under article 21(14) of the AIFMD where the laws of a third country require that certain financial instruments be held by a local entity and there are no local entities that satisfy the delegation requirements of article 21(11) of the AIFMD. Any fees and expenses of a sub-custodian are payable by the Company in addition to the fees charged by the Depository.

The Depository Agreement is terminable by the Company or the Depository giving to the other not less than six months' written notice.

The Depository Agreement is governed by the laws of England.

## 9.3 ***Administration and Company Secretarial Agreement***

The Administration and Company Secretarial Agreement dated 6 September 2017 between the Company and the Administrator, pursuant to which the Administrator has agreed to

provide certain administrative services to the Company and certain secretarial services required by the Act, with effect from 1 October 2017.

Under the terms of the Administration and Company Secretarial Agreement, the Administrator is entitled to payment of fees for its services. Details of the fees are set out in Part 2 of this Prospectus under the sub-heading "Ongoing annual expenses".

The Administrator is also entitled to reasonable out-of-pocket expenses and may charge separately for additional services that it is required to perform.

The Company has agreed to indemnify the Administrator, its directors, officers, employees, agents, sub-contractors and delegates against losses arising out of the performance of the services under the Administration and Company Secretarial Agreement, other than those resulting from the fraud, negligence or wilful default of the Administrator or any agent, subcontractor or delegate appointed by the Administrator.

The Administrator will not be liable for any loss other than direct loss sustained as a result of its or its affiliates' fraud, negligence or wilful default or breach of the agreement, and will not be liable for loss suffered for, *inter alia*, acting in good faith, complying with proper instructions, prior acts or omissions, errors in information or products/services provided to the Administrator by third parties, or the failure of the Company or the Investment Manager to adhere to the investment objective, investment policy, investment restrictions or borrowing restrictions.

Either party may terminate the Administration and Company Secretarial Agreement giving three months' written notice or immediately in the event of material breach, insolvency or violation of applicable law.

The Administration and Company Secretarial Agreement is governed by the laws of England.

#### 9.4 **Registrar Agreement**

The Registrar Agreement between the Company and the Registrar dated 13 November 2015, pursuant to which the Registrar has been appointed as registrar to the Company. The Registrar Agreement may be terminated by either party on at least six months' written notice. In addition, 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 of the fees payable under the Registrar Agreement; or
- (ii) upon service of written notice if the other party commits a material breach of its obligations under the Registrar Agreement (including any payment default) which that party has failed to remedy within 45 days of receipt of a written notice to do so from the first party; 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 Registrar Agreement limits the Registrar's liability thereunder to the lesser of £500,000 or an amount equal to five times the annual fee payable to the Registrar pursuant to the Registrar Agreement. The Company indemnifies the Registrar, its affiliates and their directors, officers, employees and agents against all losses, damages, liabilities, professional fees, court costs and reasonable expenses incurred by them and in addition any third party claims, actions, proceedings, investigations or litigation relating to or arising from the agreement or the services contemplated thereunder. The indemnity shall not apply in the event any such losses have arisen solely from the fraud, wilful default or negligence of the party seeking indemnity under the agreement. The indemnity is customary for an agreement of this nature.

The Registrar Agreement is governed by the laws of England.

## 9.5 **Introduction Agreement**

The Introduction Agreement between the Company, the Investment Manager and Peel Hunt dated 22 January 2021, pursuant to which Peel Hunt has been appointed to act in connection with the Bonus Issue and Admission.

The Company and the Investment Manager have given warranties to Peel Hunt concerning, *inter alia*, the accuracy of the information contained in this Prospectus. The Company and the Investment Manager have also given indemnities to Peel Hunt. The warranties and indemnities given in the agreement are standard for an agreement of this nature.

The Introduction Agreement is governed by the laws of England.

## 9.6 **Overdraft Facility Agreement**

An overdraft facility agreement dated 20 January 2016 between the Company and The Northern Trust Company, London Branch (the “**Bank**”) regarding the provision of an unsecured, uncommitted line of credit of up to £12,000,000 by way of an overdraft facility.

