THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000, as amended (the "FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this document, which comprises a prospectus (the "Prospectus") relating to EJF Investments Ltd (the "Company") in connection with the issue of ordinary shares (the "Ordinary Shares"), C shares (the "C Shares") and zero dividend preference shares (the "2022 ZDP Shares" and together with the Ordinary Shares and the C Shares, the "Shares") in the Company, prepared in accordance with the prospectus rules of the Financial Conduct Authority (the "FCA") made pursuant to section 73A of the FSMA (the "Prospectus Rules"), has been approved and filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

The Shares are designed to be suitable for investors: (i) who are institutional, professional and highly knowledgeable (including those who are professionally advised); (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment, including the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company. The 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 investment. It should be remembered that the price of the Shares and the income from them can go down as well as up and that investors may not receive, on the sale or cancellation of the Shares, the amount that they invested.

The Ordinary Shares in issue are currently admitted to trading on the Specialist Fund Segment of the London Stock Exchange plc (the "**London Stock Exchange**"). Application will also be made to the London Stock Exchange for all of the 2022 ZDP Shares to be admitted to trading on the Specialist Fund Segment. It is expected that First ZDP Admission will become effective and that dealings in the 2022 ZDP Shares will commence on or about 1 December 2017 and any Subsequent Admission of Ordinary Shares, C Shares or 2022 ZDP Shares will become effective and that dealings in any new Ordinary Shares and/or C Shares and/or 2022 ZDP Shares, as the case may be, will commence between 9 November 2017 and 8 November 2018. The Shares are not dealt in on any other recognised investment exchanges and no applications for the Shares to be admitted to listing or to be traded on any such other exchanges have been made or are currently expected to be made.

The Company and each of its directors (whose names appear on page 58 of this Prospectus) (the "**Directors**") accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

EJF Investments LP (the "**Partnership**") accepts responsibility for the information contained in this Prospectus relating to it and all statements made by it. To the best of the knowledge and belief of the Partnership (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

EJF Investments Manager LLC (the "**Manager**") accepts responsibility for the information contained in this Prospectus relating to it and all statements made by it. To the best of the knowledge and belief of the Manager (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the whole of this Prospectus when considering an investment in the Shares and, in particular, attention is drawn to the section entitled "Risk Factors" of this Prospectus.

EJF INVESTMENTS LTD

(a closed-ended investment company incorporated with limited liability in the Baillwick of Jersey with registered number 122353)

First Placing of 15 million 2022 ZDP Shares

and

Admission to trading of 2022 ZDP Shares on the Specialist Fund Segment of the London Stock Exchange

and

Placing Programme of up to 100 million Ordinary Shares and/or C Shares and up to 50 million 2022 ZDP Shares

Manager	*Financial Adviser and Bookrunner*
EJF Investments Manager LLC	**Liberum Capital Limited**

Liberum Capital Limited ("**Liberum**"), which is authorised and regulated in the United Kingdom by the FCA, (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) is acting exclusively for the Company and no one else in connection with First ZDP Admission, the First ZDP Placing, any Subsequent Admission and any Subsequent Placing and the other transactions and arrangements referred to in this Prospectus. Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to each Admission and Placing and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to any Admission or Placing, the contents of this Prospectus or any other transactions or arrangements referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum (and/or, if applicable, such other bookrunner) by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Liberum (and/or, if applicable, such other bookrunner) does not accept any responsibility whatsoever for, and makes no representation or warranty, express or implied, as to the contents of this

Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares, any Admission or any Placing and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future. Liberum (and/or, if applicable, such other bookrunner) accordingly, to the fullest extent permitted by law, disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

This Prospectus does not constitute or form part of any offer or invitation to sell, or the solicitation of an offer to acquire or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for such securities by any person in any circumstances in which such offer or solicitation is unlawful.

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or under the securities laws or with any securities regulatory authority of South Africa, Canada, Australia or Japan. The Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act ("**Regulation S**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Shares may not be offered or sold into or within South Africa, Canada, Australia or Japan or to, or for the account or benefit of any national, resident or citizen of South Africa, Canada, Australia or Japan. Subject to certain exceptions as described herein, any Placing of Shares is only being made outside the United States to non-US Persons in reliance on Regulation S under the US Securities Act.

The Company has not been and will not be registered under the United States' US Investment Company Act of 1940, as amended (the "**US Investment Company Act**") and investors will not be entitled to the benefits of the US Investment Company Act. There will be no public offer of the Shares in the United States. **Neither the United States Securities and Exchange Commission (the "US SEC") nor any state securities commission has approved or disapproved of the Shares or passed upon or endorsed the merits of the offering of the Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.**

The Shares are being offered and sold in the United States in a transaction not involving a "public offering" subject to an exemption from the registration requirements of Section 5 of the US Securities Act only to persons who are all of the following: (i) qualified purchasers ("**QPs**") as defined in Rule 2(a)(51) of the US Investment Company Act; and (ii) "accredited investors" ("**AIs**", and persons who are both QPs and AIs, "**Entitled Qualified Purchasers**") as defined in Rule 501(a) of Regulation D under the US Securities Act ("**Regulation D**"). The Shares are being offered and sold outside the United States to non-US Persons (or to persons who are both US Persons and Entitled Qualified Purchasers) in reliance on Regulation S under the US Securities Act. Purchasers in the United States or who are US Persons will be required to execute and deliver a US investor representation letter (a "**US Investor Representation Letter**") in the form set forth in Part XV: "*US Investor Representation Letter*" of this Prospectus. Prospective investors in the United States are hereby notified that the sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided for a transaction not involving a "public offering".

Except with the express written consent of the Company given in respect of an investment in the Company, the Shares may not be acquired by: (i) investors using assets of: (A) an "employee benefit plan" as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") that is subject to Title I of ERISA; (B) a "plan" as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**US Tax Code**"), including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

The distribution of this Prospectus and the offer of the Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been or will be taken to permit the possession, issue or distribution of this Prospectus (or any other offering or publicity material relating to the Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. None of the Company, the Partnership, the Manager, Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) or any of their respective affiliates or advisors accepts any legal responsibility for any breach by any person, whether or not a prospective investor, of any such restrictions.

In addition, the Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors may be required to bear the financial risks of their investment in the Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. For further information on restrictions on offers, sales and transfers of the Shares, please refer to the section entitled "Purchase and Transfer Restrictions" in Part VIII: "*Details of the First ZDP Placing and Placing Programme*" of this Prospectus.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the relevant Placing including the merits and risks involved. The investors also acknowledge that: (i) they have not relied on Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) or any person affiliated with Liberum (and/or, if applicable, such other bookrunner) in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorised. Neither the delivery of this Prospectus nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information in it is correct as of any subsequent time.

None of the Company, the Partnership, the Manager, Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) or any of their respective representatives, is making any representation to any prospective investor in respect of the Shares regarding the legality of an investment in the Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Prospectus should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice.

The Company has been established in Jersey as a listed fund under a fast-track authorisation process. It is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice. Regulatory requirements which may be deemed necessary for the protection of retail or inexperienced investors, do not apply to listed funds. By investing in the Company you will be deemed to be acknowledging that you are a professional or experienced investor, or have taken appropriate professional advice, and accept the reduced Jersey requirements accordingly. You are wholly responsible for ensuring that all aspects of the Company, the Partnership and the Manager are acceptable to you. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of the Company and the potential risks inherent in this Company you should not invest in the Company.

Further information in relation to the regulatory treatment of listed funds domiciled in Jersey may be found on the website of the Jersey Financial Services Commission at www.jerseyfsc.org.

This Prospectus is prepared, and a copy of it has been sent to the Jersey Financial Services Commission, in accordance with the Collective Investment Funds (Certified Funds—Prospectuses) (Jersey) Order 2012. The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or expressed in this Prospectus. The applicant is strongly recommended to read and consider this Prospectus before completing an application.

This Prospectus is dated 9 November 2017.

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CONTENTS

SUMMARY

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

PART A—THE COMPANY

SECTION A—INTRODUCTION AND WARNINGS		
Element	**Disclosure requirement**	**Disclosure**
A1	Warning	This summary should be read as an introduction to this Prospectus. Any decision to invest in the Shares should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Union, have to bear the costs of translating this 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 if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares.
A2	Use of prospectus by financial intermediaries	Not applicable. The Company has not given its consent to the use of this Prospectus for subsequent resale or final placement of securities by financial intermediaries.

SECTION B—ISSUER		
Element	**Disclosure requirement**	**Disclosure**
B1	Legal / commercial name	EJF Investments Ltd (the "**Company**")
B2	Domicile and legal form	The Company is a registered closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies Law, with registered number 122353. The Company's registered office and principal place of business is 47 Esplanade, St. Helier, Jersey JE1 0BD. The principal legislation under which the Company operates is the Companies Law.
B5	Group description	The Company holds 100 per cent. of the shares in EJF Investment Holdings Limited ("**EJFIH**"), which together with a 49 per cent. interest in the CDO Manager constitutes the "**Group**". EJFIH is the registered holder of the investments in the Portfolio.
B6	Major shareholders	Not applicable. No interest in the Company's capital or voting rights is notifiable under the Company's national law. None of the Company's Shareholders has or will have voting rights attached to the Shares they hold which are different from the voting rights attached to any other Shares of the same class in the Company and the Shares held by them will rank *pari passu* in all respects with the other Shares of the same class. As at 8 November 2017 (being the latest practicable date prior to the publication of this Prospectus), the Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise, control over the Company.
B7	Key financial information	The selected financial information set out below, which has been prepared in accordance with IFRS as adopted by the EU, has been extracted without material

SECTION B—ISSUER		
Element	**Disclosure requirement**	**Disclosure**
		adjustment from: (i) the audited historical financial information of the Partnership for the three years ended 31 December 2016; and (ii) the unaudited historical financial information of the Company for the period from incorporation to 30 June 2017.

Statement of comprehensive income of the Company

	For the period 20 October 2016 (date of incorporation) to 30 June 2017
	£000 (unaudited)
Investment income	945
Other income	27
Net foreign exchange loss	(76)
Net gain on derivative financial assets held at fair value through profit or loss	2,025
Net gain on non-derivative financial assets held at fair value through profit or loss	5,334
Net loss on financial liabilities held at fair value through profit or loss	(763)
Total revenue	**7,492**
Total operating expenses	**(1,337)**
Expenses reimbursed by the Manager	418
Net operating expenses	**(919)**
Operating profit before finance costs	**6,573**
Finance costs	**(154)**
Total comprehensive income for the period attributable to shareholders	**6,419**
Earnings per share	**£ 0.13**

Statement of financial position of the Company

	As at 30 June 2017
	£000 (unaudited)
Assets	
Cash	5,892
Other receivables	223
Balance due from brokers	2,842
Prepaid expenses and other assets	86
Derivative financial assets at fair value through profit or loss	2,025
Non-derivative financial assets at fair value through profit or loss	62,755
Total assets	**73,823**
Liabilities	
Share issuance proceeds paid in advance	1,580
Accounts payable and accrued expenses	1,609
Financial liabilities at fair value through profit or loss	763
Total liabilities	**3,952**
Issued capital and reserves	
Net assets attributable to shareholders	69,871
Issued share capital and reserves	**69,871**
Number of ordinary shares in issue at period end	**48,395,217**
Net Asset Value per ordinary share	**£ 1.44**

SECTION B—ISSUER		
Element	**Disclosure requirement**	**Disclosure**

Statement of cash flows of the Company

	For the period 20 October 2016 (date of incorporation) to 30 June 2017
	£000 (unaudited)
Cash flows from operating activities	
Net income	6,419
Adjustments for:	
Investment income	(945)
Net unrealised gain on financial assets at fair value through profit or loss	(7,359)
Net unrealised loss on foreign exchange	76
Net unrealised loss on financial liabilities at fair value through profit or loss	763
Interest received	853
	(192)
Changes in net assets and liabilities:	
Other receivables	(223)
Prepaid expenses and other assets	(86)
Accounts payable and accrued expenses	1,609
Balance due from brokers	(2,842)
Net cash generated from operating activities	**(1,735)**
Cash flow from investing activities:	
Distributions received	3,575
Purchase of investments	(2,207)
Proceeds from sale of investments	2,681
Proceeds from the Partnership	4,153
Realised gains on transfer of assets	558
Net cash inflow from investing activities	**8,760**
Cash flow from financing activities:	
Dividends paid	(1,161)
Net cash outflow from financing activities	**(1,161)**
Net increase in cash and cash equivalents	5,864
Cash and cash equivalents at the start of the period	—
Effect of movements in exchange rates on cash held	28
Cash and cash equivalents at the end of the period	**5,892**

Consolidated statement of comprehensive income of the Partnership

	For the year ended 31 December		
	2016	2015	2014
	£000 (audited)		
Collateral management fee income	1,768	1,844	1,904
Net gain from financial assets at fair value through profit or loss	13,012	8,385	9,451
Net gain (loss) from warrants held at fair value through profit or loss	(220)	157	(228)
Interest income—investment securities	126	177	639
Interest income—other	12	94	252
Other income	—	9	1,276
Total revenue	**14,698**	**10,666**	**13,294**
Total expenses	**1,504**	**1,164**	**1,998**
Increase in net assets attributable to holders of redeemable units before tax	**13,194**	**9,502**	**11,296**
Income tax provision (benefit)	3,482	2,389	(2,927)

SECTION B—ISSUER		
Element	**Disclosure requirement**	**Disclosure**

	For the year ended 31 December		
	2016	**2015**	**2014**
	£000 (audited)		
Increase in net assets attributable to holders of redeemable units	**9,712**	**7,113**	**14,223**
Other comprehensive income			
Exchange differences on translation of foreign operations	9,349	2,546	2,553
Total comprehensive income	**19,061**	**9,659**	**16,776**

Consolidated statement of financial position of the Partnership

	As at 31 December		
	2016	**2015**	**2014**
	£000 (audited)		
Assets			
Cash and cash equivalents	18,746	3,304	318
Collateral management fee receivable	314	355	362
Accrued interest receivable	74	46	40
Loans receivable	—	—	1,926
Due from related parties	697	1,283	1,372
Prepaid expenses and other assets	39	172	185
Deferred tax asset	1,057	2,277	4,418
Intangible assets, net of accumulated amortisation	—	423	1,030
Investment securities—trading securities, at fair value	11,515	3,168	1,003
Investment in private investment company, at fair value	27,319	37,015	33,955
Total assets	**59,761**	**48,043**	**44,609**
Equity			
Partners' capital	—	—	—
Total equity	—	—	—
Liabilities			
Accounts payable and accrued expenses	1,050	119	227
Warrant liabilities, at fair value	458	181	325
Deferred tax liability	—	—	60
Total liabilities	**1,508**	**300**	**612**
Issued capital and reserves			
Net assets attributable to holders of redeemable units	58,253	47,743	43,997
Issued share capital and reserves	**58,253**	**47,743**	**43,997**

Consolidated statement of cash flows of the Partnership

	For the year ended 31 December		
	2016	**2015**	**2014**
	£000 (audited)		
Cash flows from Operating Activities:			
Net income	9,712	7,113	14,223
Reconciliation adjustments:			
Amortisation	460	642	595
Net gain from investment securities at fair value through profit or loss	(5,622)	(2,032)	(7,504)

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<tr><th colspan="3">SECTION B—ISSUER</th></tr>
<tr><th>Element</th><th>Disclosure requirement</th><th>Disclosure</th></tr>
<tr><td></td><td></td><td>

	For the year ended 31 December		
	2016	2015	2014
	£000 (audited)		
Net gain from investment in private investment companies at fair value through profit or loss	1,671	(4,861)	(1,582)
Net gain (loss) from warrant liabilities at fair value through profit or loss	220	(157)	228
Purchase of investment in private investment company	(1,752)	—	(30,955)
Proceeds from private investment company	24,063	5,315	948
Sale of investment trading securities	226	—	14,427
Purchase of investments in trading securities	(1,643)	—	—
Tax expense (benefit)	3,482	2,389	(2,927)
Changes in assets and liabilities			
Deferred income taxes	(411)	(111)	(220)
Due from related parties, collateral management fee receivable, accrued interest receivable, and other assets	731	103	(1,030)
Accounts payable and accrued expenses	931	(168)	(223)
Cash generated from (used in) operating activities	32,068	8,233	(14,020)
Income taxes paid	(1,851)	(137)	(49)
Net cash generated from (used in) operating activities	30,217	8,096	(14,069)
Cash flows Financing Activities:			
Proceeds from loan repayment	—	1,926	301
Distributions to investors	(4,886)	(5,135)	(1,380)
Repurchase of common units	(3,665)	(778)	—
Net cash used in financing activities	(8,551)	(3,987)	(1,079)
Net change in cash and cash equivalents	21,666	4,109	(15,148)
Cash and cash equivalents, beginning of year	3,304	318	15,116
Effect of foreign currency fluctuations on cash and cash equivalents	(6,224)	(1,123)	350
Cash and cash equivalents, end of year	**18,746**	**3,304**	**318**

Save in respect to the First Restructuring, the Second Restructuring, the July Placing, the Hedges, the issuance of the Warrants, the Second Partnership Units Buy-back, the investments in TFINS 2017-1 and TFINS 2017-2, the Revolving Credit Facility and the sale of four discounted CDOs, there has been no significant change in the financial condition and operating results of the Group in the period from 20 October 2016 to 30 June 2017, or the period subsequent to 30 June 2017, being the end of the period for which the Group's last financial statements were published.</td></tr>
<tr><td>B8</td><td>Key pro forma financial information</td><td>Not applicable. No pro forma financial information is included in this Prospectus.</td></tr>
<tr><td>B9</td><td>Profit forecast</td><td>Not applicable. No profit estimate or forecast for the Company is made.</td></tr>
<tr><td>B10</td><td>Qualifications in the audit report</td><td>Not applicable. The independent accountant's reports on the historical financial information incorporated by reference in this Prospectus are not qualified.</td></tr>
<tr><td>B11</td><td>Working capital qualifications</td><td>Not applicable. The Company is of the opinion that, taking into account the Revolving Credit Facility, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this Prospectus.</td></tr>
</table>

SECTION B—ISSUER		
Element	**Disclosure requirement**	**Disclosure**
B34	Investment objective and policy	The Company seeks to generate attractive risk adjusted returns for its Shareholders, by investing in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities are anticipated to include structured debt and equity, loans, bonds, preference shares, convertible notes and private equity, in both cash and synthetic formats issued by entities domiciled in the US, UK and Europe. The Company seeks to achieve its Investment Objective by pursuing a policy of investing in a diversified portfolio of investments that are derived from the changing financial services landscape. The Company relies to a material extent on the Manager and the employees of EJF for the sourcing and origination of investments, but the investment process may involve working with third parties to design an investment. Debt investments, whether or not listed on a recognised market, may also be purchased on an opportunistic basis. The Company currently seeks to achieve its Investment Objective primarily by investing the majority of its assets in three Target Investments that have each been created by regulatory and structural changes impacting the financial services sector comprising: Risk Retention Investments, Capital Solutions and Asset Backed Securities opportunities; and Specialty Finance Investments. The Company has the following investment limits and restrictions: (i) no more than 25 per cent. of the Company's gross assets shall be invested in any single EJF-sponsored Risk Retention Investment; (ii) no more than 20 per cent. of the Company's gross assets shall be invested in any single non-EJF sponsored Risk Retention Investment; (iii) no more than 20 per cent. of the Company's gross assets shall be invested in any single Capital Solutions or ABS Investment; (iv) no more than 20 per cent. of the Company's gross assets shall be invested in any single Specialty Finance Investment; (v) investment in publicly listed equity is not permitted. For the avoidance of doubt, if an existing debt or private equity investment is exchanged for equity listed on the public markets, such investment may be held at the Manager's discretion if the resultant investment otherwise remains in compliance with the Investment Policy; (vi) investments will be made where the underlying issuer is domiciled in the US, UK or other current members of the EEA or EFTA or has the majority of its underlying assets exposed to the US, UK and/or other current members of the EEA or EFTA; and (vii) any investments that are not Target Investments will be limited to an aggregate total of 20 per cent. of gross assets. In addition to amending its borrowing limits as described below, in order to better reflect the existing Portfolio, the Company proposes to restate its Investment Policy by re-categorising its Target Investments into two subsets, being (i) Securitization and Related Investments, which will comprise Risk Retention and Related Investments (being Risk Retention Investments, together with investments in non-risk retention securities of EJF Securitizations and other non-EJF sponsored securitizations), Capital Solutions and ABS Investments and the CDO Manager and (ii) Speciality Finance Investments. The Company will also make corresponding immaterial changes to its Investment Limits and Restrictions.
B35	Borrowing limits	The Company may utilize borrowings for share buybacks and short-term liquidity purposes. The Company may also from time to time use borrowing for investments via short- or longer- term financing. The Company may seek leverage via bank financing, term loans, or debt instruments. The Company is permitted to issue private or public debt, and, subject to the restrictions set out below, may encumber its assets to collateralize secured borrowings. Gearing will not exceed 20 per cent. of Net Asset Value calculated at the time of drawdown. Risk Retention Investments will not be leveraged or used as collateral for the Company's borrowings. Subject to approval at the EGM, the Company will have the availability to borrow up to 35 per cent. of its Net Asset Value (calculated at the time of drawdown), provided that (i) the maximum amount for borrowings for long-term investment purposes within such limit will be 30 per cent. of the Net Asset Value and (ii) borrowings for long-term investment purposes may only be incurred when the

SECTION B—ISSUER		
Element	**Disclosure requirement**	**Disclosure**
		Minimum Cover Amount is met (calculated at the time of drawdown). ZDP Shares will constitute borrowings for long-term investment purposes and accordingly count towards such limit.
B36	Regulatory status	The Company is a registered closed-ended investment company incorporated in Jersey with limited liability on 20 October 2016 under the provisions of the Companies Law, with registered number 122353. The Company is regulated by the Jersey Financial Services Commission (the "**JFSC**"), and is not regulated by any regulator other than the JFSC. The JFSC is protected by both the Collective Investment Funds (Jersey) Law 1988 and the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under such laws. The Company is subject to the Prospectus Rules, the Market Abuse Regulation, the admission and disclosure standards of the London Stock Exchange, certain provisions of the Disclosure Guidance and Transparency Rules and those Listing Rules that the Company has elected to comply with on a voluntary basis.
B37	Typical investors	The Shares are designed to be suitable for investors: (i) who are institutional, professional and highly knowledgeable (including those who are professionally advised); (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment, including the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company. The 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 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 the Shares being issued under any Placing.
B38 / B39	Investment of 20% or more or 40% or more in single underlying asset or investment company	Not applicable.
B40	Applicant's service providers	**Manager** EJF Investments Manager LLC acts as Manager to the Company. In such capacity, the Manager is responsible for the portfolio and risk management of the Company, including managing the Company's assets and its day-to-day operations. The Manager is entitled to receive a Management Fee which is calculated monthly and paid quarterly in arrears, in a monthly amount equal to the product of 1/12 of the NAV attributable to Ordinary Shares at the end of the relevant month multiplied by one per cent. Where there are C Shares in issue, the Management Fee will be charged on the NAV attributable to Ordinary Shares and the net assets attributable to C Shares, respectively. In addition, the Manager is also entitled, subject to the satisfaction of certain conditions, to an Incentive Fee which is calculated by reference to movements in the Adjusted NAV attributable to Ordinary Shares from time to time. In the event that C Shares are in issue, the Manager will be entitled, subject to the satisfaction of certain conditions, to an incentive fee payable in Ordinary Shares or, if applicable, cash in respect of movements in the adjusted net assets attributable to the C Shares on substantially the same basis as the Incentive Fee payable in relation to the Adjusted NAV attributed to Ordinary Shares. As a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LLC is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitizations, in an amount equivalent to the minimum interest that a sponsor is required to retain.

SECTION B—ISSUER		
Element	**Disclosure requirement**	**Disclosure**
		Financial Adviser, Bookrunner and Broker Liberum has been appointed as Financial Adviser and sole Bookrunner to the Company in relation to the First ZDP Placing and will be appointed sole Bookrunner to the Company in relation to any Subsequent Placing (subject to certain conditions). Liberum has agreed to use its reasonable endeavours to procure subscribers for 2022 ZDP Shares at the First ZDP Placing Price pursuant to the First ZDP Placing and Shares at the relevant Subsequent Placing Price pursuant to each Subsequent Placing (in respect of which it is acting). In consideration for its services in relation to the First ZDP Admission, First ZDP Placing, each Subsequent Admission and Subsequent Placing (in respect of which it is acting), and conditional upon completion of the First ZDP Placing and each Subsequent Placing, Liberum will be paid a customary corporate finance fee (subject to certain conditions) and a placing commission by the Company, calculated on the value of the Shares in respect of which it has procured Placees (excluding any Shares subscribed for by EJF or its directors, employees or affiliates or any investors introduced by EJF or its affiliates). Liberum also acts as corporate broker to the Company and is paid an annual fee for performing that role by the Company. **CDO Manager** The CDO Manager, which is 51 per cent. owned by the Manager and 49 per cent. owned by EJFIH, provides collateral management services to various CDO structures. For these purposes, the CDO Manager provides such services directly to those CDO structures on commercially reasonable terms. The CDO Manager is also expected to provide collateral management services to future EJF Securitizations as it will have the benefit, for so long as EJF Investments Manager LLC is the Manager, of a right of first refusal to be appointed as the provider of collateral administration, monitoring and management services in respect of each EJF Securitization. The CDO Manager may also provide collateral management services to non-EJF securitizations as well, either via a Risk Retention Investment or a CDO structure. The CDO Manager is expected to benefit from collateral management fees on all CDOs it services and manages until maturity of such CDOs. **Administrator and Company Secretary** Crestbridge acts as Administrator and Company Secretary to the Company. It is entitled to an administration fee comprising a fixed fee of £85,000 per annum (expected to increase to £90,000 per annum) and variable fees which are charged at market rates, depending on the nature of the services provided. Total fees payable to Crestbridge are not expected to exceed £250,000 per annum. **Registrar** Capita Registrars (Jersey) Limited acts as Registrar to the Company pursuant to the Registrar Services Agreement to provide share registration services. The Registrar is entitled to an annual fee of £9,500. Other registrar activity outside of the agreed scope of services will be charged for in accordance with the Registrar's normal tariff as published from time to time. **Custodian** Citigroup Global Markets Inc., Citibank N.A. are authorised to provide prime brokerage and/or custody services to the Company pursuant to the Custody Agreement. For the provision of prime brokerage and custody services in relation to the Company's interest in the Discounted CDO Securities Portfolio and indirect interest in the TFINS 2017-1 preferred shares, Citigroup Global Markets Inc. is entitled to a monthly fee of US$10,000. For the provision of custody services in relation to the Company's interest in the Armadillo Portfolio, Citibank, N.A. is entitled to a monthly servicing fee of approximately US$208.

SECTION B—ISSUER		
Element	**Disclosure requirement**	**Disclosure**
		Valuation Agent The Board may appoint such recognised independent third party valuation agent(s) as it deems appropriate from time to time on arms-length commercial terms. **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 Neal J. Wilson, the Directors are remunerated for their services at a fee of £40,000 per annum, plus an additional annual Chair's fee of £10,000 and an annual fee of £5,000 for the chair of the audit committee. Neal J. Wilson has agreed to waive his fee.
B41	Regulatory status of Manager	The Manager has no employees and acts exclusively through its managing member, EJF. Accordingly, the Manager is operationally integrated into, and is a relying adviser of, EJF, which is a registered investment adviser with the US SEC.
B42	Calculation of Net Asset Value	The NAV is calculated as of the last Business Day of each month (or at any other times at the Board's discretion) by the Administrator, based on the valuations calculated in accordance with the Company's valuation policies and in consultation with the Manager. From December 2017, the Company intends to publish the NAV and NAV per Ordinary Share within fifteen Business Days following the date of calculation or as soon as practicable by RIS announcement and made available on the website of the Company (www.EJFI.com). The NAV per 2022 ZDP Share will be published at the same time as the NAV per Ordinary Share.
B43	Cross liability	Not applicable. There is no cross liability between classes or investments in other collective investment undertakings.
B44	CIUs which have not commenced operations	Not applicable. The Company has commenced operations.
B45	Portfolio	As at the date of this Prospectus, the Portfolio consists of long-term assets consistent with the Company's investment focus on regulatory-driven lending opportunities, securitization financing and specialty finance opportunities, specifically: (i) an ownership interest in the Partnership, which holds EJF Risk Retention Securities including the preferred shares of TFINS 2017-1 and TFINS 2017-2; (ii) a separate indirect ownership interest in the preferred shares of TFINS 2017-1; (iii) a portfolio of legacy REIT TruPS CDOs; (iv) a holding of 49 per cent. of the issued and outstanding units in the CDO Manager, which currently has four REIT TruPS CDO collateral management contracts and two collateral management contracts in respect of EJF Securitizations; and (v) specialty finance positions consisting of: (a) an interest in a bridge loan, and (b) a portfolio of high-yielding loans to US law firms engaged in mass tort litigation by way of its holding of limited partner interests in Armadillo I and Armadillo II.
B46	Net Asset Value	As at 30 September 2017 (being the latest practicable date prior to the date of this Prospectus on which the Portfolio was valued), the unaudited NAV (cum-income) was £80 million.