Borrowings under the facility may not exceed the borrowing limits set out in the constitutional documents, prospectus or supplement of the Company. Amounts outstanding are repayable on demand and on the occurrence of certain automatic repayment events. The facility imposes certain covenants on the Company.

Interest is payable on amounts drawn under the facility. The Bank is entitled to an annual administrative fee and to repayment of certain costs and expenses and a structuring fee was payable on entering into the agreement.

The Company has granted the Bank a lien over assets held in the account maintained with the Bank by the Depositary in respect of the Company, and a power of sale over such assets in satisfaction of any obligations or liabilities of the Company under the agreement.

The agreement is governed by English law.

## 10 **UK Taxation**

### 10.1 **Introduction**

**The following comments do not constitute tax advice. They are intended only as a general guide based on UK law and HMRC’s published practice as at the date of this document. Both law and practice may change at any time.**

**Except where express reference is made to the position of non-UK residents, these comments relate only to Shareholders who are, and have at all relevant times been, resident for tax purposes solely in the UK. They apply only to Shareholders who are the absolute beneficial owners of their Shares and of any dividends payable on them and who hold their Shares as investments.**

**Certain categories of Shareholders may be subject to special tax rules. These include dealers in securities, financial institutions, insurance companies, collective investment schemes and Shareholders who are treated as having acquired their Shares by reason of any office or employment. The position of such Shareholders is not addressed in these comments. Nor is the position of any Shareholders who are involved in arrangements to avoid tax or obtain a tax advantage.**

**You should seek professional tax advice if you are resident, domiciled or subject to tax in any jurisdiction outside the UK or if you are in any doubt as to your tax position.**

### 10.2 **The Company**

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies and continues to satisfy the conditions necessary for it to be approved by HMRC as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010. However, neither the Investment Manager nor the Directors can guarantee that this approval will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a close company. The Directors consider that the Company should not be a close company immediately following the issue of the Subscription Shares pursuant to the Bonus



Issue. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK taxation on its capital gains. The Company will, however, be liable to UK corporation tax on its income in the normal way. Income arising from any overseas investments may be subject to foreign withholding tax at the relevant jurisdiction's applicable rate, but relief may be available under the terms of an applicable double tax treaty.

### 10.3 **Shareholders**

#### 10.3.1 *Issue and conversion of Subscription Shares*

For the purposes of UK taxation and chargeable gains, the receipt of the Subscription Shares arising from the Bonus Issue should generally be treated as a re-organisation of the share capital of the Company. Accordingly, the Subscription Shares should generally for those purposes be treated as the same asset as the Shareholder's holding of Ordinary Shares and as having been acquired at the same time as the Shareholder's holding of Ordinary Shares was acquired. To the extent necessary to calculate any gain or loss on a subsequent disposal of the Ordinary Shares or Subscription Shares, the Shareholder's original base cost in its/his/her Ordinary Shares will be apportioned between the Shareholder's Ordinary Shares and the Subscription Shares by reference to their respective market values on the first date on which quoted market values for the Subscription Shares are available.

A conversion of Subscription Shares into new Ordinary Shares by means of an exercise of the Subscription Rights should, for the purposes of UK taxation of chargeable gains, generally be treated as a reorganisation of the share capital of the Company. To this extent, the new Ordinary Shares will generally be treated as the same asset as are the relevant Subscription Shares and as having been acquired at the same time as such Subscription Shares are treated as having been acquired. To the extent that this reorganisation treatment applies, the conversion should accordingly not be treated as itself giving rise to a disposal of the Shareholder's Subscription Shares for the purposes of UK taxation of chargeable gains. The base cost attributable to the Subscription Shares that are converted together with the Subscription Price paid should generally be treated as base cost attributable to the Ordinary Shares issued on the conversion.

#### 10.3.2 *Disposal of Shares*

A disposal of Shares by a UK resident Shareholder may, depending on the Shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

Shareholders that are not UK resident will not generally be subject to UK taxation of chargeable gains on a disposal of their Shares, provided that their Shares are not and have not been acquired, held or used in or for the purposes of any trade, profession or vocation carried on by the Shareholder in the UK through a branch, agency or permanent establishment. It should however be noted that, in certain circumstances, an individual Shareholder who is only temporarily non-UK resident may, on re-establishing UK tax residence, be subject to capital gains tax in respect of disposals which occurred in the period of temporary non-residence.

#### 10.3.3 *Taxation of dividends*

The comments below apply to dividends which are not designated by the Company as "interest distributions" under the elective streaming regime for investment trusts that have "qualifying interest income".

The Company is not required to withhold UK tax when paying a dividend on the Shares.

UK resident individual Shareholders who receive dividends from the Company will generally pay UK income tax on those dividends at the following rates, to the extent in excess of the annual dividend allowance:

- 7.5 per cent. on dividend income within the basic rate band;
- 32.5 per cent. on dividend income within the higher rate band; and
- 38.1 per cent. on dividend income within the additional rate band.

Shareholders within the charge to UK corporation tax that receive dividends from the Company will be subject to corporation tax on those dividends unless the dividends qualify for exemption under Part 9A of the Corporation Tax Act 2009. It is likely that dividends paid by the Company will generally qualify for exemption, but it should be noted that the exemption is not comprehensive, requires a number of conditions to be met, and is subject to anti-avoidance rules. Shareholders should therefore seek professional tax advice where necessary.

#### 10.3.4 *Stamp duty and stamp duty reserve tax*

No UK stamp duty or stamp duty reserve tax (**SDRT**) should arise on an issue of Shares by the Company.

Instruments transferring Shares will generally be subject to stamp duty at a rate of 0.5 per cent. of the consideration given for the transfer (rounded up to the nearest £5 of stamp duty, where relevant). Transfers with an aggregate consideration of £1000 or less are generally exempt from stamp duty provided that the instrument of transfer contains an appropriate certificate stating that the transfer does not form part of a larger transaction or series of transactions with an aggregate consideration in excess of £1000.

An unconditional agreement to transfer Shares will generally be subject to SDRT at a rate of 0.5 per cent. of the consideration given for the transfer. However, where an instrument of transfer is executed in pursuance of such an agreement and is duly stamped within six years, the charge to SDRT will generally be cancelled and any SDRT which has already been paid can generally be reclaimed.

Paperless transfers of Shares within CREST (i.e. effected without any instrument of transfer) will generally attract only SDRT and not stamp duty. The SDRT chargeable on such transactions will generally be collected through the CREST system.

The cost of any stamp duty or SDRT that arises in connection with a transfer of Shares would normally be borne by the purchaser.

#### 10.3.5 *ISAs*

Provided that the Company maintains its status as an investment trust approved by HMRC, the Subscription Shares and the Ordinary Shares arising on the exercise of the Subscription Share Rights should generally be eligible to be held in an ISA. Subscription Shares acquired pursuant to the Bonus Issue may be added to an ISA to the extent that they are received in respect of Ordinary Shares already held in the ISA. For Shares acquired in the secondary market, the relevant annual ISA subscription limit will apply. The Subscription Price paid upon any exercise of the right to convert Subscription Shares into Ordinary Shares would generally contribute towards the annual subscription limit in the year in which the Subscription Share Right was exercised, unless the Subscription Price were paid out of cash already within the Shareholder's ISA.

Individuals wishing to invest in Subscription Shares through an ISA should contact their professional advisers regarding their eligibility.

#### 10.3.6 *Self-Invested Personal Pensions (SIPPs)*

The Ordinary Shares and Subscription Shares should generally be eligible for inclusion in a SIPP, subject to the rules of the SIPP and discretion of the trustees of the SIPP.

#### 10.3.7 *Information reporting*

The UK has entered into a number of international arrangements which provide for the exchange of information in order to combat tax evasion and improve tax

compliance. These include, but are not limited to, FATCA, the Common Reporting Standard (CRS), the EU Directive on Administrative Cooperation in Tax Matters, and a number of other arrangements with particular jurisdictions. In connection with agreements and arrangements of this kind, the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to the authorities in other jurisdictions.