SECTION C—SECURITIES		
Element	**Disclosure requirement**	**Disclosure**
C1	Type and class of securities	The Company intends to issue (i) up to 20 million 2022 ZDP Shares pursuant to the First ZDP Placing and (ii) up to 100 million Ordinary Shares and/or C Shares and up to 50 million 2022 ZDP Shares pursuant to the Placing Programme (including the 2022 ZDP Shares to be issued pursuant to the First ZDP Placing). The ISIN of the Ordinary Shares is JE00BF0D1M25, the SEDOL code is BF0D1M2 and the ticker is EJFI. The ISIN of the C Shares is JE00BF0D1P55, the SEDOL code is BF0D1P5 and the ticker is EJFC. The ISIN of the 2022 ZDP Shares will be JE00BDG12N48, the SEDOL code will be BDG12N4 and the ticker will be EJFZ.
C2	Currency of issue	Pounds Sterling
C3	Issued share capital	As at the date of this Prospectus, the Company has 53,874,670 Ordinary Shares of no par value in issue. There are no non-paid up Ordinary Shares in issue. There are no C Shares or 2022 ZDP Shares currently in issue. Any C Shares and 2022 ZDP Shares to be issued pursuant to the First ZDP Placing or any Subsequent Placing will be of no par value.
C4	Description of the rights attaching to the Shares	All dividends paid by the Company are attributable to the Ordinary Shares and C Shares only. The Directors may only pay dividends provided that immediately following such payment the Cover would be not less than 2.0 times, save where the ZDP Shareholders have approved such payment. In relation to capital on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Ordinary Shares or C Shares), the surplus assets of the Company remaining after payment of all creditors shall be distributed as follows: (i) first, to the 2022 ZDP Shareholders in respect of each 2022 ZDP Share held by them, the 2022 ZDP Final Capital Entitlement; and (ii) second, on a pro-rata basis to Ordinary Shareholders and C Shareholders (subject to the rights of any Ordinary Shares and C Shares that may be issued with any special rights and privileges). At a general meeting of the Company each Ordinary Shareholder or C Shareholder has one vote on a show of hands and one vote for every Ordinary Share or C Share held on a poll. The 2022 ZDP Shares do not normally carry the right to vote at general meetings of the Company. 2022 ZDP Shareholders will, however, have a right to vote in certain limited circumstances and their separate approval as a class will be required for certain proposals which would be likely to affect their position materially. The Ordinary Shares and C Shares carry no right of redemption. The 2022 ZDP Shares will be redeemed on the 2022 ZDP Repayment Date.
C5	Restrictions on transfer	The Shares are free from any restriction on transfer, subject to compliance with applicable securities laws.
C6	Admission to trading on a regulated market	The Ordinary Shares in issue are currently admitted to trading on the Specialist Fund Segment of the London Stock Exchange. Application will also be made for all of the 2022 ZDP Shares to be admitted to trading on the Specialist Fund Segment. It is expected that First ZDP Admission will become effective and that dealings in the 2022 ZDP Shares in issue will commence on or about 1 December 2017 and any Subsequent Admission will become effective and that dealings in such Ordinary Shares and/or C Shares and/or 2022 ZDP Shares, as the case may be, will commence between 9 November 2017 and 8 November 2018. The Shares are not dealt in on any other recognised investment exchanges and no applications for the Shares to be admitted to listing or to be traded on any such other exchanges have been made or are currently expected to be made.
C7	Dividend policy	Whilst not forming part of its Investment Policy, the Company targets the payment of dividends on the Ordinary Shares and C Shares which equate to a yield of six per cent. per annum based on the Company's NAV per Ordinary Share on 7 April 2017 (being the date of Original Admission), payable in quarterly

SECTION C—SECURITIES		
Element	**Disclosure requirement**	**Disclosure**
		instalments shortly after each dividend is declared in April, July, October and January in each year. No dividends will be paid in respect of the 2022 ZDP Shares.

SECTION D—RISKS		
Element	**Disclosure requirement**	**Disclosure**
D1 D2	Key information on the key risks specific to the Company or its industry.	• The Company's target dividend yield and target return are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual dividend yield and return may be materially lower than the target dividend yield and target return and could be negative. A Shareholder could lose all or a substantial portion of their investment in the Company. Shareholders must have the financial ability, sophistication, experience and willingness to bear the risks of an investment in the Company. • Material changes affecting global debt and equity capital markets may have a negative effect on the Company's business, financial condition, results of operations, NAV and/ or the market price of the Shares. • The Company's NAV is calculated based on the NAV of the Portfolio and, as such, is subject to valuation risk and the Company can provide no assurance that the NAVs it records from time to time will ultimately be realised. The Portfolio will be valued monthly and therefore, the actual value of the Portfolio at any given time may be different from the value based on which the Company's latest NAV has been calculated. • The Company will, be reliant on third party service providers to carry on their businesses and a failure by one or more service providers may materially disrupt the businesses of the Company and its Portfolio. The Company is reliant on the controls of its service providers to ensure day to day operations are adequately protected against cyber threats. • The Company is reliant on EJF for the sourcing of its Target Investments. As a result, failure by EJF to structure or source applicable Target Investments for the Company or any deterioration or termination of the relationship between the Company, the Manager and EJF could have a material adverse effect on the Company's business, financial condition, results of operation, NAV and/or the market price of the Shares. • The Company has a limited operating history, and investors have a limited basis on which to evaluate the Company's ability to achieve its Investment Objective. • The Company's success depends on its continued relationship with the Manager and, in turn, on the Manager's relationship with EJF. If this relationship were to end or key EJF or Manager professionals were to depart, it could have a material adverse effect on the Company's business, investments and results of operations. If the Manager were to cease to provide services under the Management Agreement or to cease to provide investment management, operational and financial advisory services to the Company for any reason, the Company could experience difficulty in making new investments and servicing its existing investments, assets and obligations, the Company's business and prospects could be materially harmed and the value of its existing investments and its results of operations and financial condition could be likely to suffer materially.
D3	Key information on the key risks specific to the Shares	• The Shares may trade at a discount to their respective NAV per Share and Shareholders may be unable to realise their Shares on the market at the relevant NAV per Share or at any other price.

SECTION D—RISKS		
Element	**Disclosure requirement**	**Disclosure**
		• Ordinary Shareholders and C Shareholders have no right to have their Ordinary Shares or C Shares redeemed or repurchased by the Company. • The existence of a liquid market in the Shares cannot be guaranteed. • Issuance of additional Shares, including on exercise of the Warrants, could have a detrimental effect on the Net Asset Value and the market price of the Shares. • The underlying value of assets attributable to the Ordinary Shares and C Shares will be geared by the rising capital entitlements of the 2022 ZDP Shares and therefore should be regarded as carrying above average risk. • A reduction in the Company's revenue return from its investments would adversely affect the yield on the Ordinary Shares and C Shares. • Interest rate changes may affect the market price of 2022 ZDP Shares. • The Ordinary Shares and C Shares rank for repayment of capital after the 2022 ZDP Shares and any creditors of the Company from time to time. • Holders of 2022 ZDP Shares may receive less than the 2022 ZDP Final Capital Entitlement. • Future 2022 ZDP Share issues could dilute the interests of the 2022 ZDP Shareholders and lower the price of the 2022 ZDP Shares. • There are structural conflicts of interest between the Ordinary Shareholders, the C Shareholders and the ZDP Shareholders. • The principal bases and assumptions may not be fulfilled in practice. • The Shares will be subject to purchase and transfer restrictions in the Placing Programme and in secondary transactions in the future.

SECTION E—OFFER		
Element	**Disclosure requirement**	**Disclosure**
E1	Net proceeds / expenses	The Company will bear costs or expenses in relation to First ZDP Admission of £525,000 (assuming gross proceeds from the First ZDP Placing of £15 million) and the Manager will pay any excess above that amount. The net proceeds of the First ZDP Placing are dependent on the level of the subscriptions received. Assuming gross proceeds of £15 million and that costs and expenses of £525,000 will be paid by the Company, the net proceeds will be £14.475 million. The net proceeds of the Placing Programme are dependent, among other things on: (i) the Directors determining to proceed with an issue of Shares under the Placing Programme; (ii) the level of subscriptions received; and (iii) the Subsequent Placing Price of any Subsequent Placing. The variable costs of any Subsequent Placing under the Placing Programme are expected to be covered, where possible, by any premium generated on the issue of any Ordinary Shares or 2022 ZDP Shares (as the case may be), or in respect of the issue of C Shares, from the proceeds of the issue of such C Shares.
E2a	Reasons for the First ZDP Placing and Placing Programme and use of proceeds	The First ZDP Placing is being undertaken and the Placing Programme is being extended in relation to the Ordinary Shares and C Shares, and also to permit Subsequent Placings of 2022 ZDP Shares, to enable the Company to raise capital on an ongoing basis as it is required. The Company will invest the net proceeds of any Placing in investments in line with its Investment Objective and Investment Policy, subject to the availability of sufficient investment opportunities. Prior to making the investments the Company will hold the proceeds from the First ZDP Placing and any Subsequent Placings in cash or cash equivalents.

SECTION E—OFFER		
Element	**Disclosure requirement**	**Disclosure**
E3	Terms and Conditions of the First ZDP Placing	20 million 2022 ZDP Shares are being made available under the First ZDP Placing at the First ZDP Placing Price. The First ZDP Placing will close on 9 November 2017 (or such later date as the Company, the Manager and Liberum may agree). If the First ZDP Placing is extended, the revised timetable will be notified through a RIS announcement. The allotment and issue of the 2022 ZDP Shares pursuant to the First ZDP Placing is conditional, amongst other things, on: • the New Articles, to permit issuances of 2022 ZDP Shares, and the amendments to the Company's borrowing limits being approved at the EGM; • First ZDP Admission occurring by 8.00 a.m. on 1 December 2017 (or such later date as may be agreed between the Company, the Manager and Liberum); • the Placing Agreement not being terminated in accordance with its terms and becoming unconditional in all respects (save for conditions relating to First ZDP Admission) prior to First ZDP Admission; • the First ZDP Placing raising the Minimum Gross Proceeds; and • to the extent required, a valid supplementary prospectus being published by the Company.
	Terms and Conditions of the Placing Programme	Up to 100 million Ordinary Shares and/or C Shares and up to 50 million 2022 ZDP Shares (including 2022 ZDP Shares issued pursuant to the First ZDP Placing) may be made available pursuant to the Placing Programme. Each allotment and issue of Shares pursuant to a Subsequent Placing is conditional, amongst other things, on: • the applicable Subsequent Placing Price being determined by the Directors (to the extent that Ordinary Shares or 2022 ZDP Shares are issued); • Admission of the Shares issued pursuant to the Subsequent Placing; • the Placing Agreement not being terminated in accordance with its terms and a particular Subsequent Placing becoming unconditional, in each case in accordance with the terms of the Placing Agreement, prior to the completion of the Subsequent Placing; • to the extent required, a valid supplementary prospectus being published by the Company; and • for a Subsequent Placing of 2022 ZDP Shares only, the Minimum Cover Amount being met and the Company's borrowing limit not being breached following completion of the Subsequent Placing. In circumstances in which these conditions are not fully met, the relevant issue of Shares pursuant to the Placing Programme will not take place.
E4	Material interests	Not applicable. There are no interests that are material to the Placing Programme and no conflicting interests.
E5	Selling shareholders and lock ups	No person or entity is offering to sell Shares. On Original Admission, each of Neal J. Wilson, Emanuel J. Friedman (through Cheetah Holdings Ltd.), certain employees of EJF and the Manager entered into a Lock-up Deed with the Company and Liberum pursuant to which he or it undertook not to dispose of Shares owned by him on Original Admission for a period of 12 months from Original Admission and will then be subject to certain orderly market arrangements for a further six months. In addition, the Manager has undertaken to Liberum not to dispose of any Shares which it receives pursuant to the Management Agreement or otherwise (for example, any Incentive Shares) for a period of 12 months from the date on which such Shares were received by it and will then be subject to certain orderly market arrangements for a further six months.
E6	Dilution	If 100 million Ordinary Shares and/or C Shares are issued pursuant to the Placing Programme, assuming that persons who were Ordinary Shareholders or C Shareholders immediately prior to the date of this Prospectus do not subscribe

SECTION E—OFFER		
Element	**Disclosure requirement**	**Disclosure**
		for Shares in the Placing Programme, there would be a dilution of approximately 65 per cent. in the voting control of existing Ordinary Shareholders or C Shareholders.
E7	Estimated expenses charged to investors	The fees and expenses of the First ZDP Placing will be paid out of the gross proceeds of the First ZDP Placing. It is expected that in respect of any Subsequent Placing of Ordinary Shares or 2022 ZDP Shares fees and expenses will be covered by issuing such Shares at a premium to the extent possible. The fees and expenses of any Subsequent Placing of C Shares will be paid out of the Placing Programme gross proceeds and will be borne by holders of C Shares only.

RISK FACTORS

Investment in the Company should be regarded as long-term in nature and involving a high degree of risk. Accordingly, prospective investors should consider carefully all of the information set out in this Prospectus and the risks relating to the Company and the Shares including, in particular, the risks described below which are not presented in any order of priority and may not be an exhaustive list or explanation of all the risks which investors may face when making an investment in the Shares and should be used as guidance only.

Only those risks which are believed to be material and currently known to the Company in relation to itself and its industry as at the date of this Prospectus have been disclosed. 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 business, results of operations, financial conditions and prospects of the Company, Net Asset Values, and the market price of the Shares. Prospective investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before making an application to invest in the Shares.

Prospective investors should note that the risks relating to the Company and the Shares summarised in the section of this document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

1. RISKS RELATED TO THE COMPANY

1.1 The Company's target dividend yield and target return are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual dividend yield and return may be materially lower than the target dividend yield and target return and could be negative

The Company's target dividend yield and target return set forth in this Prospectus are targets only and are based on estimates and assumptions concerning the performance of the Portfolio and of the investments expected to be made, in line with the Company's Investment Policy, which will be subject to a variety of factors including, without limitation, the availability of investment opportunities, asset mix, value, volatility, holding periods, performance of underlying portfolio debt issuers, investment liquidity, borrower default, changes in current market conditions, interest rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances or the occurrence of risks described elsewhere in this Prospectus, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the control of the Company and the Portfolio, and which may adversely affect the Company's ability to achieve its target dividend yield and target return. Such targets are based on market conditions and the economic environment at the time of assessing the proposed targets and the assumption that the Company will be able to implement its investment policy and strategy successfully, and are therefore subject to change. There is no guarantee or assurance that the target dividend yield and/or target return can be achieved at or near the levels set forth in this Prospectus. Accordingly, the Company's actual rate of return and actual dividend yield achieved may be materially lower than the targets, or may result in a loss. A failure to achieve the target return and/or target dividend yield set forth in this Prospectus may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

An investment in the Company will be a speculative investment of a medium to long-term nature and, as with any investment, involves a degree of risk. A Shareholder could lose all or a substantial portion of their investment in the Company. Shareholders must have the financial ability, sophistication, experience and willingness to bear the risks of an investment in the Company.

1.2 Material changes affecting global debt and equity capital markets may have a negative effect on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares

The global financial markets have experienced extreme volatility and disruption in recent years, as evidenced by a lack of liquidity in the equity and debt capital markets, significant write-offs in the financial services sector, the repricing of credit risk in the credit market and the failure of major financial institutions. Despite actions of governmental authorities, these events contributed to general economic conditions that have materially and adversely affected the broader financial and credit markets and reduced, and in certain circumstances, significantly reduced, the availability of debt and equity capital. Additionally, adverse economic, political and regulatory conditions may negatively impact the Company's business and financial performance, including through higher impairment charges, increased capital losses on assets and reduced opportunities for the Company to invest in. For example, the extent of the impact of Brexit on the Company will depend in part on the nature of the arrangements that are put in place between the UK and the European Union following Brexit and the extent to which the UK continues to apply laws that are based upon European Union legislation. In addition, the macroeconomic effect of Brexit is unknown. As such, it is not possible to specify the impact that Brexit will have on the Company and its investments.

Further, within the banking sector, the default of any institution could lead to defaults by other institutions. Concerns about, or default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect other third parties involved in the Target Investments. The Portfolio and, by extension the Company, may therefore be exposed to systemic risk when the Portfolio deals with various third parties whose creditworthiness may be exposed to such systemic risk.

Recurring market deterioration may materially adversely affect the ability of an issuer whose debt obligations form part of the portfolio to service its debts or refinance its outstanding debt. Further, such financial market disruptions may have a negative effect on the valuations of the investments (and, by extension, on the NAV and/or the market price of the Shares), and on the potential for liquidity events involving such investments. In the future, non-performing assets in the Portfolio may cause the value of that portfolio to decrease (and, by extension, the NAV and/or the market price of the Shares to decrease). Adverse economic conditions may also decrease the value of any security obtained in relation to any of the investments.

Conversely, in the event of sustained market improvement, the Company may have access to a reduced number of attractive potential investment opportunities, which also may result in limited returns to Shareholders.

Many financial institutions, including banks, continue to suffer from capitalisation issues. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Portfolio, particularly if such financial institution is a grantor of a participation in an asset or is a hedge counterparty or a counterparty to a buy or sell trade that has not settled with respect to an asset. The bankruptcy or insolvency of another financial institution may result in the disruption of payments to the Company. In addition, the bankruptcy or insolvency of one or more additional financial institutions may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Portfolio and the collateral of the Portfolio.

It is apparent that the effects of the global credit crisis and the failure of financial institutions has introduced a restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitized instruments. Despite the introduction of further restrictive measures taken by the regulators, recent political developments may alter or delay any planned regulatory changes. Such additional rules and regulations could, among other things, adversely affect the Portfolio as well as the flexibility of the Manager in managing and investing on behalf of the Company. While it is possible that current conditions may improve for certain sectors of the global economy, there can be no assurance that CDO, leveraged finance or structured finance markets will recover at the same time or to the same degree as such other recovering sectors.

1.3 The Company's NAV is calculated based on the NAV of the Portfolio and, as such, is subject to valuation risk and the Company can provide no assurance that the NAVs it records from time to time will ultimately be realised

The Company's NAV is calculated with reference to the NAV of the Portfolio and the NAV of the Portfolio will be subject to valuation risk (see the risk factor entitled "*The investments may be difficult to value accurately and, as a result, the Company may be subject to valuation risk*"). If a valuation estimate provided to the Company by an investment subsequently proves to be incorrect, no adjustment to any previously calculated NAV will be made. Any acquisitions or disposals of Shares based on previous erroneous NAVs may result in losses for Shareholders.

It is intended that the Company's NAV will be calculated as of the last Business Day of each month (or at any other times at the Board's discretion). Therefore, the actual value of the Portfolio at any given time may be different from the value based on which the Company's latest NAV has been calculated.

Additionally, if, for any reason, a Risk Retention Investment or other investment suspends their calculation of NAV, the Company may also have to suspend the calculation of its NAV. Further, in certain other situations the Company can suspend its calculation of NAV. In such circumstances, the Shares may become subject to speculation regarding the value of the Portfolio and this may have an adverse effect on the market price of the Shares.

1.4 **The Company will, to some extent, be reliant on third party service providers to carry on their businesses and a failure by one or more service providers may materially disrupt the businesses of the Company and its Portfolio**

The Company has no employees and the Directors have all been appointed on a non-executive basis. Crestbridge is responsible for providing the Company with the necessary human resources and other service support resources to perform the functions necessary to the business of the Company. EJF Investments Manager LLC, in its capacity as Manager, provides the investment advice per the Management Agreement. In addition, EJF CDO Management LLC acts as CDO Manager in respect of the Risk Retention Investments. However, the CDO Manager has no employees of its own and relies on the Manager to provide it with the necessary support services. Therefore, the Company and the CDO Manager are to some extent reliant upon the performance of Crestbridge, the Manager and/or its affiliates and other third party service providers for the performance of certain functions.

The Company is reliant on the controls of its service providers to ensure day to day operations are adequately protected against cyber threats. Inadequacies or failures in these systems due to external factors could result in financial or reputational damage to the Company or the Group.

Failure by any service provider to carry out its obligations to the Company or any Risk Retention Investments in accordance with the applicable duty of care and skill, or at all, or termination of any such appointment may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In the event that it is necessary for the Company or any Risk Retention Investments to replace any third party service provider, it may be that the transition process takes time, increases costs and may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

1.5 **The Company is to a material extent reliant on EJF for the sourcing of its Target Investments**

The Company and the Manager are to a material extent reliant on EJF as a source for future investments. As a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LLC is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitizations, in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Risk Retention Regulations) is required to retain. Additionally, many of the Company's Target Investments will be structured or sourced by EJF or its affiliates. As a result, any failure by EJF to structure or source applicable Target Investments for the Company, or any deterioration or termination of the relationship between the Company, the Manager and EJF, could have a material adverse effect on the Company's business, financial condition, results of operation, NAV and/or market price of the Shares.

1.6 **The Company has a limited operating history, and investors have a limited basis on which to evaluate the Company's ability to achieve its Investment Objective**

The Company was formed in October 2016 and has a limited operating history. Accordingly, there are limited historical financial statements for the Company. However, the Portfolio, which was transferred to the Company in February 2017, has been managed by the Manager for its duration. Pursuant to the First Restructuring the Company adopted an investment policy that is different to that of the Partnership. Consequently, some of the Target Investments are new investment objectives for the Company and, while certain employees of EJF have experience investing in these Target Investments, the Company and the Manager have not previously made investments in certain of those new Target Investments.

Therefore, an investment in the Company is subject to risks and uncertainties associated with a new business, including the risk that the Company will not achieve its Investment Objective and that the value of an investment in the Company could decline substantially as a consequence. Any failure by the Company to do so may adversely affect its business, financial condition, results of operations, NAV and/or the market price of the Shares.

In addition, the existing performance data of the Company contained in this Prospectus may not reflect the performance data at the time of any Subsequent Placing. There can be no assurance that the Company will be able to maintain its historic investment returns.

1.7 The investments may be difficult to value accurately and, as a result, the Company may be subject to valuation risk

Many of the Target Investments where there is limited or no liquidity, which makes them difficult to value on a mark to market basis, are valued based on assumptions with regards to cash flow and credit quality. Additionally, the Company relies on third party valuations for certain of its investments and will likely rely on third party valuations for certain of its Target Investments. All of these factors could make it difficult for the Company to accurately determine the value of the Portfolio.

Further, the Company is required to periodically evaluate its investments for impairment indicators. The value of an investment is impaired when the Company's analysis indicates that, with respect to a loan, it is probable that it will not be able to collect the full amount it intended to collect from the loan or, with respect to a security, it is probable that the value of the security is other than temporarily impaired. The judgment regarding the existence of impairment indicators is based on a variety of factors depending upon the nature of the investment and the manner in which the income related to such investment was calculated for purposes of the Company's financial statements. If the Company determines that an impairment has occurred, it is required to make an adjustment to the net carrying value of the investment. Any difficulty in valuing the Portfolio or having to impair the value of certain investments in the Portfolio could adversely affect the Company's results of operations, NAV and/or the market price of the Shares.

1.8 The use of leverage will expose the Company to additional levels of risk

In addition to the embedded leverage in a Risk Retention Investment, the Company may apply leverage to the investments in its portfolio. Under the Investment Policy, as the date of this Prospectus, the Company may apply of leverage of up to 20 per cent. of Net Asset Value calculated at the time of the drawdown and, subject to approval at the EGM, such limit will be increased to 35 per cent (for more detail please see paragraph 6.2 of Part I: "*The Company*" of this Prospectus). The Company may seek leverage via bank financing, term loans, or debt instruments. The Company is permitted to issue private or public debt, and may encumber its assets to collateralize secured borrowings. The amount of debt financing which the Company may have outstanding at any time may be large in relation to its capital. Consequently, the level of interest rates generally and the rates at which the Company can borrow in particular will affect the operating results of the Company, and an increase in interest rates could affect the Company's ability to pay dividends on the Shares. The Company's return on investments and cash available for distribution to Shareholders would be reduced to the extent that its interest expense increases relative to income, such as may occur in the event of a general rise in interest rates, or in the event of losses arising from the sale of assets. Interest rates are highly sensitive to factors beyond the Company's control, including, among other things, governmental monetary and tax policies and domestic and international economic and political conditions. Leverage also has the effect of magnifying both profits and losses compared with unleveraged positions.

Although the use of leverage may increase Shareholder returns if the Company earns a greater return on leveraged investments than the Company's cost of such leverage, the use of leverage exposes the Company to additional levels of risk. Where an investment fails to earn a return that equals or exceeds the Company's cost of leverage related to such investments, the Company's ability to generate cash flow and pay dividends would be adversely affected. In addition, should the securities pledged to brokers to secure the Company's margin accounts decline in value, the Company could be subject to a "margin call'' pursuant to which the Company will be required to either deposit additional funds with the lender or suffer mandatory liquidation of the pledged securities to compensate for the decline in the securities' value.

1.9 If the Company, over the longer term, breaches the covenants under its financing agreements it could be forced to sell assets

The Company is party to the Revolving Credit Facility which contains, and may in the future become party to various other loan, repurchase or other financing arrangements which are likely to contain, financial and other covenants that could, among other things, require it to maintain certain financial ratios. Whilst the Company believes that the covenants in the Revolving Credit Facility will not be breached in the period covered by the working capital statement in paragraph 17, "Working Capital" of Part XIII: "*Additional Information*" of this Prospectus, should the Company breach, over the longer term, the financial or other covenants contained in any loan, repurchase or other financing agreement, the Company may be required immediately to repay such borrowings in whole or in part, together with any attendant costs. If the Company does not have sufficient cash resources or other credit facilities available to make such repayments, it may be forced to sell some or all of the assets constituting its investment portfolio. To the extent that the Company's loans are secured against all or a portion of its assets, a lender may be able to sell those assets. Sales of assets in such circumstances may not yield excess value for the Company. Moreover, any failure to repay such borrowings or, in certain circumstances, other breaches of covenants, over the longer term, under the Company's loan or repurchase agreements could result in the Company being required to suspend payment of its dividends.

In addition, the Company's financing arrangements may contain cross-default provisions such that a default under one particular financing arrangement could automatically trigger defaults under other financing arrangements. Such cross-default provisions could therefore magnify the effect of an individual default, and, if such a provision were exercised, result in a substantial loss for the Company.

1.10 The rights of the Shareholders and the fiduciary duties owed by the Board of Directors to the Company will be governed by Jersey law and the Articles of Association and may differ from the rights and duties owed to companies under the laws of other countries

The Company is an investment company that has been registered under the laws of Jersey. The rights of its Shareholders and the fiduciary duties that the Board of Directors owes to the Company and the Shareholders are governed by Jersey law and the Articles of Association. As a result, the rights of the Shareholders and the fiduciary duties that are owed to them and the Company may differ in material respects from the rights and duties that would be applicable if the Company were organized under the laws of a different jurisdiction or if it were not permitted to vary such rights and duties in the Articles.

1.11 The liability of the Manager is limited under the Company's arrangements with it, and the Company has agreed to indemnify the Manager against claims that it may face in connection with such arrangements, which may lead the Manager to assume greater risks when making investment-related decisions than it otherwise would if investments were being made solely for its own account

Under the Management Agreement, the Manager has not assumed any responsibilities other than to perform the obligations, duties and responsibilities described, and in accordance with the standard of care set out, in the Management Agreement. As a result, the right of the Company to recover against the Manager may be limited to damages arising out of the performance or non-performance of its responsibilities explicitly provided for in the Management Agreement.

In addition, under the Management Agreement, the Manager will not be liable for any of its acts or omissions pursuant to or in accordance with the Management Agreement, except by reason of acts constituting fraud, gross negligence, reckless disregard of the Manager's duties under the Management Agreement or wilful misconduct, and the Manager is indemnified from any and all expenses, losses, damages, liabilities, demands, charges and claims in respect of or arising from any acts or omissions of an indemnified party made in good faith in performance of the Manager's duties under the Management Agreement and not constituting such indemnified party's bad faith, wilful misconduct, gross negligence or reckless disregard of the Manager's duties under the Management Agreement. Accordingly, the rights of the Company to recover against the Manager as a result of default by the Manager of its obligations under the Management Agreement is limited, and any such recovery may be significantly lower than any losses that the Company or the Shareholders have suffered.

These limitations of liability and indemnification provisions may result in the Manager taking greater risks when making investment-related decisions than otherwise would be the case, including when determining the appropriate amount of leverage to be used in connection with investments.

1.12 The Company may not be able to deploy the net proceeds of the First ZDP Placing or any Subsequent Placing as quickly as it currently expects, and will operate in a highly competitive market for investment opportunities

Although the Company expects to fully deploy substantially all of the net proceeds of the First ZDP Placing or any Subsequent Placing Programme rapidly following the closing of each Placing, including in investments that the Manager has already identified for potential investment, the Company may not be able to deploy such proceeds as quickly as it currently expects. In addition, the Company may be subject to significant competition in seeking investments in the future as its current investments liquidate and it looks to reinvest the proceeds. Some of the Company's competitors may have greater resources than it does and the Company may not be able to compete successfully for investments. Furthermore, competition for investments in the Company's target asset classes may lead to the price of such investments increasing, which may limit the Company's ability to generate its desired returns.