## **11 Litigation**

There are no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

## **12 Auditors**

The auditors to the Company are Ernst & Young LLP of 1 More London Place, London SE1 2AF. Ernst & Young LLP is registered to carry on audit work by The Institute of Chartered Accountants in England and Wales (ICAEW).

## **13 General**

- 13.1 The Company does not conduct any significant trading activity.
- 13.2 The ISIN for the Subscription Shares will be GB00BM90B010, the SEDOL Code will be BM90B01, and the ticker will be CCJS.
- 13.3 Peel Hunt LLP has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.
- 13.4 The Investment Manager, Coupland Cardiff Asset Management LLP, has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear.
- 13.5 Where information has been sourced from third parties, the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **14 Documents on display**

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at 1<sup>st</sup> Floor, Senator House, 85 Queen Victoria Street, London EC4V 4AB for so long as this document remains valid, and will be available on the Company's website [www.ccjapanincomeandgrowthtrust.com](http://www.ccjapanincomeandgrowthtrust.com):

- (i) this Prospectus;
- (ii) the Existing Articles and the New Articles;
- (iii) the audited accounts of the Company for the financial years ended 31 October 2017 2018 and 2019 respectively, together with the unaudited half-yearly reports for the six months ended 30 April 2019 and 2020; and
- (iv) the letters of consent referred to in paragraph 13 above.

Dated: 22 January 2021

## DEFINITIONS

In this document the words and expressions listed below have the meanings set out opposite them, except where the context otherwise requires:

<b>“Act”</b>	the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced from time to time
<b>“Administrator”</b>	PraxisIFM Fund Services (UK) Limited
<b>“Admission”</b>	the admission of the Subscription Shares (i) to the standard segment of the Official List and (ii) to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with the Listing Rules and the Admission and Disclosure Standards
<b>“Admission and Disclosure Standards”</b>	the admission and disclosure standards of the London Stock Exchange for securities admitted or seeking to be admitted to trading, as amended from time to time
<b>“AGM” or “Annual General Meeting”</b>	annual general meeting of the Company
<b>“AIC Code”</b>	the Association of Investment Companies Code of Corporate Governance, as amended from time to time
<b>“AIFMD”</b>	the UK version of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019
<b>“Articles”</b>	the articles of association of the Company, as amended from time to time
<b>“Board”</b>	the board of Directors of the Company or any duly constituted committee thereof
<b>“Bonus Issue”</b>	the issue to Qualifying Shareholders of new Subscription Shares on the basis of one new Subscription Share for every five Existing Ordinary Shares held on the Record Date
<b>“Business Day”</b>	any day on which banks are open for business in London (excluding Saturdays and Sundays)
<b>“Chairman”</b>	the chairman of the Company
<b>“Company”</b>	CC Japan Income & Growth Trust plc
<b>“Company Secretary”</b>	PraxisIFM Fund Services (UK) Limited
<b>“CREST”</b>	the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
<b>“Depositary”</b>	Northern Trust Global Services SE

<b>“Depository Agreement”</b>	the agreement between the Depository, the Investment Manager and the Company dated 13 November 2015, further details of which are set out in Part 5 of this document
<b>“Directors”</b>	the directors of the Company or any duly constituted committee thereof
<b>“Disclosure Guidance and Transparency Rules”</b>	the disclosure guidance and transparency rules made by the FCA under Part VI FSMA
<b>“EEA”</b>	the European Economic Area
<b>“EEA State”</b>	a member state of the EEA
<b>“ERISA”</b>	the US Employee Retirement Income Security Act of 1976, as amended
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited
<b>“Ex-Date”</b>	the ex-date for the Bonus Issue, being 18 February 2021
<b>“Existing Articles”</b>	the articles of association of the Company as at the date of this document
<b>“Existing Ordinary Shares”</b>	the Ordinary Shares in issue on the Record Date
<b>“EUWA”</b>	the European Union (Withdrawal) Act 2018
<b>“FCA” or “Financial Conduct Authority”</b>	the Financial Conduct Authority
<b>“Form of Proxy”</b>	the personalised form of proxy provided with this document for use in connection with the General Meeting by Shareholders
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended
<b>“General Meeting”</b>	the general meeting of the Company to consider the Resolution convened for 15 February 2021 at 11.00 a.m., or any adjournment thereof
<b>“Gross Assets”</b>	the gross assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time
<b>“HMRC”</b>	HM Revenue & Customs
<b>“Introduction Agreement”</b>	the introduction agreement dated 22 January 2021 between the Company, the Investment Manager and Peel Hunt
<b>“Investment Company Act”</b>	the U.S. Investment Company Act 1940, as amended
<b>“Investment Manager”</b>	Coupland Cardiff Asset Management LLP
<b>“ISA”</b>	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
<b>“J-REITs”</b>	listed Japanese real estate investment trusts
<b>“JPY” or “Yen”</b>	the lawful currency of Japan
<b>“Latest Practicable Date”</b>	20 January 2021, being the latest practicable date prior to the publication of this document
<b>“Listing Rules”</b>	the listing rules issued by the FCA under section 73A of FSMA
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Management Agreement”</b>	the agreement dated 13 November 2015 between the Company and the Investment Manager, as amended by letters of amendment dated 2 December 2015 and 18 December 2017



<b>“Market Abuse Regulation”</b>	the UK version of regulation (EU) No.596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse as it forms part of the domestic law of the United Kingdom by virtue of the EUWA, as amended
<b>“MiFID II”</b>	the UK version of Directive 2014/65/EU on markets in financial instruments, Regulation (EU) No. 600/2014 on markets in financial instruments, and any secondary legislation, rules, regulations and procedures made pursuant thereto, as it forms part of UK law by virtue of the EUWA, as amended
<b>“MiFID II Delegated Regulation”</b>	the UK version of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive, as it forms part of the domestic law of the United Kingdom by virtue of the EUWA, as amended
<b>“Net Asset Value” or NAV</b>	net asset value as calculated in accordance with the Company’s accounting policies and the Articles or the value of the net assets per Ordinary Share, as the context requires
<b>“New Articles”</b>	the articles of association of the Company as proposed to be adopted at the General Meeting
<b>“Notice of General Meeting”</b>	the notice of General Meeting as set out in this document
<b>“Official List”</b>	the Official List maintained by the FCA
<b>“Ordinary Share”</b>	an ordinary share of £0.01 each in the capital of the Company
<b>“Ordinary Shareholder”</b>	a holder of Ordinary Share(s)
<b>“Permitted US Shareholder”</b>	a shareholder that has provided a certificate to the Company and has represented and warranted to the Company (to the satisfaction of the Company at its sole discretion) that it is both a qualified institutional buyer (as defined in Rule 144A) and a qualified purchaser (as defined in Section 2(a)(51) of the Investment Company Act) and has undertaken to comply with certain transfer restrictions in relation to the Subscription Shares and Ordinary Shares as required by the Company
<b>“Prospectus” or “this Prospectus” or “this document”</b>	this document
<b>“Prospectus Regulation”</b>	the UK version of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as it forms part of the domestic law of the United Kingdom by virtue of the EUWA, as amended by The Prospectus (Amendment, etc.) (EU Exit) Regulations 2019
<b>“Prospectus Regulation Rules”</b>	the rules and regulations made by the FCA under Part VI of FSMA
<b>“Qualifying Shareholders”</b>	Shareholders whose names are entered on the Register at 6.00 p.m. on the Record Date, but excluding Restricted Shareholders
<b>“Record Date”</b>	the date on which Qualifying Shareholders’ entitlements to the Bonus Issue will be assessed against the Register, expected to be 6.00 p.m. on 15 February 2021
<b>“Register”</b>	the register of members of the Company
<b>“Registrar”</b>	Link Market Services Limited