1.13 The Company is not, and does not intend to become, regulated as an investment company under the US Investment Company Act and related rules

The Company has not been and does not intend to become registered as an investment company under the US Investment Company Act and related rules. The US Investment Company Act and related rules provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies. None of these protections or restrictions is or will be applicable to the Company. In addition, in order to avoid registration as an investment company under the US Investment Company Act and related rules, the Company has implemented restrictions on the ownership and transfer of the Shares, which may materially affect your ability to hold or transfer the Shares. In particular, US investors will be required to hold Shares in certificated form, which will require certain steps to be taken by such investors in order to dispose of their Shares.

2. RISKS RELATED TO MANAGER AND SERVICE PROVIDERS

2.1 The Company's success depends on its continued relationship with the Manager and, in turn, on the Manager's relationship with EJF. If this relationship were to end or key EJF or Manager professionals were to depart, it could have a material adverse effect on the Company's business, investments and results of operations

The Company relies exclusively on the Manager and the employees of EJF for the management of its investment portfolio. The Company is highly dependent on the financial and managerial experience of the Manager and the other investment professionals it employs or has access to. The employees of EJF support the Manager and also help manage the CDO Manager. If such persons ceased for any reason to participate in the management of the Manager, the consequence to the Company could be material and adverse. In addition, the Company is not a direct beneficiary of any employment arrangements between such individuals and the Manager, and such arrangements are in any event subject to change without notice to, or the consent of, the Company.

The Company will depend on the diligence, skill and business contacts of the Manager, and on the information and deal flow they generate during the normal course of their activities. The Company's future success will depend on the continued service of these individuals, who are not obligated to remain associated with the Manager. The Company cannot predict the impact that any such departures would have on its ability to achieve its Investment Objective. The departure of any of such persons, or a significant number of its other investment professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on the Company's ability to achieve its Investment Objective. In addition, a transfer of control over the Manager could result in the departure or reassignment of some or all of the Manager's investment professionals that are involved in the Company's business.

In addition, the Company depends on the services provided to the Manager by EJF as its managing member. Any termination of these services could materially and adversely affect the Company's business.

There can be no assurance that any successor to the Manager will have the same level of skill in performing the obligations of the Manager, in which event the ability of the Company to pay dividends could be adversely affected. If the Manager were to cease to provide services under the Management Agreement or to cease to provide investment management, operational and financial advisory services to the Company for any reason, the Company could experience difficulty in making new investments and servicing its existing investments, assets and obligations, the Company's business and prospects could be materially harmed and the value of its existing investments and its results of operations and financial condition could be likely to suffer materially.

2.2 The Company will be reliant on the skill and judgment of the Manager in valuing and determining an appropriate purchase price for its investments. Any determinations of value that differ materially from the values the Company realizes at the maturity of the investments or upon their disposal will likely have a negative impact on the Company and its Share price

The Company will be dependent on the Manager's assessment of an appropriate acquisition price for, and ongoing valuation of, all of its investments including Risk Retention Investments and certain other illiquid investments. The acquisition price determined by the Manager in respect of a residual income position will be based on the returns (internal rate of return or discount rates for such asset as well as the expected cash flow returns) that the Manager expects the investment to generate, utilizing a financial model that reflects numerous variables including, among other things, the Manager's assessment of the nature of the investment and the relevant collateral, security position, risk profile, historical default rates and the originator and servicer of the position. As each of these factors involves subjective judgments and forward-looking determinations by the Manager, the Manager's experience and knowledge is instrumental in the valuation process.

Since the Manager's valuations will be based on assumptions and estimates, not all of which can be confirmed, whether readily or at all, the Manager's, and therefore the Company's, determinations of fair value of relevant financial assets, including in particular the Company's determination of the value of the Risk Retention Investments, may differ materially from the values that might have been used if a ready market for those investments existed. In the event that the Manager misprices an investment (for whatever reason), the actual returns on the investment may be less than anticipated at the time of acquisition, and a write-down of the carrying value for financial reporting purposes or the NAV of such investment might result. Also the value of the Shares could be adversely affected if the Manager's determinations regarding the fair value of these investments are materially higher than the values that the Company ultimately realizes to maturity of the investments or upon their disposal.

2.3 The Manager's compensation structure may encourage the Manager to invest in high risk investments

In addition to receiving a management fee, the Manager will also receive, pursuant to the Management Agreement, an incentive fee from the Company based upon the appreciation, if any, in the net assets of the Company. Because the incentive fee is unrelated to any amount of capital which may be contributed by EJF and EJF's affiliates to the Company or the market value of the Shares, the Manager may have an incentive to make investments that are generally more risky than would be the case in the absence of such arrangements or to use leverage to increase returns on investments.

Under certain circumstances, the use of leverage may increase the likelihood of a loss that would adversely affect the market value of the Shares. In addition, because the incentive fee is calculated on a basis which includes unrealized appreciation, it may be greater than if such compensation were based solely on realized gains, which in turn may result in the Company's inability to pay dividends.

2.4 The compensation of the Manager's personnel contains significant performance-related elements, and poor performance by the Company or any other entity for which the Manager provides services may make it difficult for the Manager to retain staff

In common with most investment managers, the compensation of the Manager's personnel contains significant performance-related elements which are funded by performance-related fees payable to the Manager by its managed entities in respect of strong performance. Poor performance by any of the Manager's managed entities, including the Company, may reduce the amount available to pay performance-related compensation to the Manager's personnel, which may result in those persons obtaining other employment. In that case, poor performance of the Company may be further compounded by Manager staff departures. In addition, as the performance-related compensation of the Manager's personnel will depend on the performance of more than one fund and not just that of the Company, poor performance of one managed entity, other than the Company, could adversely impact the Company if it led to the departure of Manager personnel.

2.5 The management fee payable to the Manager may create an incentive for such entity to make investments and take other actions that increase or maintain the Company's NAV over the near term even though other investments or actions may be more favourable

The Manager will be entitled to receive a fee, calculated monthly and paid quarterly in arrears, in a monthly amount equal to one per cent. of 1/12 of the NAV of the Company under the Management Agreement. Although this fee is small in relation to the incentive fees potentially payable under the Management Agreement, it is payable irrespective of the Manager's operating performance. Accordingly, it may create an incentive for the Manager to cause the Company to make investments and take other actions that increase or maintain the NAV of the Company over the near term even though other investments or actions may be more favourable to the Company or the Shareholders.

2.6 The Management Agreement may only be unilaterally terminated by the Company in limited circumstances

The Management Agreement can only be unilaterally terminated in limited circumstances, namely: (a) by the Company, effective upon 30 days' prior written notice of termination, if (among other matters) the

Manager: (x) materially breaches any provision of the Management Agreement without remedying such breach; (y) engages in any act of fraud, misappropriation of funds or embezzlement; (iii) is grossly negligent in its performance of its duties under the Management Agreement; (iv) is the subject of any proceeding relating to its bankruptcy or insolvency; (v) is dissolved; or (vi) suffers a change of control (unless approved by a majority of the Company's independent Directors), and (b) by the Manager in the event that the Company: (x) effective upon 60 days' prior written notice of termination, defaults in the performance or observance of any material term, condition or covenant contained in the Management Agreement without remedying such default; or (z) becomes regulated as an "investment company" under the US Investment Company Act, with such termination deemed to have occurred immediately prior to such event. In addition, upon any termination of any services rendered by the Manager to the Company, the Manager will still provide services to the Partnership and any of its subsidiaries that hold EJF Risk Retention Securities, in order to comply with applicable Risk Retention Regulations. As a result, the Company may not be able to immediately and/or unilaterally replace the Manager because of poor performance, disagreements over investment decisions and strategic decisions or other factors. The inability to replace the Manager may adversely affect the NAV or market price of the Shares.

3. RISKS RELATED TO THE COMPANY'S INVESTMENT PORTFOLIO AND ITS INVESTMENT STRATEGY

3.1 General

(a) *Market factors may result in the failure of the investment strategy*

Strategy risk is associated with the failure or deterioration of an investment strategy such that most or all investment managers employing that strategy suffer losses. Strategy-specific losses may result from excessive concentration by multiple market participants in the same investment or general economic or other events that adversely affect particular strategies (for example the disruption of historical pricing relationships). Furthermore, an imbalance of supply and demand favouring borrowers could result in yield compression, higher leverage and less favourable terms to the detriment of all investors in the relevant asset class. The investment strategy employed by the Company is speculative and involves substantial risk of loss in the event of a failure or deterioration in the financial markets, although the Company has certain investment limits which define to a degree how it will invest. As a result, the Company's investment strategy may fail, and it may be difficult for the Directors to amend the Company's investment strategy quickly or at all should certain market factors appear, which may adversely affect the performance of the Portfolio and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

(b) *The Company may hold a relatively concentrated portfolio*

The Company may hold a relatively concentrated portfolio, although the Company will comply in all cases with its Investment Policy, including the Investment Limits and Restrictions set out therein. There is a risk that the Company could be subject to significant losses if any obligor, especially one with whom the Company had a concentration of investments, were to default or suffer some other material adverse change. The level of defaults in the portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions. Any of these factors could adversely affect the value of the portfolio and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

(c) *Up to 20 per cent. of the Company's investments are not subject to any investment restrictions, and the Manager will have substantial discretion when making investment decisions*

Up to 20 per cent. of the Company's investments are not subject to any investment restrictions. The Manager may cause the Company to make any investment that the Manager in its sole discretion deems consistent with the Company's Investment Objective of generating distributable income and capital appreciation. As a result, the Manager has very broad discretion when selecting, acquiring and disposing of investments, including in determining the types of investments that it deems appropriate, the investment approach that it follows when making investments and the timing of investments for up to 20 per cent. of the Company's investments. The strategies currently employed by the Manager may be modified and altered from time to time, so it is possible that the strategies used by the Manager in the future may be different from those presently used, which could result in changes to, and expansion of, the Company's investment and underlying asset mix in the future.

(d) ***The Company is exposed to foreign exchange risk***

Certain of the Company's assets may be invested in securities and other investments which are denominated in currencies other than the Company's base currency, Sterling. Accordingly, the Company will necessarily be subject to foreign exchange risks and the value of its assets may be affected unfavourably by fluctuations in currency rates.

In particular, the Company's investments that are denominated in currencies other than Sterling may be subject to the risk that the value of such currency will decrease in relation to the Sterling. Although the Company generally hedges its non-Sterling exposures back to Sterling, an increase in the value of the Sterling compared to other currencies in which the Company makes its investments would otherwise reduce the effect of increases and magnify the effect of decreases in the prices of the Company's non-Sterling denominated investments in their local markets. Fluctuations in currency exchange rates will similarly affect the Sterling equivalent of any interest, dividends or other payments made to the Company denominated in a currency other than Sterling. Moreover, it may not be possible for the Company to hedge against a particular change or event at an acceptable price or at all.

In addition, there can be no assurance that any attempt to hedge against a particular change or event would be successful. Further, the Company's forward and hedging contracts could be subject to margin calls related to currency exchange losses on those forward or hedging contracts and the Company may be forced to take off the forwards and be unhedged. As a result, any such currency exchange movements or and any such hedging failure could materially and adversely affect the performance of the Portfolio and, by extension, the Company's business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares.

(e) ***The Company and its securitization investments are subject to interest rate risk***

The fair value of certain of the Company's investments, especially its securitization investments, may be significantly affected by changes in interest rates. The Company's investments may generate LIBOR plus returns and are sensitive to interest rate levels and volatility. Although securitizations are structured to hedge interest rate risk through the use of matched funding, there may be some difference between the timing of LIBOR resets on the liabilities and assets of a securitization, which could have a negative effect on the amount of funds distributed to equity tranche holders. In addition, many obligors have the ability to choose their loan base from among various terms of LIBOR, EURIBOR and the Prime Rate thereby generating an additional source of potential mismatch. Additionally, if the Company utilizes any financing, the cost of such financing could increase if rates were to rise. Furthermore, in the event of a significant rising interest rate environment and/or economic downturn, defaults may increase and result in credit losses that may be expected to affect the Company's cash flow, fair value of its assets and operating results adversely.

(f) ***The Company may be exposed to counterparty risk***

The Company may hold investments (including synthetic securities) which would expose it to the credit risk of its counterparties or the counterparties of the securitizations in which it invests. In the event of a bankruptcy or insolvency of such a counterparty, the Company or a securitization in which such an investment is held could suffer significant losses, including the loss of that part of the Company's or securitization's portfolio financed through such a transaction, declines in the value of its investment, including declines that may occur during an applicable stay period, the inability to realize any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

In addition, with respect to certain swaps and synthetic securities, neither the securitization nor the Company usually has a contractual relationship with the entities (each, a "**Reference Entity**") whose payment obligations are the subject of the relevant swap agreement or security. Therefore, neither the securitization nor the Company generally has a right to directly enforce compliance by the Reference Entity with the terms of this kind of underlying obligation, any rights of set-off against the Reference Entity or any voting rights with respect to the underlying obligation. Neither the securitization nor the Company will directly benefit from the collateral supporting the underlying obligation and will not have the benefit of the remedies that would normally be available to a holder of such underlying obligation.

(g) ***The Company may achieve a lower than expected rate of return on its investments, some of which may have limited or no liquidity***

Many of the Company's Target Investments are difficult to value. Further, the securities issued by securitizations are, in general, privately placed and offer less liquidity than other investment grade or high-yield corporate debt. Other investments that the Company may purchase in privately negotiated (also called "over-the-counter" or "OTC") transactions may also be illiquid or subject to legal restrictions on their transfer, sale, pledge or other disposition.

Although the Company's valuations and projections may take into account certain expected levels of prepayments, underlying assets may be prepaid more quickly than expected. Like defaults, prepayment rates are influenced by changes in interest rates and a variety of economic, geographic and other factors beyond the Company's control and consequently cannot be accurately predicted. Early prepayments give rise to increased reinvestment risk, as the asset manager or the Company might realize excess cash from prepayments earlier than expected. If an asset manager or the Company is unable to reinvest such cash in a new investment with an expected rate of return at least equal to that of the investment repaid, this may reduce the Company's net income and the fair value of that asset.

Adverse publicity and investor perceptions, whether or not based on facts or fundamental analysis, may also decrease the liquidity of lower rated securities, especially in a thinly traded market. As a result of this illiquidity, the Company's ability to sell certain investments quickly, or at all, in response to changes in economic and other conditions and to receive a fair price when selling such investments may be limited, which could prevent the Company from making sales to mitigate losses on such investments. In addition, securitizations are subject to liquidation upon the failure of certain tests relating to the underlying assets, which can result in substantial loss of value to the holders of interests in securitization. Equity Tranches are the most illiquid and subordinated class of interests in securitization and the most likely tranche to suffer a loss of all or a portion of its value in these circumstances. As a result of these factors, the Company may achieve a lower than expected rate of return on its investments, particularly if it is forced to sell such investments prior to maturity.

(h) ***The Company's interest in certain of its investments may be diluted or, in certain circumstances, redeemed***

Pursuant to the terms of the CDO Manager LLC Agreement, the management of the CDO Manager is vested in the Manager, in its capacity as the CDO Manager's managing member, and, in such capacity, has the power to manage the business and affairs of the CDO Manager. Furthermore, the managing member of the CDO Manager is, in limited circumstances, entitled to require its members (one of which is the Company) to make further capital contributions in exchange for the issuance of further units in the CDO Manager (a "**CDO Manager Capital Contribution**"), on a *pro rata* basis to each member's holding of units in the CDO Manager. In the event that the Company fails to comply with a request to fund its portion of a CDO Manager Capital Contribution, the Company's ownership interest in the CDO Manager may be diluted if, upon such failure, the CDO Manager's other member(s) provide adequate funding to meet any shortfall arising from such failure to fund by the Company. Furthermore, depending on the level of any such dilution, the Company's rights to (among other matters) vote at meetings of the members of the CDO Manager, consent to changes to the CDO Manager LLC Agreement and consent or withhold its consent in relation to the CDO Manager's dissolution, may be restricted or revoked. In addition, pursuant to the terms of the Partnership Agreement, the General Partner has the power to manage the business and affairs of the Partnership. By way of example, it is entitled to (i) issue further units in the Partnership to new or existing partners otherwise than on a *pro rata* or pre-emptive basis, which may result in the Company's limited partner interest in the Partnership being diluted or (iii) redeem existing units in the Partnership for value. Furthermore, the Company, as a limited partner in the Partnership, requires the General Partner's consent to transfer all its rights as such a limited partner to a third party.

3.2 Risks related to Risk Retention Investments

(a) ***The Company may make certain representations or warranties with respect to its Risk Retention Investments***

The arranger and certain other parties of a securitization in which the Company agrees to hold, directly or indirectly through the Partnership, the Securitization Retention Equity (as defined below in 3.2(d)) or Securitization Retention Securities (as defined below in 3.2(d)) may require the Company, the CDO Manager or the Partnership to make certain representations or warranties. These could include, amongst other things, certain representations, warranties and undertakings: (i) in relation to its acquisition and retention of the Securitization Retention Equity or Securitization Retention Securities (as applicable) for the life of the securitization (or, in the case of securitizations intended to be compliant only with the US Risk Retention Regulations, the US Risk Retention Hedging Prohibition End Date); and (ii) regarding its agreement to sell assets to the relevant securitization from time to time. If the Company, the CDO Manager or the Partnership breaches any relevant representations, warranties or undertakings, the arranger of the relevant securitization and the other parties may have recourse to the Company, the CDO Manager or the Partnership for losses incurred as a result of such breach. Such claims may reduce, or entirely diminish any cash or assets of the Company.

(b) ***The Company will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the Securitization Retention Equity and Securitization Retention Securities, except to the extent permitted by the US Risk Retention Regulations***

The Company, directly or indirectly through the Partnership, may invest in securitizations which are intended to be compliant with the US Risk Retention Regulations by virtue of the Company, directly or indirectly through the Partnership, retaining Securitization Retention Securities and/or Securitization Retention Equity. In connection with this intention, the applicable retention holder would have to, among other things: (i) on the closing date of a securitization, purchase either: (a) Securitization Retention Equity representing at least 5 per cent. of the credit risk relating to the assets collateralizing the securitization; or (b) Securitization Retention Securities representing at least 5 per cent. of the principal amount of each class of Securitization Retention Securities issued; and (ii) undertake that, until at least the US Risk Retention Hedging Prohibition End Date, it will retain its interest in the Securitization Retention Securities or Securitization Retention Equity and will not (except to the extent permitted by the US Risk Retention Regulations) sell, hedge or otherwise mitigate its credit risk under or associated with such Securitization Retention Securities or Securitization Retention Equity. Such purchase and retention of Securitization Retention Securities or Securitization Retention Equity would need to be undertaken by the applicable retention holder either in its capacity as the collateral manager of the relevant securitization or as a majority-owned affiliate of the collateral manager of such securitization.

The applicable retention holder may be required to make certain representations and/or give certain undertakings in favour of new securitizations (and/or certain other transaction parties) in respect of its ongoing retention of the Securitization Retention Securities or Securitization Retention Equity. Where the Company, directly or indirectly through the Partnership, holds Securitization Retention Securities or Securitization Retention Equity and the relevant securitization is intended to be compliant only with the US Risk Retention Regulations, the relevant Partnership will be unable (except to the extent permitted by the US Risk Retention Regulations) to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the Securitization Retention Securities or Securitization Retention Equity, as applicable, until the US Risk Retention Hedging Prohibition End Date. Consequently, if the Company has exposure to the applicable risk retention holder and such investment was to become due and repayable in connection with an early redemption or were subject to partial-redemption, the risk retention holder will not be obliged under the terms of the relevant investment instruments to immediately sell, transfer or liquidate the Securitization Retention Securities or Securitization Retention Equity, and the proceeds of such Securitization Retention Securities or Securitization Retention Equity (if any) will not be available until a later time.

Relevant investors are required to independently assess and determine the sufficiency of the information described herein for the purposes of complying with any relevant requirements and none of EJF or its affiliates, the Company or the Board makes any representation that the information described therein is sufficient in all circumstances for such purposes or any other purpose or that the structure of EJF Securitizations and the Company (including their holding of the Securitization Retention Equity or Securitization Retention Securities) and the transactions described herein are compliant with the US Risk Retention Regulations described herein or any other applicable legal or regulatory or other requirements and no such person shall have any liability to any prospective investor or any other person with respect to any deficiency in such information or any failure of the transactions or structure contemplated hereby to comply with or otherwise satisfy such requirements.

(c) ***Potential non-compliance with or changes to the US Risk Retention Regulations***

The US Risk Retention Regulations generally require "sponsors" of securitization transactions, including collateral managers of securitizations, or their "majority-owned affiliates" (each as defined in the US Risk Retention Regulations) to retain not less than five per cent. of the credit risk of the assets collateralizing such securitization transactions (the "**Retention Interest**") unless an exemption applies. The US Risk Retention Regulations are applicable to asset-backed securities, including securitizations, issued on or after 24 December 2016 and, given the novelty of the US Risk Retention Regulations there are no judicial decisions, and limited other guidance, with which to gain clarity on how to interpret them.

The US Risk Retention Regulations define the "sponsor" as "a person who organizes and initiates a securitization transaction by selling or transferring assets, either directly or indirectly, including through an affiliate, to the issuing entity". The "sponsor" (or its "majority-owned affiliate") must retain the required Retention Interest in the form of an eligible vertical interest, eligible horizontal residual interest or combination interest. A "majority-owned affiliate" is defined as "an entity (other than the issuing entity) that, directly or indirectly, majority controls, is majority controlled by or is under common majority control with, the "sponsor". Majority control means "ownership of more than 50 per cent. of the equity of an entity, or ownership of any other "controlling financial interest" in the entity, as determined under US GAAP". The Company and its subsidiaries have been structured to comply with the definition of "majority-owned affiliate" set forth in the US Risk Retention Regulations and, in consultation with a nationally-recognized accounting firm and with their concurrence, it has been determined that EJF will have a "controlling financial interest" in the Partnership, as determined under US GAAP. However, there can be no assurance or guarantee that the United States federal agencies tasked with enforcing the US Risk Retention Regulations will agree that the structure utilized by EJF is in compliance with the US Risk Retention Regulations. Specifically, there is a risk that placing Retention Interests in "majority-owned affiliates" which fall under the "controlling financial interest" limb will be seen as a "loophole" designed to evade the US Risk Retention Regulations, particularly where the capital contributed to such "majority-owned affiliates" is less than 50 per cent. As such, even if the proposed structure meets the literal requirements of the US Risk Retention Regulations, there is no guarantee that the proposed structure does not garner additional regulatory scrutiny as a possible evasion of the spirit of the US Risk Retention Regulations. Furthermore, the various GAAP rules and interpretations regarding a "controlling financial interest" (or related concepts such as consolidation or "variable interest entities") are also subject to change. Thus, even if the relevant facts pertaining to the proposed structure remain the same, the legal analysis supporting the proposed structure could change to the extent EJF is no longer considered to have a "controlling financial interest" in the Partnership due to, among other things, modifications of the accounting rules or evolving interpretations under GAAP, including regarding what constitutes a "controlling financial interest". No assurance or representation can be given that EJF's interest in the Partnership will continue to constitute a "controlling financial interest", particularly if the applicable GAAP standards or interpretations change over time. Furthermore, even to the extent a nationally-recognized accounting firm has provided EJF or its affiliates with guidance regarding the "controlling financial interest", there is no guarantee that the relevant regulators charged with enforcing the US Risk Retention Regulations will not challenge such a conclusion (and, as a consequence, may challenge the proposed structure and/or securitizations undertaken by EJF). Any failure by the Company or its subsidiaries to qualify as a "majority-owned affiliate" for purposes of the US Risk Retention Regulations, or any failure by the business of the Company or its subsidiaries as currently contemplated to be determined to be in compliance with the US Risk Retention Regulations, could adversely affect the business of the Company, perhaps significantly.

In addition, the US Risk Retention Regulations may be amended, supplemented or revoked, or their interpretation may change, from time to time. There is no guarantee that existing securitizations will be grandfathered into the regime which results from such amendments, supplements or revocations or re-interpretation and, as such, securitizations which were intended to be compliant with the US Risk Retention Regulations at the time they were issued may become, or be determined to be, non-compliant with the US Risk Retention Regulations. The US Risk Retention Regulations also include additional disclosure and other requirements that would need to be satisfied by the relevant risk retention holder or (if it is a different entity) the collateral manager of the securitization on or prior to the date of issuance of the securitization securities. If an applicable regulatory authority were to conclude that the relevant risk retention holder was not holding the Securitization Retention Securities or Securitization Retention Equity in accordance with the US Risk Retention Regulations or that the additional disclosure and other requirements of the US Risk Retention Regulations were not complied with, this could result in regulatory action taken against the risk retention holder as well as liability on the part of the risk retention holder to the securitizations and their investors.

In the event that the US Risk Retention Regulations are revoked or amended such that the amount of Retention Interest required to be retained falls below five per cent., the applicable retention holder may have the right to dispose of any Securitization Retention Securities and/or Securitization Retention Equity held by it subject to any such reduced Retention Interest requirements under the US Risk Retention Regulations. Such disposal of Securitization Retention Securities and/or Securitization Retention Equity by the applicable retention holder may not be a breach of any transaction document to which applicable retention holder is a party.

It is possible that the US Risk Retention Regulations may reduce the number of issuers active in the securitization market, which may result in fewer new-issue securitizations and reduce the liquidity provided by securitizations to the market generally. A contraction or reduced liquidity in the market could reduce opportunities for issuers of securitizations to sell collateral or to invest in collateral when they believe it is in the interest of the relevant securitization issuer to do so, including after 24 December 2016.

If the Company, directly or indirectly through the Partnership, were to become exposed to a risk retention holder in relation to a securitization intending to be compliant with the US Risk Retention Regulations, as described above, such a contraction may adversely affect the Company's ability to pursue its commercial objectives.

(d) ***The Company will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the Securitization Retention Equity and Securitization Retention Securities, except to the extent permitted by the European Risk Retention Requirements***

The European securitizations in which the Company, or indirectly through the Partnership, may invest are intended to be compliant with the European risk retention requirements for securitization transactions, namely Part Five of Regulation No 575/2013 of the European Parliament and of the Council (the "**CRR**") as amended from time to time and including any guidance or any technical standards published in relation thereto, Article 51 of Regulation (EU) No 231/2013 as amended from time to time and Article 17 of the AIFMD, as implemented by Section 5 of Chapter III of the European Union Commission Delegated Regulation (EU) No 231/2013 of December 19, 2012, supplementing the AIFMD and the risk retention requirements and due diligence requirements set out in Article 254 and Article 256 of Chapter VIII of Commission Delegated Regulation (EU) 2015/35 which came into force on January 18, 2015, as amended from time to time, including any guidance published in relation thereto and any implementing laws or regulations in force in any Member State of the European Union (together, the "**European Risk Retention Requirements**").

In connection with this intention and as a result of possibly having to enter into a risk retention letter, the Company will need to, amongst other things: (i) on the closing date of a securitization, commit to purchase: (a) an amount of the securitization equity equal to at least 5 per cent. of the maximum portfolio principal amount of the assets in the securitization (the "**Securitization Retention Equity**"); or (b) an amount equal to 5 per cent. of the face amount of each tranche of the debt and equity sold or transferred to investors of the securitization (the "**Securitization Retention Securities**"); and (ii) undertake that, for so long as any securities of the securitization remain outstanding (including the Securitization Retention Equity or Securitization Retention Securities (as applicable)), it will retain its interest in the Securitization Retention Equity or Securitization Retention Securities (as applicable) and will not (except to the extent permitted by the European Risk Retention Requirements) sell, hedge or otherwise mitigate its credit risk under or associated with such Securitization Retention Equity or Securitization Retention Securities (as applicable).

There are currently transactions in the market which are similar to EJF or EJF Affiliate sponsored securitizations ("**EJF Securitizations**"); however, if an applicable regulatory authority supervising investors in a EJF Securitization were to conclude that the Company, or indirectly through the Partnership, was not holding the Securitization Retention Equity or Securitization Retention Securities (as applicable) in accordance with the European Risk Retention Requirements, it is possible, but far from certain, that this may negatively impact upon the investors in such EJF Securitization. If such investors decided to take action against the Company as a result of any negative impact, this may have an adverse effect on the Company's business and financial position.

In addition, with the intention of achieving classification as an "originator" (as defined in the CRR) and complying with the European Risk Retention Requirements, the entity investing in European securitizations intended to be compliant with European Risk Retention Requirements will be required to commit to: (i) establishing the relevant securitization; (ii) selling investments to the relevant securitization which it has: (a) purchased for its own account initially; or (b) itself or through related entities, directly or indirectly, been involved in the original agreement which created such obligations; and (iii) during each relevant securitization's reinvestment period agreeing to sell investments to the relevant securitization from time to time so that, for so long as the securities of the securitization are outstanding, the required percentage of the total securitized exposures held by the securitization issuer will come from the entity (such percentage calculated including the principal proceeds received by the relevant securitization in respect of any entity-sourced assets). Where the Company holds, directly or indirectly through the Partnership, Securitization Retention Securities or Securitization Retention Equity and the relevant securitization is intended to be compliant with the European Risk Retention Requirements, the Company will be unable (except to the extent permitted by the European Risk Retention Requirements) to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the Securitization Retention Equity or Securitization Retention Securities until such time as the securities of the relevant securitization have been redeemed in full (whether at final maturity or early redemption).