<b>“Regulation S”</b>	Regulation S under the Securities Act
<b>“Regulatory Information Service”</b>	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>“Resolution”</b>	the resolution to be proposed at the General Meeting, as summarised in Part 1 of this document and as set out in full in the Notice of General Meeting
<b>“Restricted Person”</b>	any citizen or resident of any Restricted Territory (other than a Permitted US Shareholder)
<b>“Restricted Shareholders”</b>	Shareholders that are resident in, or are citizens of, any Restricted Territory (other than a Permitted US Shareholder)
<b>“Restricted Territories”</b>	each of Australia, Canada, Japan, New Zealand, the Republic of South Africa, the United States and any EEA State (which for the avoidance of doubt does not include the United Kingdom) and any jurisdiction in which the Bonus Issue may result in the contravention of any regulation or other legal requirement of such jurisdiction, and each a <b>“Restricted Territory”</b>
<b>“Securities Act”</b>	the US Securities Act of 1933, as amended
<b>“Shareholder”</b>	a holder of Ordinary Shares and/or Subscription Shares, as the context requires
<b>“Shares”</b>	the Ordinary Shares and/or the Subscription Shares as the context requires
<b>“SIPP”</b>	a self-invested personal pension
<b>“Sterling”</b>	the lawful currency of the United Kingdom
<b>“Subscription Date”</b>	has the meaning given to it in paragraph 1 of Part 4 of this Prospectus
<b>“Subscription Notice”</b>	a Certificated Subscription Notice or an Uncertificated Subscription Notice, as the case may be
<b>“Subscription Price”</b>	the price at which the Subscription Share Rights are exercised in accordance with the terms and conditions of the Subscription Shares
<b>“Subscription Shareholders”</b>	holders of Subscription Shares
<b>“Subscription Share Rights”</b>	the right conferred by each Subscription Share to subscribe for one Ordinary Share as detailed in Part 4 of this document
<b>“Subscription Shares”</b>	the subscription shares of 0.1 pence each in the capital of the Company to be issued pursuant to the Bonus Issue
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers
<b>“UCITS”</b>	Undertakings for the Collective Investment in Transferable Securities
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“US Person”</b>	a US Person as defined in Regulation S
<b>“US Tax Code”</b>	the US Internal Revenue Code of 1986, as amended
<b>“VAT”</b>	UK value added tax

## NOTICE OF GENERAL MEETING

# CC Japan Income & Growth Trust plc

*(Incorporated in England and Wales with company no. 9845783 and registered as an investment company under section 833 of the Companies Act 2006)*

Notice is hereby given that a General Meeting (the “**Meeting**”) of CC Japan Income & Growth Trust plc (the “**Company**”) will be held at 11.00 a.m. on 15 February 2021 to consider and, if thought fit, approve the following resolution as a special resolution:

### Special Resolution

- 1 THAT subject to the Financial Conduct Authority agreeing to admit to the standard segment of the Official List the subscription shares of 0.1 pence each in the capital of the Company (the “**Subscription Shares**”) to be issued pursuant to the bonus issue described in the prospectus (the “**Prospectus**”) issued by the Company dated 22 January 2021 (the “**Bonus Issue**”) and London Stock Exchange plc agreeing to admit such Subscription Shares to trading on its main market for listed securities:
  - A. the articles of association produced to the Meeting and signed by the Chairman of the Meeting for the purposes of identification be adopted as the articles of association of the Company in substitution for the existing articles of association of the Company;
  - B. in addition to any existing authority under section 551 of the Companies Act 2006 (the “**Act**”) granted to the directors of the Company (the “**Directors**”) at any annual general meeting held before the passing of this resolution, for the purposes of section 551 of the Act (and so that expressions used in this resolution shall bear the same meanings as in the said section 551) the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot Subscription Shares pursuant to the Bonus Issue and ordinary shares in the capital of the Company (“**Ordinary Shares**”) pursuant to the exercise of the rights attaching to the Subscription Shares to subscribe for such shares (the “**Subscription Share Rights**”) as described in the articles of association to be adopted pursuant to sub-paragraph (A) of this resolution, up to a maximum aggregate nominal amount of £296,407.342 provided that such authority shall expire at the end of the period of five years from the date of the passing of this resolution (save that the Company may prior to the expiry of such period make any offer or agreement which would or might require such Subscription Shares and/or Ordinary Shares to be allotted after such expiry and the Directors may allot such Subscription Shares and/or Ordinary Shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired);
  - C. in addition to any existing power and authority granted to the Directors under sections 570 to 573 of the Act at any annual general meeting held before the passing of this resolution, the Directors be and are hereby empowered pursuant to section 571 of the Act to allot equity securities (within the meaning of section 560(1) of the Act) as if section 561(1) of the Act did not apply to any allotment which is the subject of the authority conferred by sub-paragraph (B) of this resolution, such power to expire at the end of the period of five years from the date of the passing of this resolution (save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power had not expired);
  - D. the Directors be and are hereby empowered to capitalise any part of the amount then standing to the credit of the Company’s reserve accounts (whether or not the same would lawfully be distributable by way of cash dividend) or to the credit of the share premium account, capital redemption reserve, profit and loss account or otherwise available for the purpose of paying up in full at par up to 26,946,122 Subscription Shares to be issued pursuant to the Bonus Issue, such shares to be allotted and distributed credited as fully paid up to and among holders of Ordinary Shares in the proportion of one new Subscription Share for every 5 Ordinary Shares held (fractions of a Subscription Share being ignored) and, to the extent necessary, paying up in full any Ordinary Shares to be allotted in accordance with the provisions of the articles of association of the

Company as adopted by sub-paragraph (A) of this resolution relating to the exercise of rights attaching to the Subscription Shares and any additional Subscription Shares required to be issued to holders of Subscription Shares in accordance with the rights attaching to the Subscription Shares;

- E. any consolidation, sub-division or redemption of share capital required in the opinion of the Directors to give effect to the rights of the holders of Subscription Shares (including the exercise of the Subscription Share Rights) be hereby approved;
- F. in addition to any existing authority under section 701 of the Act, the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693 of the Act) of its issued Subscription Shares, provided that:
  - (i) the maximum number of Subscription Shares hereby authorised to be purchased shall be 4,039,223 or if less, that number of Subscription Shares which is equal to 14.99 per cent. of the Company's issued Subscription Share capital immediately following Admission (as defined in the Prospectus);
  - (ii) the minimum price which may be paid for a Subscription Share is 0.1 pence;
  - (iii) the maximum price which may be paid for a Subscription Share will not exceed the higher of (i) 5 per cent. above the average of the middle market quotations (as derived from the Official List) for the 5 consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for, any number of Subscription Shares on the trading venue where the purchase is carried out;
  - (iv) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company following the passing of this resolution, unless previously renewed, varied or revoked by the Company in general meeting; and
  - (v) the Company may make a contract to purchase Subscription Shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of Subscription Shares pursuant to any such contract notwithstanding such expiry.

By Order of the Board  
PraxisIFM Fund Services (UK) Limited  
*Company Secretary*

Date: 22 January 2021

*Registered Office:*

1<sup>st</sup> Floor, Senator House  
85 Queen Victoria Street  
London  
EC4V 4AB

**Notes:**

These notes should be read in conjunction with the notes on the Form of Proxy.

**1. Voting record date**

Only members registered in the Register of Members of the Company at close of business on 11 February 2021 or, if the General Meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to vote at the General Meeting in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the General Meeting.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

**2. Rights to attend and vote**

As explained in the Chairman's letter, there is no place of meeting and members cannot attend the General Meeting in person. Instead, Shareholders should submit their votes by proxy and submit any questions relating to the business of the General Meeting to [ukfundcosec@PraxisIFM.com](mailto:ukfundcosec@PraxisIFM.com), by close of business on 11 February 2021.

**3. Right to appoint proxies**

Pursuant to Section 324 of the Companies Act 2006, a member entitled to attend and vote at the meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

Given Shareholders will not be able to attend the General Meeting, Shareholders are strongly urged to appoint the Chairman of the General Meeting as their proxy to vote on their behalf. If you appoint someone else (other than the Chairman of the General Meeting) to be your proxy, this would result in your proxy not being counted since he/she will not be able to attend the meeting.