(e) ***Potential non-compliance with or changes to the European Risk Retention Requirements***

The purchase and retention of the Securitization Retention Equity or Securitization Retention Securities in a securitization will be undertaken by the Company, the CDO Manager and the Partnership with the intention of achieving compliance initially with only the US Risk Retention Regulations (as applicable) by the relevant securitization. The European Risk Retention Requirements and/or the US Risk Retention Regulations may be amended, supplemented or revoked from time to time. There is no guarantee that existing securitizations will be grandfathered into the regime which results from such amendments, supplements or revocations and, as such, the securitizations in which the Company, directly or indirectly through the Partnership, is retaining the Securitization Retention Equity or Securitization Retention Securities may become non-compliant with the European Risk Retention Requirements and/or the US Risk Retention Regulations.

(f) ***The Company may need to sell Securitization Retention Equity or Securitization Retention Securities below market value***

The Company, directly or indirectly through the Partnership, may be contractually obligated to transfer Securitization Retention Securities or Securitization Retention Equity in the event it acts as, and is replaced as, collateral manager of a securitization. The terms of such transfer may not reflect the market price of the Securitization Retention Securities or Securitization Retention Equity at such time.

3.3 **Risks related to investments in Asset Backed Securities**

(a) ***Many of the Company's current investments are in the form of highly subordinated securities of securitizations (and future investments in similar securities may have different underlying asset classes), which are susceptible to losses of up to 100 per cent. of the initial investments, including losses resulting from changes in the financial rating ascribed to, or changes in the market value or fair value of, the underlying assets of a securitization***

The Company's current investment portfolio includes investments in securitizations. The primary assets underlying the Company's current securitization portfolio are real estate TruPS, although the Company may also invest in securitizations secured by interests in other asset classes including, but not restricted to bank and insurance trust preferred securities, corporate securities such as secured and unsecured loans and bonds, commercial real estate, residential mortgages, consumer lending, auto lending, student lending and structured finance securities with underlying exposure to residential mortgage based securities, commercial mortgage backed securities and other types of securitizations.

The Company's Target Investments include investments in subordinated equity tranches ("**Equity Tranches**") of securitizations. The securitizations in which the Company may invest are collateralized by underlying assets assembled by asset managers and divided into tranches based on their degree of credit risk. The Equity Tranches are the lowest ranking tranches, incurring first losses and are paid last out of the proceeds received by securitizations from their underlying assets.

The Company's investments in Equity Tranches represent leveraged investments in the underlying assets of the securitizations. The fair value of these investments could be significantly affected by, among other things, changes in the financial rating ascribed to the underlying assets of a securitization by financial rating agencies, changes in the market value or fair value of the underlying assets, changes in payments, defaults, recoveries, capital gains and losses, prepayment and the availability, prices and interest rate of underlying assets. Moreover, market developments generally (including, without limitation, deteriorating economic outlook, rising defaults and rating agency downgrades) may impact the fair value of an investment and/or its underlying assets. Changes in the market value or fair value of such underlying assets could result in defaults under the terms of the securitization that may in turn reduce or halt the distribution of funds to Equity Tranche holders or trigger a liquidation of such securitization. The leveraged nature of an Equity Tranche increases the risk that a change in market conditions or the default of an issuer of underlying assets could result in significant losses. Accordingly, Equity Tranches may not be paid in full and may be subject to substantial losses, including a loss of 100 per cent. of the Company's investment in them.

(b) ***The modelled cash flow predictions and assumptions used to calculate internal rate of return and fair value of each securitization investment may prove inaccurate and require adjustment***

The Company utilizes investment modelling software to model expected cash flows on the Company's securitization investments. These modelled cash flows are then used to calculate the IRR and the fair value of each securitization investment, under certain specified assumptions, including without limitation, annual default rates, recovery rates, prepayment rates and reinvestment prices and spreads, as well as their timing and duration, which in certain instances may be several years or otherwise as long as the stated maturity of the investment. These modelled cash flows and assumptions may prove to be inaccurate and require adjustment. Factors affecting the accuracy of such modelled cash flow predictions include: (1) uncertainty in predicting future market values of certain assets (including, defaulted and deferring securities) utilized in determining overcollateralization or similar ratios, (2) changes in regulatory capital treatment which may directly or indirectly cause early redemptions of certain assets, (3) the inability to accurately model securitization manager behaviour such as trading gains/losses or cash holding levels, and (4) the divergence over the period covered by the model of assumed variables from realized levels, including reinvestment spreads/prices, the timing and severity of defaults and downgrades, prepayment levels as well as LIBOR and foreign exchange volatility.

In addition, the underlying securitization trustee reports used to assemble applicable investment data for the cash flow models are subject to data entry and other human errors, which may not be immediately discovered, if at all, in the course of the Company's investment portfolio updates and valuation procedures.

(c) ***Securitizations generally invest in fixed income securities rated lower than Baa by Moody's or lower than BBB by S&P (or, if not rated, of comparable quality) and may be regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments***

Securities rated Baa or lower are considered by Moody's to have some speculative characteristics. Lower-rated securities may be regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments. Analysis of the creditworthiness of issuers of lower-rated securities may be more complex than for issuers of higher quality debt securities.

In addition, high yield or speculative securities may be less liquid and more likely to default than securities of higher credit quality. Lower-rated securities may be more susceptible to losses and real or perceived adverse economic and competitive industry conditions than higher grade securities. The secondary markets on which lower-rated securities are traded are generally less liquid than the market for higher grade securities. Consequently, there may be limited liquidity if a securitization is required to sell or otherwise dispose of its underlying assets. Less liquidity in the secondary trading markets could adversely affect, and cause large fluctuations in, the fair value of the Portfolio. Adverse publicity and investor perceptions, whether or not based on facts or fundamental analysis, may decrease the market values and liquidity of lower-rated securities, especially in a thinly traded market.

(d) ***Defaults, their resulting losses and other losses on underlying securitization assets may have a negative impact on the fair value of the Company's securitization investment portfolio and cash flows received***

A default and/or any resulting loss as well as other losses on an underlying securitization asset will reduce the fair value of such underlying asset and, consequently, the fair value of the related investment and the Portfolio. A wide range of factors, including the type of issuer and the type of asset, could adversely affect the ability of the issuer of an underlying asset to make interest or other payments on that asset. The ability to make payments may be significantly affected by economic downturns, government regulatory actions, general regulatory actions or general economic conditions beyond the Company's control and beyond the control of individual issuers and borrowers. The information in this and the following paragraphs represents a brief summary of certain risks only, is not intended to be an extensive summary of all risks associated with each type of asset class.

(i) *Securities of insurance companies*: the securities collateralizing many of the Company's future TruPS CDOs ("**TruPS CDO Collateral**") may consist of senior unsecured notes issued by insurance holding companies ("**Insurance Senior Notes**"), surplus notes issued by insurance companies ("**Insurance Surplus Notes**"), and/or capital securities issued by trust subsidiaries of insurance holding companies ("**Insurance TruPS**").

The ability of an insurance company to repay its obligations may be affected by adverse changes to the operations, results of operations or financial condition of the insurance company, resulting from factors such as the occurrence of natural disasters, including hurricanes, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, significant and/or rapid changes in loss costs, including changes in loss frequency and/or severity; the availability and cost of the reinsurance purchased; prior approval and restrictions in certain states for price increases; intense price competition; less restrictive underwriting standards; economic conditions, interest rates and as well as other factors.

Furthermore, insurance companies are subject to extensive regulation and supervision in the jurisdictions in which they do business, which may reduce the profitability and growth of insurance companies and adversely affect the ability to repay its obligations. Each jurisdiction has a unique and complex set of laws and regulations. Changes in insurance regulations may adversely affect the financial condition and results of operations of insurance companies.

There are also various legal and regulatory limitations on the extent to which an insurance holding company's insurance company subsidiaries may extend credit, pay dividends or distributions or otherwise supply funds to the insurance holding company or certain of its affiliates. In particular, payments of dividends or other distributions to an insurance holding company or its respective affiliates by insurance company subsidiaries are subject to the various insurance regulatory restrictions of the states having jurisdiction over such insurance company subsidiaries.

(ii) *Securities of bank institutions*: the securities collateralizing many of the Company's future TruPS CDOs may also consist of unsecured subordinated notes issued by bank institution holding companies and/or capital securities issued by wholly-owned trust subsidiaries of bank institution holding companies.

The ability of a bank institution to repay its obligations may be affected by adverse changes in the financial condition of such issuer or the regions in which it operates; interest rates, the rate of unemployment, the level of consumer confidence, residential and commercial real estate values, the value of the US dollar, energy prices, changes in consumer spending, the number of personal bankruptcies, disruptions in the credit markets; counterparty risks; systemic risk in the financial and settlement systems; changes in law and taxation; a downturn in general economic conditions; natural disasters, terrorism, social unrest and civil disturbances; and other factors.

There are also various legal and regulatory limitations on the extent to which the bank institution subsidiaries of an affiliated bank institution may extend credit, pay dividends or otherwise supply funds to such affiliated bank institution holding company or various of their respective affiliates. Dividend payments from the bank institution subsidiaries of an affiliated bank institution holding company are subject to regulatory limitations, generally based on current and retained earnings of the bank institution subsidiary and other factors, imposed by law or regulation and, in some cases, require prior regulatory approval. Payment of dividends is also subject to regulatory restrictions if such dividends would impair the capital of the bank institution subsidiary and in certain other cases. All such legal and regulatory limitations and restrictions may change at any time with respect to any bank institution.

(iii) *Corporate debt securities*: The ability of a corporate issuer to repay its obligations may be affected by adverse changes in the financial condition of such issuer or the industries or regions in which it operates; its exposure to counterparty risks; systemic risk in the financial and settlement systems; changes in law and taxation; a downturn in general economic conditions; changes in governmental regulations or other policies; and natural disasters, terrorism, social unrest and civil disturbances.

(iv) *Commercial real estate loans*: the ability of a commercial real estate borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of the property, as opposed to the borrower's independent income or assets. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. The net operating income of an income-producing property can be affected by numerous factors, including: tenant mix and quality; property management decisions including decisions on capital improvements; property location and condition; competition from similar properties, changes in national, regional or local economic conditions; changes in changes in regional or local real estate values; changes in regional or local rental or occupancy rates; changes in regional or local rental or occupancy rates; changes in interest rates and in the state of the debt and equity capital markets, including the availability of debt financing for commercial real estate; changes in governmental rules, regulations and fiscal policies, including real estate taxes, environmental legislation and zoning laws; environmental contamination; and acts of God, terrorism, social unrest and civil disturbances, which may result in property damage, decrease the availability of or increase the cost of insurance or otherwise result in uninsured losses.

(v) *Residential mortgage loans*: the ability of a residential mortgage borrower to repay a loan secured by a residential property may depend on: the availability of mortgage credit; the relative economic vitality of the area in which the related properties are located; the average remaining life of the loans, the average size of the remaining loans; the servicing of the mortgage loans, changes in tax laws; other opportunities for investment; homeowner mobility; prevailing interest rates; the rate of unemployment; the level of consumer confidence; residential real estate values; the value of the US dollar; energy prices; changes in consumer spending; the number of personal bankruptcies; disruptions in the credit markets; and other economic, social, geographic, demographic and legal factors.

(vi) *Auto loans*: the ability of a borrower to repay a loan secured by an automobile may depend on: the availability of auto credit; changes in the supply or demand for automobiles; the average remaining life of the loans; the average size of the remaining loans; the servicing of the auto loans prevailing interest rates; the rate of unemployment; the level of consumer confidence; residential real estate values; the value of the US dollar; energy prices; changes in consumer spending; the number of personal bankruptcies; disruptions in the credit markets; and changes in tax laws and other economic, social, geographic, demographic and legal factors.

(vii) *Consumer loans*: consumer loans are unsecured obligations of borrowers and may include student loans and personal loans. They are not secured by any collateral, not guaranteed or insured by any third party and not backed by any governmental authority in any way. The ability of a borrower to repay a consumer loan may be significantly affected by economic downturns or general economic conditions beyond the Company's control and beyond the control of individual borrowers. In particular, default rates may increase due to factors such as prevailing interest rates, the rate of unemployment, the level of consumer confidence, residential real estate values, the value of the US dollar, energy prices, changes in consumer spending, the number of personal bankruptcies, disruptions in the credit markets and other factors.

To the extent that actual defaults and losses on the underlying assets of an investment exceed the level of defaults and losses factored into the purchase price of such investment, the value of the anticipated return from the investment will be reduced. The more deeply subordinated the tranche of securities in which the Company invests, such as investments in Equity Tranches, the greater the risk of loss upon a default. Any defaults and losses in excess of expected default rate and loss model inputs will have a negative impact on the fair value of the Company's investments, will reduce the cash flows that the Company receives from its investments, adversely affect the fair value of the Company's assets and could adversely impact the Company's ability to pay dividends.

(e) ***Deferrals on underlying securitization assets may have a negative impact on the fair value of the Company's securitization investment portfolio and cash flows received***

A deferral of interest payments on an underlying securitization asset will reduce the cash flows and fair value of such underlying asset and, consequently, the cash flows and fair value of the related investment and the Portfolio. Payments under Bank TruPS and Insurance TruPS are dependent on payments received from affiliated holding companies on subordinated debt issued to the trust subsidiaries ("**Corresponding Debentures**"). As long as any affiliated holding company is not in default in the payment of interest on its Corresponding Debentures, it may generally defer interest payments on its Corresponding Debentures for up to 20 consecutive quarterly periods, in which event distributions on the related TruPS would be similarly deferred. Any TruPS with respect to which interest or dividend payments are being deferred or are accrued and unpaid, as the case may be, will be deemed to be a "Defaulted Obligation" under the securitization's indenture even though such deferral or accrual is permitted by the terms of such TruPS and, if applicable, the Corresponding Debentures.

(f) ***In the event of a bankruptcy or insolvency of a securitization or an issuer or borrower of underlying assets in a securitization in which the Company invests, a court or other governmental entity may determine that the claims of the relevant securitization are not valid or not entitled to the treatment the Company expected when making its initial investment decision***

Various laws enacted for the protection of creditors may apply to the underlying assets in the Company's investment portfolio. The information in this and the following paragraph represents a brief summary of certain points only, is not intended to be an extensive summary of the relevant issues and is applicable with respect to US issuers and borrowers only. The following is not intended to be a summary of all relevant risks. Similar avoidance provisions to those described below are sometimes available with respect to non-US issuers or borrowers, but there is no assurance that this will be the case which may result in a much greater risk of partial or total loss of value in that underlying asset.

If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer or borrower of underlying assets, such as a trustee in bankruptcy, were to find that such issuer or borrower did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such underlying assets and, after giving effect to such indebtedness, the issuer or borrower (i) was insolvent; (ii) was engaged in a business for which the remaining assets of such issuer or borrower constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could decide to invalidate, in whole or in part, the indebtedness constituting the underlying assets as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or borrower or to recover amounts previously paid by the issuer or borrower in satisfaction of such indebtedness. In addition, in the event of the insolvency of an issuer or borrower of underlying assets, payments made on such underlying assets could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year under US Federal bankruptcy law or even longer under state laws) before insolvency.

The Company's underlying assets may be subject to various laws for the protection of creditors in other jurisdictions, including the jurisdiction of incorporation of the issuer or borrower of such underlying assets and, if different, the jurisdiction from which it conducts business and in which it holds assets, any of which may adversely affect such issuer's or borrower's ability to make, or a creditors ability to enforce, payment in full, on a timely basis or at all. These insolvency considerations will differ depending on the jurisdiction in which an issuer or borrower or the related underlying assets are located and may differ depending on the legal status of the issuer or borrower.

(g) ***The performance of many of the Company's securitization investments may depend to a significant extent upon the performance of the securitization managers***

The Company relies on securitization managers (internal and external) to administer and review the portfolios of the underlying assets managed by them. Particularly in the case of Equity Tranches, the actions of the securitization managers may significantly affect the Company's return on its investments.

The ability of each securitization manager to identify and report on issues affecting its securitization on a timely basis could also affect the Company's return on its investments, as the Company may not be provided with information on a timely basis in order to take appropriate hedging or other measures to manage its risks in the relevant securitization. In addition, concentration of a significant number of the Company's investments with one or a few securitization managers (including, securitization managers, if any, affiliated with the Company), whether having resulted from industry consolidation or otherwise, could affect the Company adversely in the event that the securitization manager fails to fulfil its function effectively or at all.

(h) ***The ability of securitizations in which the Company invests to sell assets and reinvest the proceeds may be restricted, which may reduce the yield from the Company's investment in those securitizations***

The ability of securitizations in which the Company invests to sell assets and reinvest the proceeds may be restricted. As part of the ordinary management of its portfolio, a securitization may typically dispose of certain of its assets and reinvest the proceeds thereof in substitute assets, subject to compliance with its investment guidelines and certain other conditions, including the terms of the debt securities issued by it. The earnings with respect to such substitute assets will depend on the quality of reinvestment opportunities available at the time and on the availability of assets that satisfy the securitization's investment guidelines and that are acceptable to the asset manager, among other factors. The need to satisfy such guidelines and identify acceptable assets may require the asset manager to purchase substitute assets at a lower yield than those initially acquired or require that the sale proceeds be maintained temporarily in cash, either of which may reduce the yield that the asset manager is able to achieve. This will reduce the return to the Company and may have a negative effect on the fair value of the Company's assets and the market value of the Shares.

3.4 Risks related to investments in Specialty Finance

(a) ***Investments in Other Investment Vehicles***

Regardless of the form that an investment is in "specialty finance", the ability of the Company to earn revenue is dependent upon payments being made by the underlying borrowers in a timely and complete manner. The Company will receive payments only if the underlying borrower makes payments on the relevant loan. Where loans benefit from security the Company's recovery will be dependent on the amounts recovered following the enforcement of such security being sufficient to cover the outstanding amounts due to the Company. Where the Company invests on a subordinated loan, there is a greater risk that amounts recovered following the default of a borrower will be insufficient to cover outstanding amounts due to the Company, as the recovered amounts must first be applied to discharge obligations which rank ahead of the Company's claims. Where an underlying borrower defaults, the Company must rely on the collection efforts of the Servicer and their respective designated collection agencies. Any fees and expenses incurred by the Company in connection with defaulted loans will reduce the amount which the Company may recover in the event of a partial or complete collection. If an underlying borrower neglects its payment obligations on a loan or chooses not to repay its loan entirely, the Company may not be able to recover any portion of its outstanding principal and interest in an investment in that loan.

Investment default rates may be significantly affected by economic factors and conditions beyond the Company's control. In particular, default rates may increase due to factors such as prevailing interest rates, unemployment rates, consumer confidence, residential real estate values, changes in consumer spending, the number of personal bankruptcies, and disruptions in the credit markets. The default history for loans originated via or issued by direct lenders such as the Partnership is limited and actual defaults over a full market cycle may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations. In addition, general economic factors and conditions, including the general interest rate environment, unemployment rates and residential collateral asset values may affect borrower willingness to seek loans and investor ability and desire to invest in loans.

Underlying borrowers may decide to prepay all or a portion of the remaining principal amount due under a loan at any time and, at times, without significant penalty. The degree to which borrowers prepay loans, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the borrower's financial condition and competitive conditions among lenders. In the event of a prepayment of the entire remaining unpaid principal amount of a loan, the Company will receive such prepayment (or the relevant part thereof) but further interest may not accrue on such loan after the date of the prepayment. If the borrower prepays a portion of the remaining unpaid principal balance, interest may cease to accrue on the prepaid portion and the Company may not receive all of the interest payments that it expected to.

(b) ***Equity Securities and Equity-Related Securities***

The Company may purchase equity and equity-related securities, such as convertible securities, warrants and stock options. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even loss of a key executive, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer's stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or consumer confidence, that are unrelated to the issuer itself or its industry. These factors and others can cause significant fluctuations in the prices of the securities in which the Company invests and can result in significant losses.

(c) ***Convertible Securities and Warrants***

The Company may invest in convertible securities and warrants. The value of convertible securities and warrants will vary with the movements in the equity market and the performance of the underlying common stock, in particular. Their value is also affected by adverse issuer or market information. With respect to warrants, their value may decrease or may be zero and thus not be exercised if the market price of the underlying securities remains lower than the specified price at which holders of warrants are entitled to buy such securities, resulting in a loss to the Company of the purchase price of the warrant (or the embedded warrant price in the case of securities issued with warrants attached).

With respect to convertible securities, as with all fixed income securities, the market value of such securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stock in an issuer's capital structure and consequently entail less risk than the issuer's common stock. If a convertible security held by the Company is called for redemption, the Company will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on the Company's ability to achieve its Investment Objective.

(d) ***Private Investments in Public Equities***

From time to time, the Company may make private investments in public equities in which the Company would take a minority position in a public company. Such investments usually take the form of convertible preferred stock. To the extent that the public market for such companies declines, it is possible that private investments in public equities transactions may generate losses or returns that do not justify the risk associates with such investments.

(e) ***Distressed Companies***

The Company may invest in securities and obligations of companies that are currently experiencing financial and/or operational distress, including but not limited to debt obligations that are in covenant or payment default. Such investments are considered speculative. Under such circumstances, the returns generated from any such investment may not compensate the Company investors adequately for risks assumed. There is no assurance that the Company will correctly evaluate the prospects for a successful restructuring or similar action.

(f) ***Certain investment strategies, including co-investments and joint ventures, may limit the Company's control over particular investments***

If the Company co-invests, including co-investments in real estate assets, or enters into joint ventures, the ability of the Company or the Manager to exercise control over these investments may be limited. As part of these co-investment and joint venture relationships the Company may rely on third-parties to identify investments and may not retain control over which specific investments are made, including the timing of such investments. In addition, the interests of the Company's joint venture partners and any persons with which it co-invests may conflict with the interests of the Company. There can be no assurance that any such conflict would be resolved in favour of the Company and its Shareholders and this may negatively affect the value of the Company and/or the Shares.

4. RISKS RELATING TO CONFLICTS OF INTEREST

Certain inherent conflicts of interest arise from the fact that EJF and their affiliates (collectively, "**EJF Affiliates**") may provide investment management, advisory and support services to EJF Securitizations, the Manager, the CDO Manager, the Company and to other clients, including other securitization vehicles, other investment funds, and any other investment vehicles that the EJF Affiliates may establish from time to time, as well as client accounts (including one or more managed accounts (or other similar arrangements, including those that may be structured as one or more entities), collectively, the "**EJF Managed Accounts**") and proprietary accounts managed by EJF Affiliates in which none of EJF Securitizations or the Company will have an interest (such other clients, funds and accounts, collectively the "**Other EJF Accounts**"). Specifically, while the Manager itself does not manage any Other EJF Accounts, the employees of EJF who support the Manager do work for other EJF Managed Accounts.

4.1 Allocation of opportunities between EJF Securitizations, the Company and Other Accounts

While EJF, the Manager and the Company (as applicable in their relevant roles) will seek to manage potential conflicts of interest in good faith, the portfolio management or advisory strategies employed by EJF in managing its respective other accounts (the "**Other Accounts**") could conflict with the transactions and strategies employed: (i) by EJF in managing the portfolio of an EJF Securitization; (ii) by EJF in providing services to the Company through the Manager and the CDO Manager; (iii) by the Company in managing its own portfolio; and/or (iv) by EJF in advising the company under the Management Agreement. The portfolio strategies employed by EJF may also affect the prices and availability of the securities and instruments in which EJF Securitizations invest and in which the Company may invest.

In addition, in certain circumstances a specific investment opportunity may be appropriate, at times, for the Company, EJF Securitizations and/or Other Accounts, as applicable. It is the policy of the EJF Affiliates to generally share appropriate investment opportunities (including purchase and sale opportunities) with the Other Accounts (and by association, with the Company and EJF Securitizations). Each of EJF and the Manager is committed to transacting in securities and loans in a manner that is consistent with the investment objectives of its clients, and to allocating investment opportunities (including purchase and sale opportunities) among its clients on a fair and equitable basis. In allocating investment opportunities, EJF and the Manager will determine which clients' investment mandates are consistent with the investment opportunity (such clients, which may include applicable Other Accounts, "**Relevant Clients**"), taking into account each client's risk/return profile, investment guidelines and objectives, and liquidity objectives. As a general matter, investment opportunities will be allocated *pro rata* among Relevant Clients based on their respective targeted acquisition size (which may be based upon available capacity or, in some cases, a specified maximum target size of a client) or targeted sale size (which is generally based upon the position size held by selling clients), in a manner that takes into account the applicable factors listed below.

In addition, each of EJF, the Manager and, if applicable, the Company, will comply with specific allocation procedures set forth in the documents governing its relationship with its clients and described during the marketing process. While no client will be favoured over any other client, in allocating investment opportunities certain clients may have priority over other clients consistent with disclosures made to the applicable investors. Consistent with the foregoing, EJF and the Manager will generally allocate investment opportunities pursuant to certain allocation methodologies as appropriate depending on the nature of the investment. However, in the case of Risk Retention Investments, as a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LLC is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitizations, in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Risk Retention Regulations) is required to retain.

Notwithstanding the foregoing, investment opportunities may be allocated in a manner that differs from such methodologies, but is otherwise fair and equitable to clients, taken as a whole (including, in certain circumstances, a complete opt-out of the allocation). In instances where a particular investment fits different strategies targeted by multiple Relevant Clients, EJF and the Manager may determine that a particular investment most appropriately fits within the portfolio and strategy focus of particular Relevant Clients and may allocate the investment to those clients. Any such allocations must be: (i) documented in accordance with their procedures; and (ii) undertaken with reference to one or more allocation considerations.

Because of these and other factors, certain other accounts may effectively have priority in investment allocation over the Partnership and/or the Company, notwithstanding policies of *pro rata* distribution. Investment orders may be combined for the Company, the Partnership, EJF or the Other Accounts, and if any order is not filled at the same price, they may be allocated on an average price basis between such accounts. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities or loans may be allocated among the different accounts on a basis which the relevant party or their respective affiliates consider equitable. As a result, the Company may not be able to invest as much as it would like in certain investments, if at all, which would have a material adverse effect on the Company's business.

From time to time, the Company, the Partnership, EJF and Other Accounts may make investments at different seniority levels of an obligor's or issuer's capital structure or otherwise in different classes of an obligor's or issuer's securities. When making such investments, the Manager and EJF anticipate that their clients will have conflicts of interest or perceived conflicts of interest between or among the various classes of securities or loans that may be held by such entities. Neither EJF nor the Other Accounts are under any obligation to offer investment opportunities of which they become aware to EJF Securitizations or the Company or to share with EJF Securitizations or the Company or to inform EJF Securitizations or the Company of any such transaction or any benefit received by them from any such transaction, or to inform EJF Securitizations or the Company of any investments before offering any investments to other funds or accounts that EJF and/or its affiliates manage or advise.

Furthermore, EJF Affiliates may make an investment on their own behalf or on behalf of their clients without offering the opportunity to add such investment, or adding such investment, to the portfolios of EJF Securitizations or the Company. Affirmative obligations may exist or may arise in the future, whereby EJF Affiliates may be obligated to offer certain investments to funds or accounts that such affiliates manage or advise before or without EJF offering those investments to EJF Securitizations or the Company. EJF may invest in or, in the capacity as securitization manager (as applicable), provide services in respect of, assets held by EJF Securitizations or the Company (as applicable) in which it or any of its clients has declined to invest for its own account, the account of any of its affiliates or the account of its other clients. As a result, the Company may not be able to invest as much as it would like in certain investments, if at all, which would have a material adverse effect on the Company's business.

4.2 Co-investments among the Company, the Partnership, EJF and Other Accounts

From time to time, the Company, the Partnership, EJF and the Other Accounts may make investments at different levels of an obligor's or issuer's capital structure or otherwise in different classes of an obligor's or an issuer's securities. When making such investments, the Manager and EJF anticipate that their clients will have conflicts of interest or perceived conflicts of interest between or among the various classes of securities or loans that may be held by such entities. To the extent that the Company holds securities that are different (i.e. more senior or junior) from those held by the Partnership, EJF, an EJF Affiliate or an Other Account, EJF and the Manager are likely to be presented with decisions involving circumstances where the interests of the Company and those of the Partnership, EJF and such Other Account are in conflict. Furthermore, it is possible that the Company's interest may be subordinated or otherwise adversely affected by virtue of such

Other Account's involvement and actions relating to their investment. If the Company makes or has an investment in, or, through the purchase of debt obligations, becomes a lender to, a company in which an Other Account has a debt or an equity investment, EJF may have conflicting loyalties between their duties to the Company and to the Other Account.

In addition, conflicts may arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. In that regard, actions may be taken for the Other Accounts that are adverse to the Company. In connection with negotiating securities in respect of transactions sponsored by EJF, EFJ and/or the Manager may obtain the right to participate on its own behalf (or on behalf of vehicles that it manages) in a portion of the securities with respect to such transactions on an agreed upon set of terms. EJF does not, however, believe that the foregoing arrangements have an effect on the overall terms and conditions negotiated with the arrangers of such securities. Notwithstanding this, there is no guarantee that such conflicts will be resolved in favour of any of the Company and, if the conflict is resolved in a manner which is considered by the Company (or its investors) to be adverse to its interests, this may have a material adverse effect on the performance of the Company.

The collateral to be held by Citibank, N.A. pursuant to EJF Securitizations may impose obligations issued by entities in which EJF or Other Accounts have made investments, obligations that EJF has assisted in structuring but in which it has or has not chosen to invest and obligations in respect of which EJF or Other Accounts participated in the original lending group and/or acted or act as an agent. In addition, the collateral may include obligations previously held by EJF or Other Accounts, and EJF Securitizations may purchase collateral from, or sell collateral to, EJF or one or more Other Accounts, including in the event of a wind-down of the portfolio of collateral obligations. Although any such purchase or sale must comply with certain criteria set forth in the management and administration agreement and other transaction documents entered pursuant to such EJF Securitizations and the requirement that any such purchase or sale be on an arm's length basis), EJF may take into consideration the interests of the Other Accounts when making decisions regarding the purchase and sale of collateral held in connection with of EJF Securitizations under the relevant management and administration agreement. EJF's consideration of the interests of Other Accounts may result in the Company purchasing different assets than they would have purchased had EJF not considered such interests, and depending on the performance of such assets, this may have a material adverse effect on the performance of the Company.

Further conflicts could arise once the Company, the Partnership, EJF and the Other Accounts have made their respective investments. For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of the Partnership, EJF and the Other Accounts to provide such additional financing. If the Company were to lose its investments as a result of such difficulties, the ability of the securitization manager to recommend actions in the best interests of EJF Securitizations might be impaired. These or any other of the above conflicts could then have a material adverse effect on the performance of the Company.

4.3 Acquisition and disposal of EJF Securitization Equity, Other Notes or Securitization Retention Securities by EJF or Other Accounts

EJF or Other Accounts may from time to time purchase any of the Securitization Retention Equity issued by EJF Securitizations (in this risk factor, referred to as the "**EJF Securitization Equity**") or other classes of notes of EJF Securitizations ("**Other Notes**"). EJF or Other Accounts (other than the Company in relation to the Securitization Retention Equity or Securitization Retention Securities) will not be required to retain all or any part of EJF Securitization Equity or Other Notes acquired by them. If EJF or Other Accounts were to purchase any EJF Securitization Equity or Other Notes, EJF (as applicable) may face a conflict of interest in the performance of its duties as the securitization manager because of the conflicting interests of the holders of classes of Securitization Retention Securities that are senior to the Securitization Retention Securities to be held by the Company. Such purchases may be in the secondary market and may occur a significant amount of time after the issue date of the relevant EJF Securitization.

If this were to occur, resulting conflicts of interest could include (a) divergent economic interests between EJF or Other Accounts that hold such notes, on the one hand, and the Company, on the other hand, and (b) voting of notes by EJF or Other Accounts, or a recommendation to vote by the same, to cause, among other things, an early redemption of the notes and/or an amendment of the transaction documents relating to the notes. If EJF, in its capacity as the securitization manager, were to perform its duties in a manner which was considered favourable to the interests of the Other Notes, this may have a material adverse effect on the performance of the Company due to a lower relative return on its investment in EJF Securitization Equity. In particular, EJF may have an incentive to manage EJF Securitizations' investments in a manner as to seek to maximize the yield on the collateral and maximize the yield on the Securitization Equity but which may result in an increase of defaults or volatility that adversely affects the return on Other Notes which, depending on the investment held by the Company, could have a material adverse effect on its performance.

Furthermore, EJF (as applicable), in its capacity as the securitization manager, acting in its sole discretion on behalf of the applicable securitization issuer or EJF Securitization, will be entitled to designate amounts that would otherwise be treated as interest proceeds to be treated as principal proceeds and *vice versa* in certain limited circumstances. There can be no assurance that EJF, in its capacity as the securitization manager, will not make such designations in a manner that seeks to maximize the yield on any Securitization Retention Securities held by it or a EJF Affiliate while increasing the probability of reductions or delays in payments on the more senior Securitization Retention Securities. Any change in the allocation or payments of interest or principal could have a material adverse effect on the value of the investment or the market value of the investment in the Company's calculation of its NAV.

In addition, EJF may enter into agreements with one or more holders of Securitization Retention Securities pursuant to which EJF may agree, subject to its obligations under the relevant share trust deeds, indentures, management and administration agreements and applicable law, to take actions with respect to such noteholder or noteholders that it will not take with respect to all of the noteholders (including the Company). If EJF were to enter into such agreements, the information or rights which the Company may receive regarding the relevant EJF Securitization may differ from that received by another investor in Securitization Retention Securities. This could result in a differing relative performance between the Securitization Retention Equity held by the Company and the other Securitization Retention Securities. Management and administration agreements or indentures for an EJF Securitization may place significant restrictions on EJF's ability to invest in and dispose of collateral. If EJF Affiliates or Other Accounts hold or otherwise have discretionary voting authority over the requisite percentage of the outstanding principal amount of the Securitization Retention Equity, the securitization manager affiliates will control certain matters under the indenture, trust deed and/or the collateral management agreement (as applicable) that may affect the performance of the collateral obligations and the return on one or more classes of Securitization Retention Securities, including, without limitation: (i) an optional redemption at the direction of a majority of the Securitization Retention Equity; and (ii) the appointment of a successor collateral manager. Accordingly, during certain periods or in certain circumstances, EJF may be unable as a result of such restrictions to invest in or dispose of collateral or to take other actions that it might consider to be in the best interests of EJF Securitizations and the holders of EJF Securitization Equity, including the Company. This may lead to a reduced relative return on EJF Securitizations' investments and/or those of the Company.

4.4 **Allocation of Expenses**

EJF and/or an EJF Affiliate may from time to time incur expenses jointly on behalf of EJF Securitizations, the Company or other accounts managed or advised by them and one or more subsequent entities established or advised by them. Although EJF and/or EJF Affiliates, such as the Manager, will attempt to allocate such expenses on a basis that they consider equitable, there can be no assurance that such expenses will, in all cases, be allocated appropriately among such parties. The level of expenses allocated to EJF Securitizations, and the Company may have an adverse effect on each of them. A high level of expenses may: (i) in relation to EJF Securitizations, result in a decreased return on the Company's investments in Securitization Retention Equity or the Securitization Retention Securities; (ii) in relation to the Company, result in a significant reduction in its cash reserves available for investment; and (iii) in relation to the Company, result in a reduction of its working capital. In each case, the level of expenses may have a material adverse effect on the performance of EJF Securitizations and the Company.

4.5 **Risks arising out of the broad spectrum of activities engaged in by EJF (including its affiliates)**

EJF engages in a broad spectrum of activities. In the ordinary course of its business activities, EJF may engage in activities where the interests of certain divisions of EJF or the interests of its clients may conflict with the interests of the Company. Other present and future activities of EJF may give rise to additional conflicts of interest. In the event that a conflict of interest arises, EJF (as applicable) will attempt to resolve such conflict in a fair and equitable manner.

EJF (as applicable) will have the power to resolve, or consent to the resolution of, conflicts of interest on behalf of, and such resolution will be binding on the Company. Investors should be aware that conflicts will not necessarily be resolved in favour of the Company's. As a result, if conflicts were resolved in a manner perceived to be adverse to the Company, this may have a material adverse effect on the performance of the Company.

In addressing related conflicts and the regulatory, legal and contractual requirements across its various businesses, EJF has implemented certain policies and procedures (e.g. information walls) that may reduce the positive synergies that the Company expects to utilize for purposes of finding attractive investments. For example, EJF may come into possession of material non-public information with respect to companies in which the Company may be considering making an investment or companies that are clients of EJF. Additionally, there are expected to be circumstances in which EJF Affiliates will be precluded from providing services related to EJF Securitizations' or the Company' activities because of certain confidential information available to those individuals or to other parts of EJF (e.g. trading may be restricted). Further, EJF may possess information relating to issuers of the portfolio of an EJF Securitization which is not known to the individuals at EJF responsible for monitoring the portfolio of such EJF Securitization and performing the other obligations under the relevant collateral management agreement. In certain situations, the Company's or EJF Securitizations' activities could be restricted even if such information, which could be of benefit to the Company, was not made available to EJF. Should this occur, EJF (as applicable) would be restricted from buying or selling securities, derivatives or loans of the issuer on behalf of EJF Securitizations or providing support to the Company (under any applicable portfolio support agreement or similar document) in respect thereof until such time as the information became public or was no longer deemed material to preclude the Company from participating in an investment. As a result, EJF Securitizations and/or the Company may miss out on opportunities which could have resulted in greater returns on their investments. Disclosure of such information to EJF's personnel responsible for the affairs of EJF Securitizations or providing support to the Company will be on a need-to-know basis only, and EJF Securitizations or the Company may not be free to act upon any such information. Therefore, EJF Securitizations or the Company may not have access to material non-public information in the possession of EJF which might be relevant to an investment decision to be made by EJF Securitizations or the Company, and EJF Securitizations or the Company may initiate a transaction or sell an asset which, if such information had been known to it, may not have been undertaken. Due to these restrictions, EJF Securitizations or the Company may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold, all of which could have a material adverse effect on the performance of EJF Securitizations or the Company.

Additionally, EJF may limit a client and/or its portfolio companies from engaging in agreements with, or related to, companies of any client of EJF has or has considered making an investment or which is otherwise an advisory client of EJF and/or from time to time restrict or otherwise limit the ability of EJF Securitizations or the Company to make investments in or otherwise engage in businesses or activities competitive with companies or other clients of EJF, either as a result of contractual restrictions or otherwise. Finally, EJF has in the past entered, and is likely in the future to enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although possibly intended to provide greater opportunities for EJF Securitizations (in connection with the management services EJF or their affiliates provide to them) or the Company (in connection with the service support, if any, EJF may provide or otherwise), may require EJF Securitizations or the Company to share such opportunities or otherwise limit the amount of an opportunity EJF Securitizations or the Company can otherwise take, in each case, as applicable. Any of the foregoing restrictions on EJF may (either directly, or indirectly via restrictions on the Company's or EJF Securitizations' ability to participate in any relevant investments), result in a relative decrease in the performance of EJF Securitizations, and the Company.

Any of the foregoing restrictions on EJF may (either directly, or indirectly via restrictions on the Company' or EJF Securitizations' ability to participate in any relevant investments) result in a relative decrease in the performance of EJF Securitizations, and the Company. EJF has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on behalf of EJF Securitizations, in providing support to the Company, EJF (as applicable) will consider those relationships, which may result in certain transactions that EJF (as applicable) will not undertake on behalf of EJF Securitizations, will not assist the Company in relation to or will not advise the Company in respect of, in view of such relationships. This may result in a lack of availability of the resources, support or advice to the Company, and EJF Securitizations required to manage effectively their respective businesses and investments.

EJF, or the Company, may also co-invest with clients of EJF in particular investment opportunities, and the relationship with such clients could influence the decisions made by EJF (as applicable) with respect to such investments. Any such relationships may have an adverse relative effect on the performance of EJF Securitizations, the Manager and the Company.

From time to time employees of EJF may serve as directors or advisory board members of certain portfolio companies or other entities. In connection with such services and subject to applicable law, EJF receives directors' fees or other similar compensation. Such amounts may, but are not expected to be, material, and will not be passed through to EJF Securitization or the Company. In addition, employees of EJF who are also directors of the Manager may be employees of Other EJF Accounts which could create conflicts of interest in terms of time and effort as well as allocation decisions.

In addition, EJF may invest in loans and securities that are senior to, or have interests different from or adverse to, the collateral making up the portfolios EJF Securitizations. It is intended that all collateral will be purchased and sold by the securitization issuers on terms prevailing in the market. EJF's activities (including, without limitation, the holding of securities positions or having one of its employees on the board of directors of an obligor) could result in securities law restrictions on transactions in securities held by EJF Securitizations or the Company or affect the prices of such securities or the ability of such entities to purchase, retain or dispose of such investments.

EJF may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect owners of interests in EJF Securitizations) in respect of obligations being considered for acquisition by a securitization issuer. Some of those same third parties may have interests adverse to those of EJF Securitizations and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or securities. EJF may hire, or advise to hire, as applicable, consultants, advisers or other professionals on behalf of the Company or EJF Securitizations from time to time. There can be no assurance that the advice offered by any such professionals will not conflict with the interest of investors in the Company or EJF Securitizations.

EJF and their members, partners, officers and employees will devote as much of their time to the activities of EJF Securitizations (under the Securitization Management Agreements), as they deem necessary and appropriate (as applicable), in accordance with the relevant agreement and reasonable commercial standards. Subject to the terms of the applicable offering and/or governing documents, EJF expects to form additional investment funds, enter into other investment advisory relationships and engage in other business activities, even though such activities may be in competition with EJF Securitizations or the Company and/or may involve substantial time and resources of EJF. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of EJF and their officers, managers, members and employees will not be devoted exclusively to the business of EJF Securitizations or the Company but will be allocated between the business of EJF Securitizations, the Company and the management of the monies of other clients of EJF. Some of these services or activities may lead to conflicts of interest with EJF or the relevant member of EJF and EJF Securitizations and may lead individual officers or employees of EJF or the relevant member of EJF to act in a manner adverse to EJF Securitizations.

In the event that sufficient EJF resources are not (or not able to be) devoted to EJF Securitizations or the Company, the Company or the Manager's ability to implement the Company's investment policies may be adversely affected. This could have an adverse effect on the financial performance of EJF Securitizations or the Company. No provision in the collateral management agreements or the management agreement prevents either EJF or any member of EJF from rendering services of any kind, including but not limited to acting as corporate services provider, to any person or entity, including the issuer of any obligation included in the portfolios of EJF Securitizations or the Company, transaction parties of any EJF Securitization or the holders of notes issues by any EJF Securitization.

EJF and their affiliates may expand the range of services that they provide over time. Except as described in this Prospectus, EJF and their affiliates will not be restricted in the scope of their business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. EJF and their affiliates have, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by EJF Securitizations or the Company. These clients may themselves represent appropriate investment opportunities for EJF Securitizations or the Company or may compete with EJF Securitizations or the Company for investment opportunities. As compared to a situation where EJF and their affiliates were bound not to advise clients on similar (and potentially competing) interests as those held by EJF Securitizations or the Company, the relative performance of EJF Securitizations and the Company may be lower.

4.6 **Investments by EJF Securitizations, the Company and other accounts in separate securities issued by an obligor**

The EJF Securitizations' or the Company's service providers (including lenders, brokers, attorneys and investment banking firms) may be investors in Other Funds, other accounts and/or sources of investment opportunities and counterparties therein. This may influence EJF or an affiliate in deciding whether to select such a service provider or have other relationships with EJF. In situations where EJF or their affiliates were influenced to not use a particular service provider as a result of the above and it was considered that the refused service provider would have performed in a manner considered to be relatively better than the service provider actually chosen, this may be perceived to have an adverse relative effect on the performance of EJF Securitizations and the Company.

Notwithstanding the foregoing, investment transactions for EJF Securitizations or the Company that require the use of a service provider will generally be allocated to service providers on the basis of best execution (and possibly to a lesser extent in consideration of such service provider's provision of certain investment-related and other services that are believed to be of benefit for EJF Securitizations or the Company). The allocation is not guaranteed, however, and if an allocation was not able to be made on the basis of best execution, this could result in an adverse relative effect on the performance of EJF Securitizations and the Company. Advisers, such as EJF, and their service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. In addition, service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. Therefore, based on the types of services used by clients (such as the Company and EJF Securitizations) as compared to EJF and its affiliates and the terms of such services, EJF or its affiliates may benefit to a greater degree from such vendor arrangements than the clients (such as the Company and EJF Securitizations). EJF Securitizations may invest in the securities of companies affiliated with EJF or companies in which EJF or its affiliates have an equity or participation interest. The purchase, holding and sale of such investments by EJF Securitizations may enhance the profitability of EJFs' own investments in such companies. It is possible that one or more affiliates of EJF may also act as counterparty with respect to one or more participations.

4.7 **Sale Price of securities**

Where the Company sells or commits to sell securities which are assets that it has purchased on the same day of such sale or commitment to sell to a securitization, the transfer price for such loans or other securities may be the Company's purchase price. The Company may enter into forward purchase agreements to sell loans or other securities to a securitization on or after the issue date of such securitization and the prices of such transactions will be the prices at the time that such forward purchase agreements are entered into by the Company and not the settlement date thereof.

4.8 **Cross Transactions and Principal Transactions**

It is expected that a portion of the assets the Company acquires may be securities in respect of which EJF, EJF Affiliates or other accounts either participated in the original lending group or structured or originated the asset (in each case, an "**EJF-Related Security**"). Additionally, a significant portion of the assets that the Company may acquire may be purchased from and will be sold to funds or other accounts that EJF or EJF Affiliates manage or otherwise provide advice in respect of ("**Related Accounts**"). Any of the aforementioned transactions may be considered to be affiliate transactions (as defined below). The Manager will be authorised by the Company to consent or decline to consent, on the Company's behalf, to the terms of any affiliate transaction where a potential conflict of interest may arise by reason of, amongst other things, the involvement of EJF Affiliates or EJF Accounts, such as a purchase or sale of an asset (including a EJF-Related Security) from EJF or other accounts, or the purchase of assets by the Company from Related Accounts. In the case of an asset purchase or sale by the Company from EJF or EJF Affiliate or an entity (including a Related Account) in which EJF and/or EJF Affiliate has an ownership interest of 25 per cent. or more, the consent of the Board of Directors of the Company to such purchase or sale will be obtained prior to settlement thereof. In any other case, the board of directors of the Company must consent to the applicable transaction on a quarterly basis, and such consent may occur after the applicable transaction has settled. In any transaction involving a Related Account, the Manager will obtain, when available, a price contemporary with the transaction for the EJF-Related Securities from a disinterested third-party.

If any transaction is subject to the disclosure and consent requirements of Section 206(3) of the Investment Advisers Act, such requirements will be deemed to be satisfied with respect to the Company if the procedures described above are followed. Each investor will be deemed to have consented to the procedures described herein with respect to affiliate transactions. For the purposes of the paragraph above, an "affiliate transaction" shall mean: (i) a purchase or sale of an asset between the Company and a fund managed by EJF or EJF Affiliates; or (ii) a transaction involving the Company and EJF or a EJF Affiliate, where EJF or EJF Affiliate is acting as principal for its own account.

4.9 Additional conflicts of interest

There is no limitation or restriction on EJF, the Company or any of their respective affiliates with regard to acting as securitization manager or retention holder (or in a similar role) to other parties or persons. This and other future activities of EJF, the Company and/or their respective Affiliates may give rise to additional conflicts of interest.

5. RISKS RELATED TO AN INVESTMENT IN THE SHARES

5.1 The Ordinary Shares and/or C Shares and/or 2022 ZDP Shares may trade at a discount to their respective NAV per Share and Shareholders may be unable to realise their Shares on the market at the relevant NAV per Share or at any other price

The Ordinary Shares and/or C Shares and/or 2022 ZDP Shares may trade at a discount to their respective NAV per Ordinary Share for a variety of reasons, including due to market or economic conditions or to the extent investors undervalue the Company. As a result, the amount you could receive upon sale of your Shares may be less than the relevant NAV per Ordinary Share reported by the Company.

Subject to the Companies Law, under its Articles, the Company may issue additional securities, including Shares, for any purpose. Any additional issuances by the Company, or the possibility of such issue, may cause the market price of the Shares to decline. Further, the price of your Shares in the Company and the income from them (in the case of the Ordinary Shares and/or C Shares) can go down as well as up and that holders of Shares may not receive, on sale of their Shares, the amount that they invested.

5.2 Ordinary Shareholders and C Shareholders have no right to have their Ordinary Shares or C Shares redeemed or repurchased by the Company.

The Company has been established as a closed-ended vehicle. Accordingly, there is no right or entitlement attaching to the Ordinary Shares or C Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

5.3 The existence of a liquid market in the Shares cannot be guaranteed

The Ordinary Shares and C Shares are and the 2022 ZDP Shares will be admitted to the Specialist Fund Segment of the London Stock Exchange, however there can be no guarantee that a liquid market in the Shares will develop (in the case of the 2022 ZDP Shares) or be sustained (in the case of any of the Shares) or that the Shares will trade at prices close to the relevant NAV per Ordinary Share.

The number of Shares to be issued pursuant to the Placing Programme is not yet known, and there may be a limited number of holders of Shares. Limited numbers and/or holders of Shares may mean that there is limited liquidity in such Shares which may affect: (i) a Shareholder's ability to realise some or all of their investment; (ii) the price at which such Shareholder can effect such realisation; and/or (iii) the price at which Shares trade in the secondary market. Accordingly, Shareholders may be unable to realise their investment at NAV per Ordinary Share or at all.

There may not be a liquid secondary market for the 2022 ZDP Shares, and an investment of this type should be regarded as long-term in nature and may not be suitable as a short-term investment. The market price and the realisable value of the 2022 ZDP Shares, as well as being affected by the underlying value of the Company's assets, will be affected by interest rates, supply and demand for the 2022 ZDP Shares, market conditions and general investor sentiment as to the ability of the Company to pay the 2022 ZDP Final Capital Entitlement of the 2022 ZDP Shares. As such, the market value and the realisable value (prior to redemption) of the 2022 ZDP Shares will fluctuate and may vary considerably. The 2022 ZDP Shares may trade at a discount to their Accrued Capital Entitlement. In addition, the published market price of the 2022 ZDP Shares will be, typically, their middle market price. Due to the potential difference between the middle market price of the 2022 ZDP Shares and the price at which the 2022 ZDP Shares can be sold, there is no guarantee that the realisable value of the 2022 ZDP Shares will be the same as the published market price.

Save where a ZDP Exempted Resolution is passed, 2022 ZDP Shareholders only have the right to receive the 2022 ZDP Final Capital Entitlement on the 2022 ZDP Repayment Date and not before. 2022 ZDP Shareholders wishing to realise their investment prior to the 2022 ZDP Repayment Date will be required to dispose of their 2022 ZDP Shares on the stock market.

5.4 Issuance of additional Shares, including on exercise of the Warrants, could have a detrimental effect on the Net Asset Value and the market price of the Shares

Under the Companies Law, to which the Company is subject, there are no rules restricting the ability of the Directors to issue additional Shares on a non-pre-emptive basis at any time, or otherwise. However, the Company has elected to include pre-emption rights in its Articles. Such pre-emption rights were dis-applied in relation to the existing placing programme, such authority to expire on 3 April 2018 and, subject to approval at the EGM, will also be dis-applied in relation to any Subsequent Placing of Ordinary Shares or C Shares under the Placing Programme (such authority to expire 12 months from the date of this Prospectus), in place of such existing authority. To the extent that this authority is used before its expiration, the Company may convene a general meeting to refresh the authority.

Subject to the terms of issue of any such Shares, if the Directors were to issue further Shares in the future (including on exercise of the Warrants) this could have a detrimental dilutive effect on the Net Asset Value and on the market price of the Shares.

5.5 The underlying value of assets attributable to the Ordinary Shares and C Shares will be geared by the rising capital entitlements of the 2022 ZDP Shares and therefore should be regarded as carrying above average risk

The Company's capital structure is such that the underlying value of assets attributable to the Ordinary Shares and C Shares will be geared by the rising capital entitlements of the 2022 ZDP Shares. The Ordinary Shares and C Shares are therefore geared by the 2022 ZDP Shares and should be regarded as carrying above average risk since a positive Net Asset Value for the Ordinary Shareholders and C Shareholders will be dependent upon the Company's assets being sufficient to meet those prior entitlements of the holders of 2022 ZDP Shares. Whilst the use of gearing should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of gearing, it will have the opposite effect where the underlying return is falling, further reducing the total return on the Ordinary Shares.

5.6 A reduction in the Company's revenue return from its investments would adversely affect the yield on the Ordinary Shares and C Shares

The Ordinary Shareholders and C Shareholders will be entitled to all of the amounts resolved by the Directors to be distributed as dividend in accordance with the Companies Law. Dividend growth from the Ordinary Shares will depend on growth in the Company's revenue returns from its portfolio of investments. The Net Asset Value of the Ordinary Shares will be determined by the performance of the Portfolio as geared by the capital entitlement of the 2022 ZDP Shares. Ordinary Shareholders and C Shareholders will benefit from any out-performance and will suffer any under-performance in respect of the Portfolio.

Any change in the tax treatment of dividends paid or income received by the Company may reduce the dividends paid to the holders of the Ordinary Shares and C Shares. A reduction in the Company's revenue return from its investments would adversely affect the yield on the Ordinary Shares and C Shares. Such a reduction could arise, for example, from lower rates of dividend paid on investments.

5.7 Interest rate changes may affect the market price of 2022 ZDP Shares

The market value of 2022 ZDP Shares will be affected by changes in general interest rates, with upward movements in interest rates likely to lead to reductions in the market value of 2022 ZDP Shares.

5.8 The Ordinary Shares and C Shares rank for repayment of capital after the 2022 ZDP Shares and any creditors of the Company from time to time

The Ordinary Shares and C Shares rank for repayment of capital after the 2022 ZDP Shares and any creditors of the Company from time to time. On a return of assets, including the winding-up of the Company, Ordinary Shareholders and C Shareholders will only receive payment if there are sufficient assets after the payment of creditors and 2022 ZDP Shareholders.

5.9 Holders of 2022 ZDP Shares may receive less than the 2022 ZDP Final Capital Entitlement

The 2022 ZDP Final Capital Entitlement is not guaranteed and holders of 2022 ZDP Shares may receive less than the 2022 ZDP Final Capital Entitlement.

On a winding-up of the Company prior to the 2022 ZDP Repayment Date, the holders of 2022 ZDP Shares have a prior entitlement to the assets of the Company after payment of its liabilities. However, if the gross assets of the Company fall at a rate which erodes the Cover on the 2022 ZDP Shares to a ratio of less than one, this would result in a lower payment than the 2022 ZDP Final Capital Entitlement.

On the 2022 ZDP Repayment Date, the Company's ability to pay the 2022 ZDP Final Capital Entitlement will be dependent on it having sufficient cash resources to meet such obligation. If the Company has insufficient resources to do so, 2022 ZDP Shareholders will receive a lower payment than the 2022 ZDP Final Capital Entitlement and could potentially lose all of their investment.

The ZDP Gross Redemption Yield of a 2022 ZDP Share is not and should not be taken as a forecast of profits.

5.10 Future 2022 ZDP Share issues could dilute the interests of the 2022 ZDP Shareholders and lower the price of the 2022 ZDP Shares

Following the First ZDP Placing, the Company may issue additional 2022 ZDP Shares in future either pursuant to Placing Programme or otherwise, which may dilute investors' interests in the 2022 ZDP Shares and lower the price of the 2022 ZDP Shares. The Company is only permitted to issue New 2022 ZDP Shares under the Placing Programme in circumstances where Minimum Cover Amount is met. Notwithstanding the foregoing, such additional issues of New 2022 ZDP Shares may dilute existing holders' voting interests.

5.11 There are structural conflicts of interest between the Ordinary Shareholders, the C Shareholders and the 2022 ZDP Shareholders

The different rights and expectations of the Ordinary Shareholders, the C Shareholders and the 2022 ZDP Shareholders may give rise to conflicts of interest between them. Holders of 2022 ZDP Shares can be expected to have little or no interest in the revenue produced by the Portfolio, save to the extent that the Company's operating costs exceed that revenue. 2022 ZDP Shareholders can be expected to want the capital value of the Portfolio to be sufficient to repay the 2022 ZDP Final Capital Entitlement of the 2022 ZDP Shares on the 2022 ZDP Repayment Date, but can be expected to have little or no interest in any growth in capital in excess of that amount. Conversely, holders of Ordinary Shares and/or C Shares can be expected to be interested in both the revenue that the Portfolio produces (and hence the level of dividends which will be capable of being paid on Ordinary Shares) and increases in the capital value of the Portfolio in the period to the 2022 ZDP Repayment Date, in excess of the 2022 ZDP Final Capital Entitlement of the 2022 ZDP Shares.

In certain circumstances, such as a major fall in the capital value of the Portfolio such that the 2022 ZDP Final Capital Entitlement of the 2022 ZDP Shares is uncovered but where the Portfolio is still generating revenue, the interests of 2022 ZDP Shareholders on the one hand and the Ordinary Shareholders and C Shareholders on the other hand may conflict. The 2022 ZDP Shareholders may wish the Portfolio to be re-balanced towards capital preservation in order to meet their 2022 ZDP Final Capital Entitlement while the holders of Ordinary Shares and/or C Shares may recognise that they then have little prospect of a capital return and so may be more concerned with maximising dividends in the period to the 2022 ZDP Repayment Date. In such circumstances, the Directors may find it impossible to meet fully both sets of expectations and so will need to act in a manner which they consider to be fair and equitable to both Ordinary Shareholders, C Shareholders and 2022 ZDP Shareholders but having regard to the entitlements of each class of Shares.

If the Company is unable or fails to redeem all of the 2022 ZDP Shares on the 2022 ZDP Repayment Date and/or fails to make payment of the 2022 ZDP Final Capital Entitlement within the applicable time (except by reason of an administrative error which is rectified), the Directors will convene an extraordinary general meeting at which a special resolution will be proposed (and recommended) requiring the Company to be summarily wound up and all votes cast in respect of such resolution will be deemed to be votes in favour. Accordingly the Ordinary Shareholders and/or C Shareholders will not be able to prevent any resolution being passed.