Section 324 does not apply to persons nominated to receive information rights pursuant to Section 146 of the Companies Act 2006. Persons nominated to receive information rights under Section 146 of the Companies Act 2006 have been sent this notice of meeting and are hereby informed, in accordance with Section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements. The statement of rights of Shareholders in relation to the appointment of proxies does not apply to nominated persons.

**4. Proxies' rights to vote at the General Meeting**

On a vote on a show of hands, each proxy has one vote.

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll, all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, Section 285(4) of the Companies Act does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.



Voting on the Resolution will be conducted by way of a poll.

As soon as practicable following the meeting, the results of the voting will be announced via a regulatory information service and also placed on the Company's website.

#### **5. Voting by corporate representatives**

Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with Section 323 of the Companies Act provided they do not do so in relation to the same shares. However, members should note that there is no place of meeting and a corporate representative cannot attend the General Meeting.

#### **6. Receipt and termination of proxies**

To be valid the enclosed Form of Proxy must be lodged with the Company's Registrar, Link Group, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive by not later than 11.00 a.m. on 11 February 2021. We strongly urge you to appoint the Chairman of the meeting as your proxy. If you appoint someone else (other than the Chairman of the meeting) to be your proxy, this would result in your proxy not being counted since he/she will not be able to attend the meeting.

A member may terminate a proxy's authority at any time before the commencement of the General Meeting. Termination must be provided in writing and submitted to the Company's Registrar. In accordance with the Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

Alternatively, you may appoint a proxy or proxies electronically by visiting <https://www.signalshares.com/>. You will need to register using your investor code and follow the instructions on how to vote. Proxies submitted via [www.signalshares.com](https://www.signalshares.com/) for the General Meeting must be transmitted so as to be received by the Company's Registrar, Link Group, no later than 48 hours before the time appointed for the meeting (excluding weekends and public holidays) or any adjournment of the meeting. Proxies received after that date will not be valid.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](https://www.proxymity.io). Your proxy must be lodged by 11.00 a.m. on 11 February 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

#### **7. Communication with the Company**

Members may not use any electronic address provided either in the notice of meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

#### **8. CREST appointment of proxies**

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number RA10) no later than the deadline specified in Note 6. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. Instructions on how to vote through CREST can be found on the website [www.euroclear.com](https://www.euroclear.com).

## **9. Questions at the General Meeting**

Any member attending the General Meeting has the right to ask questions. Section 319A of the Companies Act requires the Directors to answer any question raised at the General Meeting which relates to the business of the General Meeting, although no answer need be given:

- (a) if to do so would interfere unduly with the proceedings of the General Meeting or involve disclosure of confidential information;
- (b) if the answer has already been given on the Company's website; or
- (c) if it is undesirable in the best interests of the Company or the good order of the General Meeting that the question be answered.

Note that as attendance at the General Meeting will not be possible, the Company will not be taking any questions at the General Meeting and instead, Shareholders are invited to submit their questions to [ukfundcosec@PraxisIFM.com](mailto:ukfundcosec@PraxisIFM.com). To the extent that it is appropriate to do so, the Directors and the Investment Manager will respond to any questions received in a Q&A which will be posted on the Company's website in advance of the General Meeting. Please note all questions should be submitted by close of business on 11 February 2021.

## **10. Website**

A copy of the notice of the General Meeting, including these explanatory notes and other information required by Section 311A of the Companies Act, is included on the Company's website, [www.ccjapanincomeandgrowthtrust.com](http://www.ccjapanincomeandgrowthtrust.com).

## **11. Total voting rights at date of notice**

As at 20 January 2021, the latest practicable date before this Notice is given, the total number of shares in the Company in respect of which members are entitled to exercise voting rights was 134,730,610 Ordinary Shares of £0.01 each, of which 0 is held in treasury. The total number of voting rights in relation to the Ordinary Shares in the Company on 20 January 2021 is 134,730,610.