5.12 The Principal Bases and Assumptions may not be fulfilled in practice

The illustrative financial statistics and related figures given in this Prospectus are based on the Principal Bases and Assumptions set out in Part X of this Prospectus. These are assumptions only and may or may not be fulfilled in practice. The assumptions and the illustrative financial statistics should not be regarded as forecasts of profit or growth in the value of the Group's assets. In particular, the Final Cover and Hurdle Rate indicated for the 2022 ZDP Shares are based on the assumptions. If events differ from these assumptions, the Final Cover and Hurdle Rate may be less favourable.

5.13 The Shares will be subject to purchase and transfer restrictions in the Placing Programme and in secondary transactions in the future

The Company has restricted the ownership and holding of its Shares so that none of its assets constitute "plan assets" under the US Plan Assets Regulations. The Company has imposed such restrictions based on deemed representations in the case of a subscription of Shares. If the Company's assets were deemed to be "plan assets" of any plan subject to Title I of ERISA or Section 4975 of the US Tax Code ("**US Plan**"), pursuant to Section 3(42) of ERISA and US Department of Labour regulations promulgated under ERISA by the US Department of Labour and codified at 29 C.F.R. Section 2510.3-101 as they may be amended or modified from time to time (collectively, the "**US Plan Asset Regulations**") then: (i) the prudence and other fiduciary responsibility standards of ERISA would apply to investments made by the Company; and (ii) certain transactions that the Company or a subsidiary of the Company may enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the US Tax Code and might have to be rescinded. Governmental plans and certain church plans, while not subject to Title I of ERISA or Section 4975 of the US Tax Code, may nevertheless be subject to other State, local or other laws or regulations that would have the same effect as the US Plan Asset Regulations so as to cause the underlying assets of the Company to be treated as assets of an investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company or the Originator (or other persons responsible for the investment and operation of the Company assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the US Tax Code.

Each purchaser and subsequent transferee of the Shares will be deemed to represent and warrant that no portion of the assets used to acquire or hold its interest in the Shares constitutes or will constitute the assets of any US Plan. The Articles of the Company provide that the Board of Directors may refuse to register a transfer of Shares to any person they believe to be a Non-Qualified Holder or a US Plan investor. If any Shares are owned directly or beneficially by a person believed by the Board of Directors to be a Non-Qualified Holder or a US Plan investor, the Board of Directors may give notice to such person requiring him either (i) to provide the Board of Directors within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board of Directors that such person is not a Non-Qualified Holder or a US Plan investor, or (ii) to sell or transfer their Shares to a person qualified to own the same within 30 days and within such 30 days to provide the Board of Directors with satisfactory evidence of such sale or transfer. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited their Shares.

In addition, to avoid being required to register as an investment company under the US Investment Company Act and to avoid violating the US Investment Company Act, the Company has implemented restrictions on the purchase of the Shares by persons who are located in the United States or are US Persons (or are acting for the account or benefit of any US Person). For more information, refer to "*Risks relating to the Company—The Company is not, and does not intend to become, regulated as an investment company under the US Investment Company Act and related rules*" in this section of this Prospectus.

For more information on purchase and transfer restrictions, prospective investors should refer to the section entitled "Purchase and Transfer Restrictions" in Part VIII: "*Details of the Placing Programme*" of this Prospectus.

6. RISKS RELATED TO THE REGUATLORY LANDSCAPE IN THE EUROPEAN ECONOMIC AREA

Proposed reforms to passporting under the AIFMD could have adverse impact upon the ability of the Company to market to investors in certain jurisdictions

As used herein, the "**AIFMD**" refers to Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, together with EU Commission delegated Regulation (EU) No. 231/2013 of 19 December 2012, supplementary Directive 2011/61/EU of the European Parliament and of the Council, and the national laws transposing Directive 2011/61/EU in any EEA Member State in which the Company is marketed.

Among other things, the AIFMD regulates and imposes regulatory obligations in respect of the active marketing in the EEA by AIFMs (irrespective of whether they have their registered office in an EEA Member State or elsewhere) of AIFs (whether established in an EEA Member State or elsewhere). The Manager is a non-EEA AIFM for the purposes of the AIFMD. Non-EEA AIFMs are currently not able to become authorized under the AIFMD. In order to market to investors resident, domiciled or with a registered office in the EEA, non-EEA AIFMs must market AIFs in accordance with the applicable national private placement regimes of the EEA member states in which they wish to market and comply with a sub-set of requirements under the AIFMD (which are much more limited in scope than those applicable to AIFMs that are established in the EEA). These requirements are: (i) "point-of-sale" disclosures (as to which, please see Part XIII), (ii) ongoing investor disclosures required pursuant to Articles 23(4) and (5) of the AIFMD (as to which, please see below), (iii) provision of information relating to the Manager's investments and its assets under management to the regulators of any EEA Member State into which Shares in the Company are actively marketed, and (iv) the "asset-stripping" rules (in the event that the Company acquires control of an EEA based portfolio company).

The information in respect of the Manager required to be disclosed pursuant to Articles 23(4) and (5) of the AIFMD will be made available to each Shareholder, as follows: (a) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature will be notified to the Shareholders; (b) any new arrangements for managing the liquidity of the Company will be provided without undue delay in a disclosure notice delivered to each Shareholder; (c) the current risk profile of the Company and the risk management systems employed by the Manager to manage those risks may be provided in each annual report of the Manager; (d) any changes to the maximum level of leverage which the Manager may employ on behalf of the Company, as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement, will be provided without undue delay in a disclosure notice delivered to each Shareholder; and (e) the total amount of leverage employed by the Company may be provided in each annual report of the Manager.

In addition, it is possible that some EEA member states will elect in the future to restrict or prohibit the marketing of non-EEA AIFs to investors based in those jurisdictions. Any such restrictions or prohibitions may make it more difficult for the Manager to raise its targeted amount of commitments.

In light of the foregoing, the AIFMD could have an adverse effect on the Manager and/or the Company by, among other things, increasing the regulatory burden and costs of doing business in the EEA member states, imposing extensive disclosure obligations on companies located in EEA member states, if any, in which the Manager and/or the Company invests, and potentially disadvantaging the Manager and/or the Company as an investor in portfolio companies located in EEA member states as compared to competitors (e.g., those not in the alternative investment space) that may not be in scope of the AIFMD. ESMA has recently also consulted on the possible extension of the passport for marketing and managing under AIFMD to non-EEA based managers (the marketing and managing passports under AIFMD are currently only available to certain types of EEA based managers).

ESMA provided advice to the European Commission in July 2015 and July 2016 on whether, amongst other things, the passporting regime should be extended to the management and/or marketing of AIFs by non-EEA AIFMs. The European Commission is currently considering whether the passport should be extended. It is currently not clear what the impact would be for the Manager and/or the Company of any decision by the European Commission to extend the passporting regime. If the AIFMD national private placement regimes (where implemented) continue to exist in parallel with an extension of the passporting regime, then the Manager may continue to market under AIFMD national private placement regimes, or choose to "opt-in" to rely on the passporting regime (which would likely mean an increase in regulatory and compliance costs to comply with the conditions of the passporting regime). If the AIFMD national private placement regimes are removed, then the Manager would likely need to "opt-in" to the passporting regime for any AIFMD marketing of the Company (which would likely mean an increase in regulatory and compliance costs for the Manager).

7. RISKS RELATED TO TAXATION

7.1 The Company could be subject to US federal income tax in the same manner as a US corporation

If the Company is treated as a "surrogate foreign corporation", the Company would be treated, for US federal income tax purposes, as a US corporation. If treated as a US corporation for US federal income tax purposes, the Company would be subject to US federal income tax on its taxable income and gain. In addition, distributions by the Company to its Shareholders would be treated as dividends for US federal income tax purposes to the extent of the Company's current and accumulated earnings and profits. The Company will be treated as a surrogate foreign corporation if, among other things, the Company is treated as having acquired substantially all of the properties constituting a "trade or business" of the Partnership or another US partnership, or substantially all of the properties held directly or indirectly by the CDO Manager or US domestic corporation. While the Company does not believe that the Company will be so treated, no assurance can be **provided that** the US Internal Revenue Service (the "**IRS**") will not successfully assert that the Company should be treated as a surrogate foreign corporation. Each person should seek advice based on such person's particular circumstances from an independent tax advisor.

7.2 The Company may be treated as a non-US corporation because less than 90 per cent. of its gross income in any year is qualifying passive-type income

The Company expects to be treated as a "publicly traded partnership" and accordingly would be treated for US federal income tax purposes as a non-US corporation, if 90 per cent. or more of its gross income is not qualifying passive-type income. If the Company is treated for US federal income tax purposes as a corporation, each holder of the Ordinary Shares will be treated as having exchanged a partnership interest for shares in a non-US corporation. Such deemed exchange may give rise to taxable gain or loss for a Shareholder in respect of its interests in the Company based on the difference between the fair market value of the Company shares deemed to have been received and the investor's basis in the Partnership interests deemed to have been surrendered in the exchange. In addition, an investor may be treated as holding shares in a "passive foreign investment company" and subject to adverse US federal income tax treatment in respect of distributions received from the Company and any gain realized in respect of the Company shares deemed to have been received, unless the investor makes an election to treat the Company as a "qualifying electing fund". The Company expects that 90 per cent. or more of the Company's gross income for each year beginning the first year that the Company is a publicly traded partnership will constitute qualifying passive-type income. However, no assurance can be provided in that regard. Each person should seek advice based on such person's particular circumstances from an independent tax advisor.

7.3 Risk relating to disguised interest rules

The attention of prospective Shareholders is drawn to the tax treatment outlined in Part XI (*Taxation*) of this Prospectus, and in particular, to the commentary regarding the potential application of the "disguised interest" provisions contained in Chapter 2A of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to returns generated by the 2022 ZDP Shares. Prospective Shareholders should be aware that, while the Company has endeavoured to ensure that the tax treatment described therein is accurate, no specific tax outcome can be certain. More particularly, there can be no certainty that HMRC will take the view that, given the Company's investment portfolio, there is a practical likelihood that returns on the 2022 ZDP Shares will not be produced, with the resultant risk that HMRC might consider that profits from the 2022 ZDP Shares should be taxed as interest (rather than capital gains) under the disguised interest rules. Prospective Shareholders should also be aware that if a Shareholder reports his or her proceeds from the 2022 ZDP Shares as capital in nature, and HMRC subsequently successfully determines that such proceeds should have been reported as income pursuant to the application of the disguised interest rules, such Shareholder will be liable to account to HMRC for interest (and potentially penalties) in addition to the amount of tax underpaid. The tax treatment described in Part XI (*Taxation*) is dependent on each Shareholder's particular circumstances and may not apply in every circumstance. Shareholders are urged to obtain independent tax advice from appropriately qualified, professional tax advisers in relation to their investment in the Company.

IMPORTANT NOTICES

Investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or to make any representations in connection with any Placing other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Partnership, the Manager or Liberum. No representation or warranty, express or implied, is made by Liberum as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by Liberum as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G(1) of the FSMA, neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained in this Prospectus is correct as of any time subsequent to its date.

The contents of this Prospectus are not to be construed as legal, financial, business, investment or tax advice. Each prospective investor should consult his or her own legal adviser, financial adviser or tax adviser for legal, financial or tax advice in relation to any purchase or proposed purchase of Shares.

An investment in the Shares is suitable only for investors (i) who are institutional, professional and highly knowledgeable (including those who are professionally advised), (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment, including the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company. The 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 investment.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the relevant Placing including the merits and risks involved. Investors who purchase Shares will be deemed to have acknowledged that: (i) they have not relied on Liberum or any person affiliated with it in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) they have relied only on the information contained in this Prospectus; and (iii) no person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Partnership, the Manager or Liberum.

In connection with any Placing, Liberum and any of its affiliates acting as an investor for its or their own account(s), may subscribe for Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with such Placing or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by Liberum and any of its affiliates acting as an investor for its or their own account(s). Neither Liberum nor any of its affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

If you are in doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant, legal or professional adviser or other financial adviser.

General

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

Statements made in this Prospectus are based on the law and practice currently in force and are subject to changes therein. This Prospectus should be read in its entirety before making any application for Shares.

The Ordinary Shares in issue are currently admitted to trading on the Specialist Fund Segment of the London Stock Exchange. Application will also be made to the London Stock Exchange for all of the 2022 ZDP Shares to be admitted to trading on the Specialist Fund Segment. It is expected that First ZDP Admission will become effective and that dealings in the 2022 ZDP Shares will commence on or about 1 December 2017 and any Subsequent Admission of Ordinary Shares, C Shares or 2022 ZDP Shares will become effective and that dealings in any new Ordinary Shares and/or C Shares and/or 2022 ZDP Shares, as the case may be, will commence between 9 November 2017 and 8 November 2018. The Shares are not dealt in on any other recognised investment exchanges and no applications for the Shares to be admitted to listing or to be traded on any such other exchanges have been made or are currently expected to be made.

All times and dates referred to in this Prospectus are, unless otherwise stated, references to London times and dates and are subject to change without further notice.

This is a summary of the position only and prospective investors should consult their professional advisers as needed in relation to the implications of being a principal person of an entity regulated in Jersey.

Capitalised terms contained in this Prospectus shall have the meanings set out in Part XVI: "*Definitions*" of this Prospectus, save where the context indicates otherwise.

Restrictions on distribution and sale

The distribution of this Prospectus and the offering and sale of securities offered hereby in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and observe any such restrictions. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or solicitation to purchase, any such securities in any jurisdiction in which solicitation would be unlawful.

For a description of restrictions on offers, sales, and transfers of the Shares, please refer to the section entitled "Selling restrictions" below and the section entitled "Articles of Association" in Part XIII: "Additional Information" of this Prospectus. Save as set out in this section and in the Articles, there are no restrictions on the transfer of Shares.

No incorporation of Company's website

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

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "projects", "targets", "aims", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and the Manager concerning, amongst other things, the Investment Objective and Investment Policy, investment strategy, financing strategies, investment performance, results of operations, financial condition, prospects, and dividend/distribution policy of the Company and the Manager, and the markets in which the Company and its portfolio of investments, invests and/or operates. By their nature, forward-looking statements involve risks (including those set out in the section entitled "Risk Factors" in this Prospectus) and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, dividend policy and the development of its investment strategy and financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company, and the development of its investment / financing strategies, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and the Company's ability to achieve its Investment Objective and target returns and target dividends for investors;
- the ability of the Company to invest the net proceeds of the First ZDP Placing and any Subsequent Placing on a timely basis within the Investment Objective and Investment Policy;
- foreign exchange mismatches with respect to exposed assets;
- changes in the interest rates and/or credit spreads, as well as the success of the Company's investment strategy in relation to such changes and the management of the un-invested proceeds of the First ZDP Placing and any Subsequent Placing;
- impairments in the value of the investments;
- the availability and cost of capital for future investments;
- the departure of key personnel employed by the Manager;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company or the Manager; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the "Risk Factors" section of this Prospectus before making an investment decision. Forward-looking statements speak only as at the date of this Prospectus. The Company undertakes no obligation to revise or update any forward-looking statements contained in this Prospectus (save where required by the Prospectus Rules, the Disclosure Guidance and Transparency Rules and those Listing Rules that the Company has elected to comply with on a voluntary basis), whether as a result of new information, future events, conditions or circumstances, any change in the Company's expectations with regard thereto or otherwise, and prospective investors are advised to consult any communications made directly to them by the Company and/or any additional disclosures through announcements that the Company may make through a RIS announcement.

Nothing in the preceding paragraphs should be taken as limiting the working capital statement in paragraph 17, "Working Capital" of Part XIII: "*Additional Information*" of this Prospectus.

Currency presentation

Unless otherwise indicated, all references in this Prospectus to "**US$**" or "**US Dollars**" are to the lawful currency of the US and to "**Sterling**", "**Pound Sterling**", "**£**", "**pence**" or "**p**" are to the lawful currency of the UK.

Market data

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

Definitions

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

Presentation of financial information

The Company was incorporated on 20 October 2016 and acquired substantially all of its assets and holding of partnership units in the Partnership ("**Partnership Units**") pursuant to the terms of the First Restructuring. Details of the First Restructuring are set out in Part XIII: "*Additional Information*" of this Prospectus. The historical financial information incorporated by reference in Part VII: "*Historical Financial Information of the*

Company and the Partnership" of this Prospectus comprises the consolidated historical financial information of the Partnership and the standalone historical financial information of the Company.

The historical financial information of the Company and the Partnership included or incorporated by reference in this Prospectus has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). The significant IFRS accounting policies applied in the financial information of the Company and the Partnership are applied consistently in the Financial Information included or incorporated by reference in this Prospectus.

The Company's and the Partnership's financial year runs from 1 January to 31 December, however the historical financial information of the Company included or incorporated by reference in this Prospectus covers the period from incorporation to 30 June 2017. None of the financial information included or incorporated by reference in this Prospectus has been audited in accordance with auditing standards generally accepted in the United States or auditing standards of the Public Company Accounting Oversight Board (United States).

Selling Restrictions

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction in connection with any applications for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Save for the United Kingdom, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required.

Bailiwick of Jersey

The Company has been established in Jersey as a listed fund under a fast-track authorisation process. It is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice.

Certain Jersey regulatory requirements which may otherwise be deemed necessary by the Jersey Financial Services Commission for the protection of retail or inexperienced investors, do not apply to listed funds. By investing in the Company investors will be deemed to be acknowledging that they are professional or experienced investors, or have taken appropriate professional advice, and accept the reduced Jersey requirements accordingly.

Investors are wholly responsible for ensuring that all aspects of the Company are acceptable to them. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless investors fully understand and accept the nature of the Company and the potential risks inherent in this fund they should not invest in the Company.

Further information in relation to the regulatory treatment of listed funds domiciled in Jersey may be found on the website of the Jersey Financial Services Commission at www.jerseyfsc.org.

This Prospectus is prepared, and a copy of it has been sent to the Jersey Financial Services Commission, in accordance with the Collective Investment Funds (Certified Funds—Prospectuses) (Jersey) Order 2012.

The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or expressed in this Prospectus.

The applicant is strongly recommended to read and consider this Prospectus before completing an application.

Bailiwick of Guernsey

This Prospectus has not been approved by the Guernsey Financial Services Commission ("**GFSC**") and neither the GFSC nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

This Prospectus is directed in the Bailiwick of Guernsey only at the following: (1) those who have specifically solicited this Prospectus, where such approach was not itself specifically solicited by Liberum or, if applicable, another bookrunner acting in respect of a Subsequent Placing ("**Requesting Investors**"); or (2) those holding a licence from the GFSC under any of the following laws: the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "**POI Law**"), the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended or the Regulation of Fiduciaries, Administration Businesses and Company Directors etc. (Bailiwick of Guernsey) Law, 2000, as amended (such persons being "**Licensees**"). This Prospectus must only be distributed to persons who are not either Requesting Investors or Licensees by a person holding an appropriate licence from the GFSC under the POI Law. This Prospectus may not be relied upon by those who are not Requesting Investors or Licensees, unless it has been distributed to them by a person holding such a licence under the POI Law.

European Economic Area

In relation to each member state of the European Economic Area (the "**EEA**") which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), no Shares have been offered or will be offered pursuant to any Placing to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of Liberum or, if applicable, another bookrunner acting in respect of a Subsequent Placing in such Relevant Member State; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Shares or to whom any offer is made under any Placing will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and the amendments thereto, including 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

The distribution of this Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

For the purposes of marketing (as defined in the AIFMD) Shares in the Company (as an alternative investment fund for the purposes of the AIFMD) to investors domiciled in or with a registered office in a jurisdiction which is in the EEA, the Manager (as an alternative investment fund manager for the purposes of the AIFMD) intends to rely on such jurisdiction's national private placement regime for the purposes of marketing alternative investment funds as implemented in such jurisdiction pursuant to Article 42 of the AIFMD. The Manager maintains a list, which is available on request, of the EEA jurisdictions in which it is permitted to market Shares to investors (the "**Permitted EEA Jurisdictions**"). Applicants in Permitted EEA Jurisdictions who wish to invest in the Company must qualify as a "professional investor" under the AIFMD and the implementing national legislation in the investor's Permitted EEA Jurisdiction.

The Shares are not offered to investors who are domiciled in or with a registered office in the EEA but not in a Permitted EEA Jurisdiction. Neither the Company nor the Manager is subject to supervision by the competent authorities of the Permitted EEA Jurisdictions.

United States

The Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States.

Subject to certain exceptions as described herein, any issue of Shares is only being made outside the United States to non-US Persons in reliance on Regulation S under the US Securities Act.

The Company has not been and will not be registered under the United States' US Investment Company Act of 1940, as amended (the "**US Investment Company Act**") and investors will not be entitled to the benefits of the US Investment Company Act. There will be no public offer of the Shares in the United States. **Neither the US Securities and Exchange Commission (the "US SEC") nor any state securities commission has approved or disapproved of the Shares or passed upon or endorsed the merits of the offering of the Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.**

In addition, prospective investors should note that, except with the express written consent of the Company given in respect of an investment in the Company, the Shares may not be acquired by: (i) investors using assets of: (A) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a "plan" as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

If 25 per cent. or more of any class of equity in the Company is owned, directly or indirectly, by US Plan Investors that are subject to Title I of ERISA or Section 4975 of the US Tax Code, the assets of the Company will be deemed to be "plan assets", subject to the constraints of ERISA and Section 4975 of the US Tax Code. This would result, among other things, in: (i) the application of the prudence and fiduciary responsibilities standards of ERISA to investments made by the Company, and (ii) the possibility that certain transactions that the Company and its subsidiaries might enter into, or may have entered into in the ordinary course of business, might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA and/or Section 4975 of the US Tax Code and might have to be rescinded. A non-exempt prohibited transaction may also result in the imposition of an excise tax under the US Tax Code upon a "party in interest" (as defined in ERISA) or "disqualified person" (as defined in the US Tax Code), with whom a plan engages in the transaction. The Company will use commercially reasonable efforts to limit ownership by US Plan Investors of equity in the Company. However, no assurance can be given that investment by US Plan Investors will not exceed 25 per cent. or more of any class of equity in the Company.

Data Protection

Pursuant to the First ZDP Placing and any Subsequent Placing, information concerning prospective investors in the Company will be transferred to and/ or requested by the Company. The Company will act as a "data controller" and will hold any "personal data" or "sensitive personal data" (each as defined in the Data Protection Legislation). Each prospective investor acknowledges and consents that such information will be held and processed for the following purposes:

- to undertake and administer the Company's operations and business, including maintaining the register of members and mailing lists; effecting the payment of dividends or other distributions to Shareholders (in each case, where applicable) and, if applicable, the payment of commissions to third parties; verifying the identity of the Company in connection with any actual or proposed investments; or for any other purpose which the Directors and/or the Administrator consider is in the legitimate business interest of the Company;
- to carry out statistical analysis or market research;

- to comply with the listing, legal, regulatory, reporting and/or financial obligations of the Company or any legal or regulatory obligations of any service provider or functionary (or his/her employer) of the Company;
- for archiving and record keeping purposes;
- to contact the prospective investor with information about other products and services provided by the Manager or its affiliates, which may be of interest to the prospective investor; and
- for any other specific purpose to which the prospective investors has given consent or for any purpose reasonably ancillary to the foregoing.

Personal data may be disclosed to:

- affiliates or group companies of the Company and any professionals, advisors or agents appointed by the Company;
- any service providers appointed by the Company (including but not limited to the Manager and the Administrator), and its or their affiliates or group companies, agents or professional advisors, and functionaries of the Company (including their employer); and
- regulatory or governmental authorities if required pursuant to applicable law or regulatory requirements.

This may include sharing such data with third parties in one or more of the countries mentioned below (and these countries may have different (and possibly lower) standards of data protection legislation). Any transfer of personal data shall be in accordance with the Jersey Data Protection Legislation, which includes the requirement to take appropriate technical and organizational measures to prevent the unauthorised or unlawful processing of personal data and safeguard against accidental loss or destruction of or damage to personal data.

The countries referred to above include, but need not be limited to, those in the European Economic Area or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland, the British Virgin Islands, the Cayman Islands and the United States.

Personal data must be retained on record for a period of up to 10 years after it is no longer used in order to comply with regulatory requirements. Thereafter, personal data shall be deleted unless there is a specific on-going reason for its retention (which may include but shall not be limited to meeting legal or regulatory obligations).

Details of the registration of the Company as data controller can be found on the website of the Jersey Data Protection Commissioner: www.dataci.je.

Investors are hereby notified that applicable Data Protection Legislation in Jersey is likely to change in or about May 2018 to take account of the provisions of the EU General Data Protection Regulation (Regulation (EU) 2016/679), (the "**GDPR**"). The GDPR will come into force on the 25th May 2018, replacing the existing EU data protection framework. Although not an EU Member State, Jersey intends to implement broadly equivalent legislation at the same time, which will replace the existing Data Protection (Jersey) Law 2005. It is anticipated that this will enable Jersey to maintain its current adequacy status for the purposes of EU data protection legislation (2008/393/EC: Commission Decision of 8 May 2008), allowing the free transfer of data between the Channel Islands and EU Member States. As a result of these changes you may be required to complete additional documentation. The Administrator will contact you closer to the time.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales.

VOLUNTARY COMPLIANCE WITH THE LISTING RULES

The Ordinary Shares in issue are currently admitted to trading on the Specialist Fund Segment of the London Stock Exchange. Application will be made to the London Stock Exchange for all of the 2022 ZDP Shares to be admitted to trading on the Specialist Fund Segment. The Specialist Fund Segment is an EU regulated market. Pursuant to its admission to the Specialist Fund Segment, the Company is subject to the Prospectus Rules, the Market Abuse Regulation, the admission and disclosure standards of the London Stock Exchange and certain provisions of the Disclosure Guidance and Transparency Rules. The Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the FCA do not apply to the Company and a listing on the Specialist Fund Segment affords Shareholders a lower level of regulatory protection than that afforded to investors in securities that are admitted to the Official List.

As a matter of best practice and good corporate governance, the Company voluntarily complies with the following key provisions of the Listing Rules:

(a) the Company is not required to comply with the Listing Principles or the Premium Listing Principles set out at Chapter 7 of the Listing Rules. Nonetheless, the Company complies with the Listing Principles and the Premium Listing Principles;

(b) the Company is not required to appoint a listing sponsor under Chapter 8 of the Listing Rules. It has appointed Liberum as financial adviser to guide the Company in understanding and meeting its responsibilities in connection with First ZDP Admission and each Subsequent Admission and also for compliance with Chapter 10 of the Listing Rules relating to significant transactions, with which the Company voluntarily complies;

(c) the Company is not required to comply with the provisions of Chapter 9 of the Listing Rules regarding continuing obligations. The Company however complies with the following provisions of Chapter 9 of the Listing Rules: (i) Listing Rule 9.3 (Continuing obligations: holders); (ii) Listing Rule 9.5 (Transactions); (iii) Listing Rule 9.6.4 to Listing Rule 9.6.21 other than Listing Rule 9.6.19(2) and Listing Rule 9.6.19(3) (Notifications of change of name); (iv) Listing Rule 9.7A (Preliminary statement of annual results and statement of dividends); and (v) Listing Rule 9.8 (Annual financial report);

(d) the Company is not required to comply with the provisions of Chapter 12 of the Listing Rules regarding market repurchases by the Company in respect of its shares. Nonetheless, the Company has adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2;

(e) the Company is not required to comply with the provisions of Chapter 13 of the Listing Rules regarding contents of circulars. The Company however complies with the following provisions of Chapter 13 of the Listing Rules: (i) Listing Rule 13.3 (Contents of all circulars); (ii) Listing Rule 13.4 (Class 1 circulars); (iii) Listing Rule 13.5 (Financial information in Class 1 circulars); (iv) Listing Rule 13.7 (circulars about purchase of own equity shares); and (v) Listing Rule 13.8 (Other circulars); and

(f) the Company is not required to comply with the provisions of Chapter 15 of the Listing Rules (Closed-Ended Investment Funds: Premium listing). Nonetheless, the Company complies with the following provisions of Chapter 15 of the Listing Rules: (i) Listing Rule 15.4.2 to Listing Rule 15.4.11 (Continuing obligations) (save, if applicable, in respect of the issuance of an aggregate of 1,248,000 Ordinary Shares at the Exercise Price pursuant to the terms of the Warrants); (ii) Listing Rule 15.5 (Transactions); and (iii) Listing Rule 15.6 (Notifications and periodic financial information).

The Company is not required to comply with the provisions of Chapter 11 of the Listing Rules and has not and will not apply any restrictions, or adopt any policy, in relation to any transactions which would constitute a "related party transaction", as defined in, and to which Chapter 11 of the Listing Rules would apply.

The Company has adopted a share dealing code in relation to the Shares in compliance with applicable regulation. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

The Specialist Fund Segment is an EU regulated market. It should be noted that the FCA does not have the authority to monitor the Company's voluntary compliance with the Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the FCA nor will it impose sanctions in respect of any failure of such compliance by the Company.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates set out below is subject to change without further notice. References to times are to London time unless otherwise stated.

Prospectus published	9 November 2017
Publication of results of the First ZDP Placing	on or around 9 November 2017
EGM to approve matters related to the issuance of ZDP Shares	30 November 2017
First ZDP Admission and dealings in 2022 ZDP Shares commence on the London Stock Exchange	8.00 a.m. on 1 December 2017
Crediting of CREST stock accounts in respect of the 2022 ZDP Shares	1 December 2017
Share certificates despatched (where applicable)[1]	Week commencing 11 December 2017

(1) Or as soon as practicable thereafter. No temporary documents of title will be issued. These will be despatched by post at the applicant's risk.

ZDP SHARES—FIRST ZDP PLACING STATISTICS

First ZDP Placing Price	100 pence
Maximum number of 2022 ZDP Shares being issued	20 million
2022 ZDP Final Capital Entitlement per 2022 ZDP Share[1]	132.25 pence
ZDP Gross Redemption Yield at First ZDP Placing Price	5.75 per cent

(1) This is not a guaranteed repayment amount, please see "*Risk Factors–Holders of 2022 ZDP Shares may receive less than the 2022 ZDP Final Capital Entitlement.*"

EXPECTED PLACING PROGRAMME TIMETABLE

Each of the times and dates set out below is subject to change without further notice. References to times are to London time unless otherwise stated.

Placing Programme opens	9 November 2017
Publication of the Subsequent Placing Price in respect of each Subsequent Placing	As soon as reasonably practicable following the closing of each Subsequent Placing
Subsequent Admission and dealings in Shares commence on the London Stock Exchange	8.00 a.m. on each day on which Shares are issued pursuant to a Subsequent Placing
Crediting of CREST stock accounts in respect of the Shares	8.00 a.m. on each day on which Shares are issued pursuant to a Subsequent Placing
Share certificates despatched (where applicable)[1]	Approximately one week following Admission of the relevant Shares
Last date for Shares to be issued pursuant to the Placing Programme	8 November 2018

(1) Or as soon as practicable thereafter. No temporary documents of title will be issued. These will be despatched by post at the applicant's risk.

PLACING PROGRAMME STATISTICS

Maximum size of the Placing Programme	Up to 100 million Ordinary Shares and/or C Shares and up to 50 million 2022 ZDP Shares(1)
Subsequent Placing Price per Share issued under the Placing Programme	To be determined by Directors at the time of the Subsequent Placing

(1) Including the 2022 ZDP Shares issued pursuant to the First ZDP Placing

DEALING CODES

The dealing codes for the Ordinary Shares are as follows:

ISIN	JE00BF0D1M25
SEDOL Code	BF0D1M2
Ticker	EJFI

The dealing codes for the C Shares are as follows:

ISIN	JE00BF0D1P55
SEDOL Code	BF0D1P5
Ticker	EJFC

The dealing codes for the 2022 ZDP Shares will be as follows:

ISIN	JE00BDG12N48
SEDOL Code	BDG12N4
Ticker	EJFZ

DIRECTORS, ADVISERS AND SERVICE PROVIDERS

Directors
Joanna Dentskevich
Alan Dunphy
Nick Watkins
Neal J. Wilson
All c/o the Company's registered office

Registered Office
47 Esplanade
St. Helier
Jersey JE1 0BD
Channel Islands

Manager
EJF Investments Manager LLC
The Corporation Trust Company
Corporation Trust Center
1209 Orange Street Wilmington
DE 19801-1120
United States

Administrator and Company Secretary
Crestbridge Fund Administrators Limited
47 Esplanade
St. Helier
Jersey JE1 0BD
Channel Islands

Registrar
Capita Registrars (Jersey) Limited
12 Castle Street
St. Helier
Jersey JE2 3RT Channel Islands

Reporting Accountant and Auditor
KPMG LLP
15 Canada Square
London E14 5GL
United Kingdom

Financial Adviser and Bookrunner
Liberum Capital Limited
25 Ropemaker Street
London EC2Y 9LY
United Kingdom

Legal Adviser to Liberum
Travers Smith LLP
10 Snow Hill
London EC1A 2AL
United Kingdom

Legal Adviser to the Company (as to English and US law)
Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

Legal Adviser to the Company (as to Jersey law)
Carey Olsen
47 Esplanade
St. Helier
Jersey JE1 0BD
Channel Islands

Custodians
Citigroup Global Markets Inc.
390 Greenwich Street
New York City
NY 10013-2396
United States of America

Citibank N.A.
399 Park Avenue
New York
NY 10043
United States of America

PART I: THE COMPANY

1. INTRODUCTION

1.1 The Company

The Company is a registered closed-ended investment public company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies (Jersey) Law 1991 ("**Companies Law**") with registered number 122353. The Company's registered office and principal place of business is 47 Esplanade, St. Helier, Jersey JE1 0BD.

1.2 The Manager

The Company has appointed EJF Investments Manager LLC (the "**Manager**") as its investment manager and AIFM for the purposes of the AIFM Directive. EJF Capital LLC ("**EJF**") holds 100 per cent. of the voting rights in the Manager. Further information in relation to the Manager and EJF is set out in Part IV: "*Directors, the Manager and Administration*" of this Prospectus.

2. BACKGROUND AND REASONS FOR THE FIRST ZDP PLACING AND PLACING PROGRAMME

As recently announced by the Company, the Company closed an additional investment on 26 October 2017, which utilised approximately £12.9 million of cash. In light of the attractive pipeline of potential investments which the Manager continues to see, the Company intends to raise additional capital. Accordingly, the Company is seeking to raise gross proceeds of £15 million through the issue of 15 million 2022 ZDP Shares (up to a maximum of 20 million) and is also extending its existing placing programme (subject to certain conditions) to permit the issue of further 2022 ZDP Shares (subject to certain conditions) in addition to, the issue of new Ordinary Shares and/or C Shares.

The Board believes that the First ZDP Placing and the Placing Programme will enable the Company to access additional capital for investment on attractive terms, subject to market conditions.

The proceeds of the First ZDP Placing and Placing Programme are expected to be used to pursue additional investment opportunities in accordance with the Company's Investment Objective and Policy, subject to the availability of sufficient investment opportunities. Prior to making the investments the Company will hold the proceeds from the First ZDP Placing and any Subsequent Placings in cash or cash equivalents.

The 2022 ZDP Shares will have a 2022 ZDP Final Capital Entitlement of 132.25 pence per 2022 ZDP Share on the 2022 ZDP Repayment Date. All 2022 ZDP Shares shall rank *pari passu*. The 2022 ZDP Shares issued pursuant to the First ZDP Placing will have a ZDP Gross Redemption Yield of 5.75 per cent. per annum on the First ZDP Placing Price. Following completion of the First ZDP Placing and on the basis of the Principal Bases and Assumptions (which are set out in Part X of this Prospectus), the 2022 ZDP Shares will have an Initial Cover of 4.9 times and a Final Cover of 3.7 times assuming 20 million 2022 ZDP Shares are issued and a Hurdle Rate of -23.3 per cent. The Minimum Cover Amount for the 2022 ZDP Shares is 3.5 times and the Dividends Minimum Cover Amount for the 2022 ZDP Shares is 2.0 times.

On a return of capital, on a winding up or otherwise, subject to the Companies Law, 2022 ZDP Shareholders will be entitled to receive the 2022 ZDP Final Capital Entitlement amount of 132.25 pence per 2022 ZDP Share. The ZDP Gross Redemption Yield of a 2022 ZDP Share is not and should not be taken as a forecast of profits and there can be no assurance that the 2022 ZDP Final Capital Entitlement of the 2022 ZDP Shares will be repaid in full on the 2022 ZDP Repayment Date.

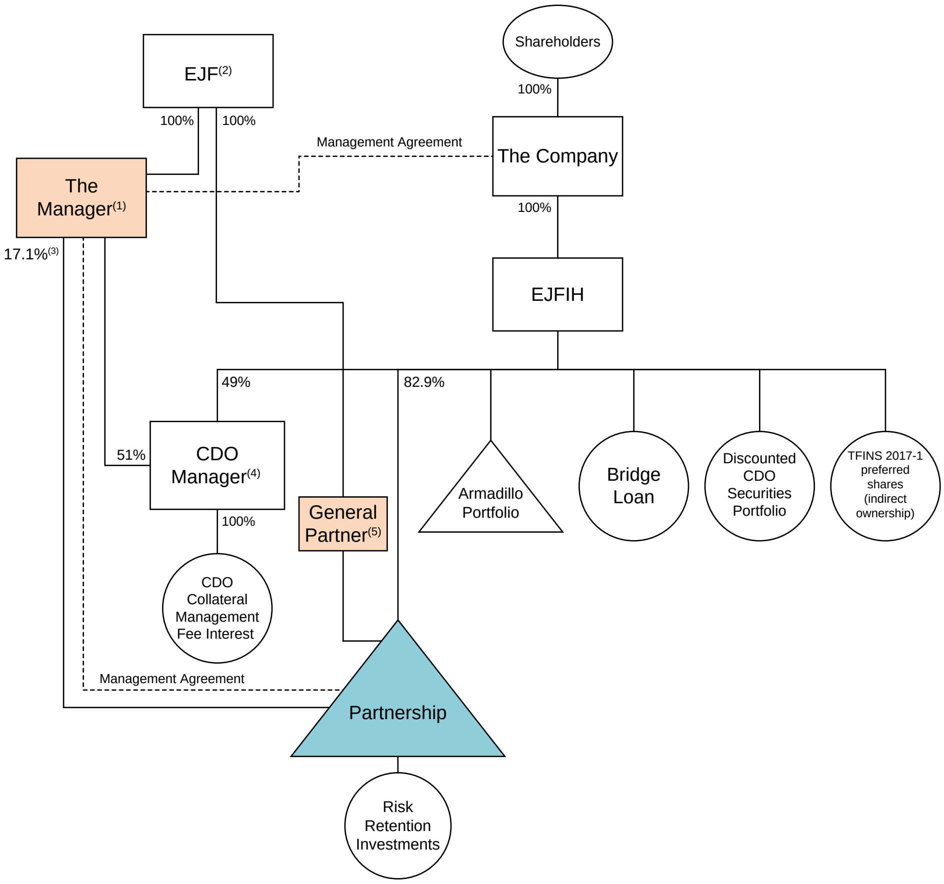
The 2022 ZDP Final Capital Entitlement will rank behind any creditors of the Company and in priority to the capital entitlements of the Ordinary Shares and C Shares. The 2022 ZDP Shares carry no entitlement to income and the whole of their return, therefore, takes the form of capital.

The 2022 ZDP Shares do not carry the right to vote at general meetings of the Company, although they carry the right to vote as a class on certain events which would be likely to materially affect their position. Further 2022 ZDP Shares (or any shares or securities which rank *pari passu* with the 2022 ZDP Shares) may only be issued provided that the Directors determine that Cover Test is satisfied and such issue is in accordance with the Company's borrowing limit.

Further information on the rights attaching to the 2022 ZDP Shares are set out in Part IX of this Prospectus.

3. GROUP STRUCTURE

The diagram below illustrates the Group's structure as at the date of this Prospectus:



(1) The Manager is the investment manager of the Company, EJFIH, the Partnership, the General Partner and their respective subsidiaries.

(2) EJF holds 100 per cent. of the voting rights in the Manager.

(3) In order to comply with guidance with respect to the relevant Risk Retention Regulations, the Manager will hold a minimum of 15 per cent. of the Partnership Units.

(4) The 51 per cent. owned by the Manager was acquired pursuant to the CDO Manager Partial Sale SPA. For further information in relation to the sale and purchase of the CDO Manager Interests, please see the section entitled "CDO Manager Partial Sale SPA" in Part XIII: "*Additional Information*" of this Prospectus.

(5) As at 31 October 2017 (being the latest practicable date prior to the publication of this Prospectus), the General Partner holds 165 Partnership Units.

4. INVESTMENT OBJECTIVE

The Company seeks to generate attractive risk adjusted returns for its Shareholders by investing in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities are anticipated to include structured debt and equity, loans, bonds, preference shares, convertible notes and private equity, in both cash and synthetic formats issued by entities domiciled in the US, UK and Europe (the "**Investment Objective**"). The Company seeks to make quarterly dividend payments of income arising from the Portfolio in addition to targeting Net Asset Value growth.

5. INVESTMENT POLICY

5.1 Overview

The Company seeks to achieve its Investment Objective by pursuing a policy of investing in a diversified portfolio of investments that are derived from the changing financial services landscape (the "**Investment Policy**"). The Company relies to a material extent on the Manager and the employees of EJF for the sourcing and origination of investments, but the investment process may involve working with third parties to design an investment. Debt investments, whether or not listed on a recognised market, may also be purchased on an opportunistic basis.

The Company currently seeks to achieve its Investment Objective primarily by investing the majority of its assets in three investment subsets (each a "**Target Investment**") that have each been created by regulatory and structural changes impacting the financial services sector:

(a) ***Risk Retention Investments***

The Company believes that the increased regulation of the financial system, specifically the Dodd-Frank reforms in the US, has generated unique opportunities within the securitization market. One of the principal provisions of Dodd-Frank is the requirement for securitization sponsors to retain at least five per cent. of the credit risk relating to the securitization that they are involved in issuing. The Company believes that securitization sponsors who do not have the capital resources for risk retention will increasingly look for capital partners to help them meet these requirements, and that the Company, through the Partnership, is well-positioned to act as a capital partner.

As a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LLC is the Manager, have the benefit of a right of first refusal to purchase or subscribe for securities to be issued in connection with all future securitization transactions in respect of which EJF or one of its affiliates proposes to act as Sponsor (as that term is used in the relevant Risk Retention Regulations) (each, an "**EJF Securitization**"), in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Risk Retention Regulations) is required to retain ("**EJF Risk Retention Securities**"). The Company, through the Partnership, may also be the risk retention partner for non-EJF sponsored securitizations (together with EJF Securitizations, "**Risk Retention Investments**"). Risk Retention Investment opportunities have included bank and insurance trust preferred securities and bank subordinated debt securitization markets but may expand into other sectors.

Whilst under no obligation to do so, the Partnership also intends to qualify as an "originator", as such term is defined under the relevant European Risk Retention Regulations, being either: (i) an entity that itself or through related entities, directly or indirectly, is involved in the original agreement which creates the obligations or potential obligations of the debtor or potential debtor giving rise to the exposure being securitized or (ii) an entity that purchases a third party's exposures for its own account and then securitizes them. The Partnership will determine, in the context of each relevant transaction, under which limb of the foregoing definition of "originator" it will fall, depending in each case upon the facts and circumstances of the relevant transaction. In addition, the Partnership would retain a material net economic interest of not less than 5 per cent. of the credit risk of such transaction, which may overlap with the requirements of the US Risk Retention Regulations.

The Company, through its holding of 49 per cent. of the issued and outstanding units in the CDO Manager, may also benefit from the receipt of a portion of ongoing collateral management fees in connection with such Risk Retention Investments as (i) the CDO Manager will, for so long as EJF Investments Manager LLC is the Manager, benefit from a right to be appointed as the provider of collateral administration, monitoring and management services in respect of each EJF Securitization and (ii) the CDO Manager may be granted the right to manage the underlying collateral in respect of other Risk Retention Investments.

(b) **Capital Solutions and ABS Investments**

New, stricter regulations and increased capital requirements in response to the global financial crisis require certain banks and other regulated financial institutions to efficiently and actively manage their capital resources. Banks are actively seeking solutions to improve the capital treatment of key asset classes and business lines, such as non-agency residential mortgages, high yield corporate term loans, and small and medium enterprise loans. The Company intends to target investments in UK, European and US bank capital relief securitizations, private label securitizations and illiquid secondary securitizations, which it believes will generate attractive credit risk and illiquidity premiums (respectively, "**Capital Solutions**" and "**ABS Investments**" opportunities). The Company intends to invest in such structures primarily via the new issue market, but will also evaluate secondary market opportunities, with the goal to hold to maturity unless the Company determines better value in selling prior to the maturity date.

When the Partnership was formed in 2005, part of its original investment mandate was to structure, invest in, and manage REIT TruPS CDOs. The Company has a long history of opportunistically investing in securitizations and currently holds a portfolio of legacy REIT TruPS CDO securities that were issued prior to the financial crisis. The Company has demonstrated its ability to opportunistically buy and sell these securities and expects to continue to be active in this segment of its portfolio.

(c) ***Specialty Finance Investments***

As a result of significant regulatory and structural changes in the financial services sector, the Company believes there exist attractive opportunities to invest in areas that were previously dominated by global money-centre banks. The Company may invest in less liquid UK, European and US specialty finance investments such as (but not limited to): (i) growth equity capital to newly formed companies with scalable specialty finance platforms; (ii) secured and unsecured lending; (iii) investments collateralized by real estate and real estate related assets; and (iv) other illiquid, specialty finance investment opportunities (together, "**Specialty Finance Investments**").

5.2 **Investment Limits and Restrictions**

The following investment limits and restrictions (the "**Investment Limits and Restrictions**") will apply to the Company's investments which, where appropriate, shall be measured at the time of investment:

(a) no more than 25 per cent. of the Company's gross assets shall be invested in any single EJF-sponsored Risk Retention Investment;

(b) no more than 20 per cent. of the Company's gross assets shall be invested in any single non-EJF sponsored Risk Retention Investment;

(c) no more than 20 per cent. of the Company's gross assets shall be invested in any single Capital Solutions or ABS Investment;

(d) no more than 20 per cent. of the Company's gross assets shall be invested in any single Specialty Finance Investment;

(e) investment in publicly listed equity is not permitted. For the avoidance of doubt, if an existing debt or private equity investment is exchanged for equity listed on the public markets, such investment may be held at the Manager's discretion if the resultant investment otherwise remains in compliance with the Investment Policy;

(f) investments will be made where the underlying issuer is domiciled in the US, UK or other current members of the EEA or the European Free Trade Association or has the majority of its underlying assets exposed to the US, UK and/or other current members of the EEA or the European Free Trade Association; and

(g) any investments that are not Target Investments will be limited to an aggregate total of 20 per cent. of gross assets.

The Investment Limits and Restrictions set out above are intended to ensure that the Company is not able make a significant investment in a single asset. In the event of a breach of the Company's Investment Limits and Restrictions, the Manager shall inform the Board. The Manager will attempt to resolve any breach to the satisfaction of the Board and a notification will be made via a RIS.

5.3 **Investments in other funds**

The Company is permitted to invest in funds that comply with the Investment Objective and, where an investment in a fund is made, the Investment Limits and Restrictions set out above shall apply on a look through basis to that fund's underlying assets. Such funds are limited to co-mingled or single-investor funds managed by an EJF Affiliate. In no event shall investments in a fund result in double-fees in respect of the Company's indirect investment in the underlying investments.

5.4 **Hedging and derivatives**

The Company may utilize derivatives for efficient portfolio management purposes. Non-Sterling investments may be hedged so as to limit currency exchange risk.

5.5 **Borrowing and gearing**

As at the date of this Prospectus, the Company's borrowing and gearing policy is as set out below:

(a) The Company may utilize borrowings for share buybacks and short-term liquidity purposes. The Company may also from time to time use borrowing for investments via short- or longer- term financing. The Company may seek leverage via bank financing, term loans, or debt instruments. The Company is permitted to issue private or public debt, and, subject to the restrictions set out below, may encumber its assets to collateralize secured borrowings.

(b) Gearing will not exceed 20 per cent. of Net Asset Value calculated at the time of drawdown. Risk Retention Investments will not be leveraged or used as collateral for the Company's borrowings.

5.6 Procedure to amend the Investment Policy

No material change may be made to the Investment Policy without approval of the Shareholders by way of an ordinary resolution.

6 PROPOSED CHANGES TO THE INVESTMENT POLICY

6.1 Proposed changes

In connection with the issue of 2022 ZDP Shares (which will constitute borrowings for such purposes), the Company proposes to make a material change to its Investment Policy to increase its borrowing and gearing limit, as described in paragraph 6.2 below.

The Company also proposes to make a material change to its Investment Policy to amend paragraph (g) of its Investment Limits and Restrictions to clarify that any investments that are not Target Investments will be limited to investments that are permitted investments for UCITS, as described in paragraph 6.3 below.

In addition, in order to better reflect the existing Portfolio, the Company proposes to restate its Investment Policy by re-categorising its Target Investments into two subsets, being (i) securitization and related investments (which will comprise Risk Retention and Related Investments (being Risk Retention Investments, together with investments in non-risk retention securities of EJF Securitizations and other non-EJF sponsored securitizations ("**Securitization Investments**"), Capital Solutions and ABS Investments and the CDO Manager) ("**Securitization and Related Investments**") and (ii) Speciality Finance Investments. The Company will also make a corresponding immaterial change to paragraph (c) of its Investment Limits and Restrictions to reflect that Securitization Investments, which currently fall under the definition of Capital Solutions and ABS Investments, will, under the new Investment Policy (if approved), fall under the definition of Risk Retention and Related Investments (noting that such investments will still be subject to the same restriction that no more than 20 per cent. of the Company's gross assets shall be invested in any single Securitization Investment). The Portfolio is described in line with the restated Investment Policy in paragraph 7 below.

The full restated text will be set out in the Circular expected to be published by the Company on or around 10 November 2017 and be subject to approval by the Ordinary Shareholders at the EGM.

6.2 Borrowing and gearing

Subject to approval at the EGM, the Company will have the availability to borrow up to 35 per cent. of its Net Asset Value (calculated at the time of drawdown), provided that (i) the maximum amount for borrowings for long-term investment purposes within such limit will be 30 per cent. of the Net Asset Value and (ii) borrowings for long-term investment purposes may only be incurred when the Minimum Cover Amount is met (calculated at the time of drawdown). The 2022 ZDP Shares and any other ZDP Shares issued from time to time will constitute borrowings for long-term investment purposes and accordingly count towards such limit. The Company will be able to utilize any borrowings not used for long-term investment purposes for short-term liquidity purposes and efficient portfolio management purposes, including foreign exchange hedging arrangements and the ability to smooth the receipt of cashflows and payment of dividends. For the avoidance of doubt, should the Minimum Cover Amount be breached due to, inter alia, a fall in Net Asset Value from time to time, there shall be no requirement on the Company to reduce any borrowings for investment purposes which are already in place at the relevant time.

6.3 Investment Limits and Restrictions

Subject to approval at the EGM, the following Investment Limits and Restrictions will apply to the Company's investments which, where appropriate, shall be measured at the time of investment:

(a) no more than 25 per cent. of the Company's gross assets shall be invested in any single EJF-sponsored Risk Retention Investment;

(b) no more than 20 per cent. of the Company's gross assets shall be invested in any single non-EJF sponsored Risk Retention Investment;

(c) no more than 20 per cent. of the Company's gross assets shall be invested in any single Securitization Investment, Capital Solutions or ABS Investment;

(d) no more than 20 per cent. of the Company's gross assets shall be invested in any single Specialty Finance Investment;

(e) investment in publicly listed equity is not permitted. For the avoidance of doubt, if an existing debt or private equity investment is exchanged for equity listed on the public markets, such investment may be held at the Manager's discretion if the resultant investment otherwise remains in compliance with the Investment Policy;

(f) investments will be made where the underlying issuer is domiciled in the US, UK or other current members of the EEA or the European Free Trade Association or has the majority of its underlying assets exposed to the US, UK and/or other current members of the EEA or the European Free Trade Association; and

(g) any investments that are not Target Investments will be limited to an aggregate total of 20 per cent. of gross assets (and, for the avoidance of doubt, shall be limited to investments that are permitted investments for UCITS under the UCITS Eligible Assets Directive (Commission Directive 2007/16/EC) as at 30 November 2017).

7. EXISTING PORTFOLIO

As at the date of this Prospectus, the Portfolio consists of long-term assets consistent with the Company's investment focus on regulatory-driven lending opportunities, securitization financing and specialty finance opportunities, specifically:

(a) an ownership interest in the Partnership, which holds EJF Risk Retention Securities including the preferred shares of TruPS Financials Note Securitization 2017-1 Ltd. ("**TFINS 2017-1**") and TruPS Financials Note Securitization 2017-2 Ltd. ("**TFINS 2017-2**");

(b) a separate indirect ownership interest in the preferred shares of TFINS 2017-1;

(c) a portfolio of legacy REIT TruPS CDO's issued prior to the financial crisis that were purchased at distressed levels (the "**Discounted CDO Securities Portfolio**");

(d) a holding of 49 per cent. of the issued and outstanding units in the CDO Manager, which currently has four REIT TruPS CDO collateral management contracts and two collateral management contracts in respect of EJF Securitizations (and is, for so long as EJF Investments Manager LLC is the Manager, expected to be appointed the collateral manager in respect of EJF Securitizations in which the Group, acting through the Partnership, may invest in). The existing collateral management contracts are expected to provide the owners of the CDO Manager with a source of long-term income (the "**CDO Collateral Management Fee Interest**"); and

(e) specialty finance positions consisting of: (i) an interest in a bridge loan to an affiliate of a publicly listed insurer (the "**Bridge Loan**"), and (ii) a portfolio of high-yielding loans to US law firms engaged in mass tort litigation by way of its holding of limited partner interests in Armadillo I and Armadillo II (the "**Armadillo Portfolio**").

The Portfolio provides both a current stream of investment income as well as the opportunity for NAV accretion.

The table below provides an overview of the performance of the Portfolio as at the date of this Prospectus (save where specified):

Portfolio[(1)]	Investment Date	Asset Value as of 30 September 2017 (unaudited)	Investment as % of Gross Assets as of 30 September 2017	Investment as % of Net Assets as of 30 September 2017	Stake a % of Total Security/ Fund Issuance/ Entity[(2)]	Investment in EJF / Affiliate Vehicle?
Securitizations & Related Investments						
Risk Retention & Related Investments						
EJF Investments LP	2017	£ 7,815,258[(3)]	9.60%	9.77%	82.9%	Yes
Preferred Shares[(4)]	2017	£ 4,853,580	5.96%	6.07%	16.3%	Yes
Discounted CDO Securities Portfolio	2008 - 2017	£12,956,389	15.91%	16.20%	65.9%[(5)]	Yes
CDO Manager	2017	£ 6,379,604	7.83%	7.98%	49.0%	Yes
Specialty Finance Investments						
Armadillo I	2014	£19,379,152	23.80%	24.23%	26.5%	Yes
Armadillo II	2016	£ 1,361,868	1.67%	1.70%	0.8%	Yes
Bridge Loan	2017	£ 7,750,637	9.52%	9.69%	3.0%	No
Other						
Currency Forward Contract	2017	£ 3,641,985	4.47%	4.55%	N/A	No
Unrestricted Cash	N/A	£14,020,258	17.22%	17.53%	N/A	N/A
Restricted Cash	N/A	£ 2,767,440	3.40%	3.46%	N/A	N/A
Other Assets	N/A	£ 501,259	0.62%	0.63%	N/A	N/A
Total		**£81,427,429**				

(1) The Portfolio consists of all assets as at the date of the Prospectus. Values are as of 30 September 2017.

(2) In the case of the EJF Investments LP and the CDO Manager, the percentage is based on ownership of the entity; in the case of the Preferred Shares and the Discounted CDO Securities, the percentage is based on par value of the CDO tranche; in the case of Armadillo I and Armadillo II the percentage is based on original investment commitments in each fund; adjusted for expired unfunded commitment balances, in the case of the Bridge Loan the percentage is based on the original par value of the loan issuance

(3) Does not include the Partnership's second risk retention investment of $17.0 million TFINS 2017-2 preferred shares, which closed on 26 October 2017. The Company's ownership interest in the Partnership is 82.9 per cent. as of 31 October 2017

(4) The Company indirectly acquired approximately £5.0 million of additional preferred shares of TFINS 2017-1 in June 2017.

(5) Based on the blended average of 12 REIT TruPS CDO securities held by the Company. The Company's ownership percentages of each CDO tranche range from three per cent. up to 100 per cent. of the outstanding amount issued.

As at 30 September 2017 (being the latest practicable date prior to the publication of this Prospectus on which the Portfolio was valued), the Company had a Net Asset Value (unaudited) of £80 million.

7.1 Securitization and Related Investments

(a) TFINS 2017-1

On 30 March 2017, the Company, through the Partnership, closed its first Risk Retention Investment in the equity tranche of a US$328 million EJF-sponsored CDO backed by a static pool of securities issued by US community banks and insurance companies contributed by various EJF funds, utilising approximately US$10.0 million of cash retained by the Partnership following the First Restructuring for the purposes of making Risk Retention Investments. At closing, the underlying securities had an aggregate par value of US$360.2 million, with a 7.13 per cent. weighted average coupon and a 3.09 per cent. weighted average spread. The weighted average life of the underlying securities was 16 years at closing. While the legal final maturity date of TFINS 2017-1 is in April 2038, the securitization is callable beginning in April 2019, with mandatory auction calls beginning in April 2025. Additionally, in June 2017, the Company entered into an agreement to acquire indirectly approximately £5.0 million of preferred shares of TFINS 2017-1.

(b) TFINS 2017-2

On 26 October 2017, the Company, through the Partnership, closed its second Risk Retention Investment in the equity tranche of a US$340.4 million EJF-sponsored CDO backed by a static pool of securities issued by US community banks and insurance companies contributed by various EJF funds, utilising approximately £12.9 million of cash. At closing, the underlying securities had an aggregate par value of approximately US$353.0 million, with a 7.68 per cent. weighted average coupon and a 3.12 per cent. weighted average spread. The weighted average life of the underlying securities was 10.7 years at closing. While the legal final maturity date TFINS 2017-2 is in September 2039, the securitization is callable beginning in September 2019, with mandatory auction calls beginning after 2025.

(c) CDO Collateral Management Fee Interest

The table below provides an overview of the Company's interest in the CDO Manager and the relevant collateral management contracts as at the date of this Prospectus (save where specified):

CDO Collateral Fee Interest	
Company interest in CDO Manager	49%
Number of CDOs under Management	6
Total Face Value of CDO Collateral	US$1.7 billion
Annual Collateral Management Fees per CDO	10bps to 20bps
Fair Value of the Company's Interest in the CDO Manager (unaudited)[(1)]	£6.4 million
CDO Stated Maturity Dates	2036 - 2042

(1) As at 30 September 2017. Does not include the fair value of the collateral management agreement for TFINS 2017-2, which closed on 26 October 2017.

The Company, through its holding of 49 per cent. of the issued and outstanding units in the CDO Manager, has an exposure to the cash flows of four REIT TruPS CDO collateral management contracts and two collateral management contracts in respect of EJF Securitizations. The fair value of the Company's interest in the CDO Manager was £6.4 million as at 30 September 2017 (which does not include the fair value of the collateral management agreement for TFINS 2017-2, which closed on 26 October 2017). The Manager believes the REIT TruPS CDO contracts may, based on the current strength of the underlying collateral loans, extend to their natural life, providing investors with an ongoing stable stream of current income. The Manager believes the bank and insurance TruPS CDPs may be called prior to maturity. The management fees of each TruPS CDO collateral management contract vary, ranging from 0.10 per cent. to 0.20 per cent. of outstanding collateral balance.

(d) Discounted CDO Securities Portfolio

The table below provides an overview of the Discounted CDO Securities Portfolio as at the date of this Prospectus (save where specified):

Discounted CDO Securities Portfolio[(1)]	
Type of Securities	REIT TruPS CDO securities
Number of Securities	12
Fair Value (unaudited)[(2)]	£13.0 million
Face Value[(2)]	US$291.1 million
Stated Coupon Range	L +0.70% to 9.53%
CDO Security Stated Maturity Dates	2036 - 2042

(1) Certain Discounted CDO Securities are deferring interest payments.

(2) As at 30 September 2017. Includes four CDOs which were sold by the Company in October 2017.

The Company's Discounted CDO Securities Portfolio consists of legacy REIT TruPS CDOs with a fair value of £13.0 million as at 30 September 2017. Beginning in 2008, the Partnership invested over US$16.6 million in REIT TruPS CDOs at distressed prices. As the market recovered, the Partnership opportunistically sold various positions and generated an IRR of 51.5 per cent. as at 31 December 2016. During 2017, the Company had some modest portfolio activity in this portfolio segment. In particular, the Company has acquired one cash flowing REIT TruPS CDO security for approximately £1.4 million and has sold seven REIT TruPS CDO securities, five of which were non-cash flowing, for a combined profit of approximately £4.7 million. The remaining Discounted CDO Securities Portfolio is currently generating income and the Manager believes that the cash flows from this portfolio may increase over time as the senior tranches of certain CDOs are repaid and the CDO over-collateralization and interest coverage tests are cured.

7.2 **Specialty Finance Investments**

The table below provides an overview of the Specialty Finance Investments as at the date of this Prospectus (save as specified):

	Bridge Loan	**Armadillo I**	**Armadillo II**
Partnership Investment date	January 2017	March 2014	February 2016
Investment amount (*US$ million*)	10.1	51.2	1.8
Total Capital Commitment from all investors (*US$ million*)	325.0	196.3	242.5
Loan / Portfolio—Weighted Average Stated Interest Rate[1]	14.0%	19.5%	14.0%
Current Market Value[2] (*£ million*) (unaudited)	7.8	19.4	1.4
IRR	Not meaningful[2]	19.8%[3]	12.1%[4]

(1) The interest and fee payments on the Bridge Loan and the Armadillo Portfolio, to the extent not paid on a current basis, compound and accrue.

(2) As at 30 September 2017.

(3) Since initial contribution to the fund to 30 September 2017.

(4) Since initial contribution to the fund to 30 September 2017.

(a) *Bridge Loan*

On 10 January 2017, the Partnership invested US$10.1 million in a bespoke US$325.0 million Bridge Loan to the monoline insurance subsidiary of a publicly listed insurance company. The Bridge Loan is structured as a senior secured note with a three-year maturity and an interest rate of 14.0 per cent. Additionally, the Bridge Loan investors received a three per cent. commitment fee and there is a make-whole premium through the first 18 months. The Bridge Loan is secured by the collateral of two CDOs that are wrapped by an affiliate of the borrower. As at 30 September 2017, the Bridge Loan had a fair value of £7.8 million (unaudited) and matures in January 2020.

(b) *Armadillo Portfolio*

The Company has existing investments in Armadillo Financial Fund LP ("**Armadillo I**") and Armadillo Financial Fund II LP ("**Armadillo II**") that together make up the Armadillo Portfolio. The investment strategy of the Armadillo Portfolio is to make high interest rate loans to third-party law firms engaged in mass tort litigation.

During 2014, the Partnership made a US$51.2 million investment in Armadillo I. During its investment period, Armadillo I issued loans to 14 borrowers totalling US$196.3 million of original face value with a weighted average stated interest rate of 19.5 per cent., a weighted average servicing fee of 1.75 per cent., and a weighted average original issue discount of 2.0 per cent. The Armadillo I loan portfolio consists of loans made to 14 borrowers, 7 of which had been repaid as at 30 June 2017. The remaining 7 borrowers have, as at 30 June 2017, loan balances outstanding ranging between approximately US$8.7 million and US$23.4 million (representing approximately 8.4 per cent. and 22.6 per cent. respectively, of the total Armadillo I portfolio loan balance of US$103.4 million as at 30 June 2017). As at 30 September 2017, the Company's investment in Armadillo I had a fair value (unaudited) of £19.4 million and had received total distributions (in 2017) of £7.7 million. As at 30 September 2017, the most recent quarter reported by Armadillo I, the Company had earned a 19.8 per cent. IRR.

The Partnership also has a small investment in Armadillo II, which has a similar investment strategy as Armadillo I. As at 30 September 2017, the Company's investment in Armadillo II had a fair value (unaudited) of £1.4 million.

The Manager believes that the Armadillo Portfolio will provide an attractive risk-adjusted return. The Armadillo Portfolio is expected to liquidate over the next three years, as its investment period has expired with respect to the Company. While the timeframe for cash collections can be unpredictable, the Manager currently anticipates substantial repayment of the underlying loans by the end of 2018 and final liquidation of the investments by 2020.

8. CALCULATION OF NET ASSET VALUE

The Company's NAV is calculated as of the last Business Day of each month (or at any other times at the Board's discretion) by the Administrator, based on the valuations calculated in accordance with the policies described below and in consultation with the Manager.

The NAV means the Company's assets at fair value less liabilities. The Company's assets and liabilities will be valued in accordance with International Financial Reporting Standards ("**IFRS**") consistently applied, as in effect from time to time, as described in more detail below. In particular, the monthly NAV will, as required, include an accrual for any performance fees payable by the Company to the Manager under the terms of the Management Agreement.

Investments will initially be recognised at their acquisition cost and thereafter be re-measured at fair value as follows:

(a) any investments which are marketable securities quoted on an investment exchange will be valued at the relevant mid-price at the close of business on the calculation date, **provided that** the market for these securities is liquid or that, in the Board's view, the market price substantially reflects the value assigned to these securities by investors;

(b) for investments not traded on an investment exchange, valuations will be based upon the mid- or last traded prices at the close of business on the calculation date supplied by independent investment banks, securities brokers and/or originators;

(c) for investments not traded on an exchange and for which independent pricing is not available, the Manager will appoint a recognised third party valuation provider (the "**Valuation Agent**") to calculate a price, or range of prices, based on its own independent assessment in consultation with the Manager. In the case of investments the value of which is based upon a model developed by the Manager, the Valuation Agent will perform regular reviews of the procedures and positively assure the value of such investments in accordance with the procedures and IFRS. The Valuation Agent will perform these procedures on the completion of any transaction and thereafter with the positive assurance review performed at least annually. For investments where a more extensive valuation review has been deemed necessary by the valuation committee (as described further below), the Valuation Agent will provide a value or range of values.

The valuation principles used by the Valuation Agent on these investments will be primarily based on discounted cash flow models. The models consider the characteristics of each investment's capital structure, including current assets and liabilities and inception to date performance, based upon information provided by the investment's trustee reports or financial statements, as applicable.

Key discounted cash flow model inputs include current interest rates, asset spreads, expected prepayments, expected defaults and expected recovery rates for the relevant category of underlying collateral held by the investment. These inputs are derived by reference to a variety of market sources and are specific to each investment and specific to the date of analysis. Where investments of the Company, the Partnership and/or the Group are inflation-linked or LIBOR-based, the individual cash flows expected to arise will be based on forecast inflation or LIBOR rates as at the date of valuation as indicated on Bloomberg or an alternative source as agreed at the time;

(d) in determining the valuation for the management contracts and CDO instruments, the Manager will use a discounted cash flow approach based on the performance of the collateral, including the default rate, the prepayment rate and the default severity of each CDO through time, accounting for the most recent performance information available on the calculation date. The expected cash flows of the instruments are estimated on a periodic basis using Intex. The Manager also considers market indications where available as an input to the final valuation.

The models use these inputs to project performance, or expected internal rate of return, for each investment. The fair value of the investment is then marked to model.

The Valuation Agent determines the investment-specific risk premium that it believes the market would reasonably apply on a long term investment basis to each investment's cash flows taking, *inter alia*, the following into account:

(i) the performance of the underlying assets, taking into account the nature of the assets and including any actual or potential event in relation to each underlying asset that may be expected to have a material impact on performance of the investment and the certainty and timing of investment cash flows;

(ii) general market activity and investor sentiment which the Valuation Agent assesses by taking into account knowledge of such markets gained from discussions with market participants and from publicly-available information on relevant transactions and publicly-traded securities; and

(iii) changes to the economic, legal, taxation or regulatory environment relevant to each underlying asset and investment.

The Valuation Agent exercises its due judgment in assessing the likelihood of any interruptions to the debt payments due to the Company in light of the operational performance of each underlying asset and investment;

(e) for direct investments not traded on an exchange, for which pricing is not available, the Company will not appoint a Valuation Agent to value such investments (save as described below) and the Manager will utilize the acquisition cost as the price unless and until there is either: (i) a subsequent round of financing at a price that includes a material investment by an independent third-party; or (ii) a material depreciation in the entity in which the Company has invested. In such cases, the Valuation Agent shall be employed to positively assure the valuation provided by the Manager for reasonableness of the Manager's fair value estimates;

(f) for non-marketable loans, a third party vendor will be employed to value the collateral on at least a quarterly basis. The Manager will use information provided by the third party vendor for the purposes of valuing the non-marketable loans but may make further adjustments to the final valuation having regard to a number of factors, including but not limited to: (i) the terms and payment status of loans; and (ii) interest rates and receipt/timing of loan payments and cash flow projections. Non-marketable loans will be held at cost unless there is a material depreciation in the collateral or collateral value;

(g) derivatives will be valued by reference to widely available market quotations. When such market quotations are not available or for "over-the-counter" derivatives contracts, valuations will be based on the quotation received from the counterparty **provided that** such quotation is provided on at least a monthly basis and verified by the Administrator;

(h) cash, cash equivalents and other liquid assets will be valued at their face value with interest accrued, where applicable, as at the close of business on the relevant calculation date;

(i) any value expressed otherwise than in the base currency of the Company (whether of an investment or cash) and any borrowing in a currency other than the base currency of the Company shall be converted into the base currency of the Company at the relevant quoted mid-rate at the close of business on the calculation date; and

(j) in the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in the paragraphs above, or if such valuation is not representative in the opinion of the Board of the asset's fair market value, the Manager (subject to the approval of the Board) is entitled to use other generally recognised valuation principles in order to reach a proper valuation of that specific asset, **provided that** any alternative method of valuation is consistent with the accounting policies used to draw up the annual audited financial statements of the Company.

The Manager has established a valuation committee to review the valuation of illiquid investment instruments, particularly where a valuation is provided by a single counterparty or where the Manager recommends a more conservative valuation than that provided by a counterparty. The valuation committee's determination of the valuation of any investment instrument will be final.

The valuation committee meets monthly to consider the valuation of the positions that are not publicly traded on an investment exchange. During each meeting of the valuation committee, the committee members will discuss pricing policy exceptions and any other issues relevant to the pricing of securities for the portfolio. The valuation committee consists of four voting members (each member holding one vote), the Chief Risk Officer (who serves as the committee's chairperson), either of the Co-Chief Investment Officers (or his/her designee), the Chief Financial Officer and the Chief Compliance Officer. All members of the valuation committee must be present at each valuation meeting to form a quorum with the chairperson having the casting vote.

The Manager, on a quarterly basis, submits the final portfolio valuations for the review of the Board.

9. NAV PUBLICATION PROCESS

9.1 Publication of Net Asset Value

The Company publishes the NAV and NAV per Ordinary Share as calculated in accordance with the process described above, on a monthly basis. The NAV and NAV per Ordinary Share is published in Pounds Sterling by a RIS announcement and made available on the website of the Company (www.EJFI.com). From December 2017, the Company intends to publish the NAV and NAV per Ordinary Share within fifteen Business Days following the date of calculation or as soon as practicable. The NAV per 2022 ZDP Share will be published at the same time as the NAV per Ordinary Share.

9.2 **Suspension of the calculation of Net Asset Value**

The Directors may at any time, but are not obliged to, temporarily suspend the calculation of the NAV, NAV per Ordinary Share and NAV per 2022 ZDP Share during:

(a) any period when any of the principal markets or stock exchanges on which a substantial part of the Portfolio is quoted is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended; or

(b) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, valuation of a substantial part of the Portfolio is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if in the opinion of the Directors the NAV cannot be fairly calculated; or

(c) any breakdown in the means of communication normally employed in determining the value of the investments or when for any reason the current prices on any market of a substantial part of the investments cannot be promptly and accurately ascertained; or

(d) during any period in which any transfer of funds involved in the realisation or acquisition of investments cannot, in the opinion of the Directors, be effected at normal rates of exchange; or

(e) when, for any other reason, the prices of any investments owned by the Company cannot be promptly or accurately ascertained. Shareholders will be informed by a RIS announcement in the event that the calculation of the NAV, NAV per Ordinary Share and NAV per 2022 ZDP Share is suspended as described above, and trading in the Shares on the Specialist Fund Segment may also be suspended.

In the circumstances described above, the Company may elect to treat the next Business Day on which the calculation can be made as the next NAV calculation date. Where the Directors temporarily suspend the calculation of the NAV, such suspension shall be notified by the Company via a RIS announcement. Where the Directors temporarily suspend the calculation of the NAV, trading in the Shares on the Specialist Fund Market may also be suspended. All reasonable steps will be taken to bring the period of suspension to an end as soon as possible.

10. TARGET RETURN AND DIVIDEND POLICY

The Company targets an annualised NAV total return (including dividend payments) of eight to ten per cent. per annum (the "**Target Return**") and the payment of dividends which equate to a yield of six per cent. per annum based on the Company's NAV per Ordinary Share on the date of Original Admission of 141 pence (the "**Target Dividend**"), payable in quarterly instalments shortly after each dividend is declared in April, July, October and January in each year. For the avoidance of doubt, this does not form part of the Company's Investment Policy.

The Board intends to distribute an amount at least equal to 85 per cent. of the Company's net income received from investments arising each year to holders of the Company's Shares. Any balance of income that exceeds the quarterly dividend payments may be distributed by means of special dividend or by other means deemed suitable by the Board at the time. Distributable income not paid to Shareholders by way of dividends may be reinvested in accordance with the Company's Investment Policy with the intention of increasing the Company's NAV.

It is the current intention of the Board to pursue a policy of balancing the quarterly dividend payments although the Board, in its sole discretion, may choose not to adopt a dividend balancing policy if it considers this is desirable to minimize the effects of any cash drag on the Company's performance and may pay dividends out of any account including stated capital. Shareholders should note that dividends may only be paid to holders of Shares when the financial position of the Company, in the opinion of the Directors, justifies such payment, subject to the Company being able to satisfy the solvency test, as defined under the Companies Law, immediately after payment of such dividend and further provided that the Directors may only pay dividends if immediately following such payment the Cover would be not less than 2.0 times, save where the ZDP shareholders have approved such payment. The payment of any dividends will therefore be subject to market conditions, applicable law and the Company's performance, financial position and financial outlook.

The Target Dividend and the Target Return are targets only and should not be taken as a forecast of the Company's future performance, profits or results. There can be no assurance that the Target Dividend or Target Return can or will be achieved from time to time and it shall not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not place any reliance on the Target Dividend or Target Return in deciding whether to invest in the Shares or assume that the Company will make any distributions at all.

The Company paid interim dividends of 2.4 pence on 22 May 2017 and 28 July 2017. The Company declared a dividend on 13 October 2017 of 2.4 pence to be paid on 24 November 2017.

11. **SHARE BUYBACKS**

The Company may, subject to compliance with the Companies Law, purchase its own Shares in the market on an *ad hoc* basis with a view*, inter alia*, to addressing any imbalance between the supply of, and demand for, the Shares, to increase the NAV per Ordinary Share and to assist in minimising any discount to the NAV per Ordinary Share at which Shares may be trading.

At the Company's last annual general meeting on 26 June 2017, a special resolution was passed granting the Company authority to make market purchases of up to 7,254,443 Ordinary Shares, representing approximately 14.99 per cent. of the Ordinary Shares in issue as at 25 May 2017 (being the last practicable date before publication of the notice of the annual general meeting), such authority is to expire at the conclusion of the next annual general meeting or, if earlier, 31 July 2018. The Directors intend to seek annual renewal of this buy-back authority from Shareholders each year at the Company's annual general meeting.

If the Company purchases any of its Shares, the maximum price (exclusive of expenses) which may be paid for a Share must not be more than the higher of (i) an amount equal to 105 per cent. of the average middle market quotation for Shares for the five Business Days immediately preceding the day on which such Shares are contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Shares at the time the purchase is carried out. In addition, Shares will be purchased through the market only at prices below the last published NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for the remaining Shareholders. The minimum price payable per Share is 1 pence.

Investors should note that the purchase of Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. Investors should also note that any purchase of Shares will be subject to the ability of the Company to fund the purchase price. Purchases of Shares will be made in accordance with the Companies Law and the Disclosure Guidance and Transparency Rules. The Company is not required to comply with the provisions of Chapter 12 of the Listing Rules regarding market repurchases by the Company of its Shares. Nonetheless, by adopting the policy above, the Company will voluntarily be complying with the provisions of Listing Rules 12.4.1 and 12.4.2.

Shares purchased by the Company may be cancelled or held in treasury.

12. **FURTHER ISSUES OF SHARES**

The Directors have the authority, subject to the Articles, to issue further shares in the capital of the Company on such terms as they may determine. The Articles contain provisions that permit the Directors to issue C Shares from time to time. C Shares are shares which convert into Ordinary Shares in certain circumstances, including when a specified proportion of the net proceeds of issuing such C Shares have been invested in accordance with the Company's Investment Policy (prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the Ordinary Shares). A C Share issue would therefore permit the Board to raise further capital for the Company whilst avoiding any immediate dilution of investment returns for existing Shareholders which may otherwise result. The Ordinary Shares carry the right to receive all dividends declared by the Company, subject to the right of the C Shares (if any have been issued by the Company) to receive dividends that the Directors resolve to pay out of the net assets attributable to the C Shares and from income received and accrued which is attributable to the C Shares.

There are no provisions of Jersey law which confer rights of pre-emption in respect of the allotment of shares of any class. However, the Articles provide that, at any time when a class of Shares is admitted to trading on a stock exchange, unless otherwise authorised by a special resolution, if the Company is proposing to allot equity securities of or relating to that class, it shall not allot them on any terms unless (i) the Company has first made an offer to each person who holds shares of that class to allot to him, on the same or more favourable terms, equity securities in proportion to his existing holding and (ii) the period, which shall not be less than 21 clear days, during which any offer referred to in (i) above may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer made.

Shares may be issued pursuant to the Placing Programme under this Prospectus, **provided that** this Prospectus is updated by a supplementary prospectus (if required) under section 87G of the FSMA. The Prospectus Rules also currently allow for the issue of shares representing, over a period of 12 months, less than 20 per cent. of the number of shares of the same class already admitted to trading on the same regulated market without a prospectus, **provided that** such issue is not made by way of an offer of the Company's securities to the public. Details of the Directors' current authorities to allot shares and the authorities that the Directors will have subject to approval at the EGM are set out in paragraphs 3.6 and 3.7 of Part XIII: "*Additional Information*".

On 28 February 2017, the Company issued warrants to Wolfson Equities LLC and CNF Investments II, LLC, each of which may be exercised on or before 3 December 2017 for the issue of 624,000 Ordinary Shares to each holder thereof. Further details of the warrants are set out in the sections entitled "Share Capital" and "Material Contracts" in Part XIII: "*Additional Information*" of this Prospectus.

The proceeds from the issue of Shares will be used in accordance with the Company's Investment Objective and Investment Policy.

13. **REPORTS AND ACCOUNTS**

The accounting period of the Company ends on 31 December in each year, and the audited annual accounts will be provided to Shareholders within four months of the year end to which they relate. Unaudited half-yearly reports, made up to 30 June in each year, will be announced within three months of that date. The Company reports its results of operations and financial position in Sterling. The Company's first unaudited half-year report for the period ending 30 June 2017 (covering the period from incorporation) was published on 24 August 2017.

The audited annual accounts and unaudited half-yearly reports will also be available at the registered office of the Company and from the following website, www.EJFI.com.

The financial statements of the Company are prepared in accordance with IFRS as adopted by the EU, and the annual accounts will be audited by the Auditor using auditing standards in accordance with International Standards on Auditing (UK). The Company's financial statements, which are the responsibility of its Board, will consist of a statement of comprehensive income, statement of financial position and statement of cash flows, statement of changes in equity, related notes and any that the Board deems appropriate or that is required by applicable law.

The preparation of financial statements in conformity with IFRS requires that the Directors make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Such estimates and associated assumptions are generally based on historical experience and various other factors that are believed to be reasonable under the circumstances, and form the basis of making the judgments about attributing values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from such accounting estimates in amounts that may have a material impact on the financial statements of the Company.

14. **CONFLICTS OF INTEREST**

Prospective investors should be aware that although EJF, the Manager and the Company (as applicable to their relevant roles) seeks to manage any potential conflicts of interest in good faith, having regard to the nature and scale of the Group's operations, there will be occasions when EJF and the Manager and their respective directors or affiliates, as applicable, may encounter conflicts of interest in connection with the Company.

Certain inherent conflicts of interest arise from the fact that EJF and their affiliates (collectively, "**EJF Affiliates**") may provide investment management, advisory and support services to EJF Securitizations, the Manager, the CDO Manager, the Company and to other clients, including other securitization vehicles, other investment funds, and any other investment vehicles that the EJF Affiliates may establish from time to time, as well as client accounts managed by EJF or EJF Affiliates (such other clients, funds and accounts, collectively the "**Other EJF Accounts**"). Specifically, while the Manager itself does not manage any Other EJF Accounts, the employees of EJF who support the Manager do work for other EJF Accounts.

The Company has an allocation policy in place to help manage any investment conflicts with other EJF entities. See "Allocation Policy" in Part III: "*Investment Process*" of this Prospectus". However, the Manager and EJF anticipate that there may be conflicts of interest or perceived conflicts of interest between or among the various classes of securities or loans that may be held by their clients, for example, *inter alia*, the following:

- from time to time, the Company, the Partnership, EJF and the Other Accounts may make investments at different levels of an obligor's or issuer's capital structure or otherwise in different classes of an obligor's or an issuer's securities including the Securitization Retention Equity issued by EJF Securitizations ("**EJF Securitization Equity**"). In these circumstances, resulting conflicts of interest could arise including:
  - allocation of investments in different tranches of securities/notes between potential investors and the respective terms thereof;
  - divergent economic interests between EJF or Other EJF Accounts and the Company who hold different tranches of securities / notes; and
  - voting of securities / notes by EJF or Other EJF Accounts contrary to the interests of the Company on matters such as early redemption of the securities/notes and/or an amendment of the transaction documents relating to the securities/notes;
- EJF fulfilling its role as securitization manager given the conflicting interests of holders of different classes of Securitization Retention Equity, particularly where certain decisions may maximize the yield on certain Securitization Retention Securities while increasing the probability of reductions or delays in payments on other Securitization Retention Securities;
- the allocation of expenses by EJF and/or an EJF Affiliates incurred jointly from time to time on behalf of EJF Securitizations;
- the collateral to be held by Citibank N.A. pursuant to EJF Securitizations may impose obligations issued by entities in which EJF or Other Accounts have made investments, obligations that EJF has assisted in structuring but in which it has or has not chosen to invest and obligations in respect of which EJF or Other Accounts participated in the original lending group and/or acted or act as an agent. EJF may take into consideration the interests of the Other Accounts when making decisions regarding the purchase and sale of collateral held in connection with of EJF Securitizations under the relevant management and administration agreement. The purchase and sale of collateral held in connection with EJF Securitizations;
- it is expected that a portion of the assets the Company acquires may be securities in respect of which EJF, EJF Affiliates or other accounts either participated in the original lending group or structured or originated the asset. Additionally, a significant portion of the assets that the Company may acquire may be purchased from and will be sold to funds or other accounts that EJF or EJF Affiliates manage or otherwise provide advice in respect of. Any of the aforementioned transactions may involve potential conflicts;
- from time to time employees of EJF may serve as directors or advisory board members of certain portfolio companies or other entities. In addition, employees of EJF who are also directors of the Manager may be employees of Other EJF Accounts which could create conflicts of interest in terms of time and effort as well as allocation decisions;
- EJF may limit a client and/or its portfolio companies from engaging in agreements with, or related to, companies in which any client of EJF has or has considered making an investment or which is otherwise an advisory client of EJF and/or from time to time restrict or otherwise limit the ability of EJF Securitizations or the Company to make investments in or otherwise engage in businesses or activities competitive with companies or other clients of EJF, either as a result of contractual restrictions or otherwise;
- EJF engages in a broad spectrum of activities. In the ordinary course of its business activities, EJF may engage in activities where the interests of certain divisions of EJF or the interests of its clients may conflict with the interests of the Company;
- EJF (as applicable) will have the power to resolve, or consent to the resolution of, conflicts of interest on behalf of, and such resolution will be binding on the Company. Investors should be aware that conflicts will not necessarily be resolved in favour of the Company.

However the Directors believe that the Company has the systems, processes and procedures manage these conflicts appropriately. For more information on the risks associated with these potential conflicts see "*Risk Factors—Risks Relating to Conflicts of Interest*".

15. NMPI EXEMPTION

The Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013 (the "**NMPI Regulations**") restrict the promotion of non-mainstream pooled investments ("**NMPIs**"). FCA-authorised independent financial advisers and other financial advisers are restricted from promoting NMPIs to retail investors who do not meet certain high net worth tests or who cannot be treated as sophisticated investors and are also required to make certain suitability assessments before promoting NMPIs.

The 2022 ZDP Shares will be characterised as NMPIs and therefore will be within scope of the restrictions under the NMPI Regulations. The Ordinary Shares and the C Shares will be outside the scope of the NMPI Regulations, subject to the following. In order for the Company to be outside the scope of the NMPI Regulations in respect of the Ordinary Shares and the C Shares, the Company must rely on the exemption to NMPI status available to non-UK resident companies that would qualify for approval by HMRC as an investment trust were it resident and listed in the UK. The principal relevant requirements to qualify as a UK investment trust are that: (a) the issuer's business must consist of investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds; (b) the issuer's shares must be admitted to trading on a regulated market; (c) the issuer must not be a close company (as defined in Chapter 2 of Part 10 of the Corporation Tax Act 2010); and (d) the issuer must not retain in respect of any accounting period an amount which is greater than 15 per cent. of its income.

The Directors expect that the Company should meet the criteria to qualify for approval as an investment trust in respect of its current accounting period, if it were resident and listed in the UK. The Company intends to conduct its affairs in such a manner that it will continue to meet the criteria to qualify for approval by HMRC as an investment trust, if it were resident and listed in the UK, to the extent that such matters are within its reasonable control, including through the application of its income in the first instance to the payment of its fees and expenses. If the Company is unable to meet those conditions in the future for any reason, consideration would be given to applying to the FCA for a waiver of the application of the NMPI Regulations in respect of the Shares but there can be no assurance that a waiver could be obtained.

If the Company ceased to conduct its affairs as to satisfy the criteria for the non-UK investment trust exemption to the NMPI Regulations and the FCA did not otherwise grant a waiver, the ability of the Company to raise further capital from investors that require NMPI compliance may be affected, as may the ability of financial advisers to recommend that investors that require NMPI compliance to acquire Ordinary Shares or C Shares in the secondary market, potentially thereby depressing demand for, and liquidity in, the Ordinary Shares and/or C Shares.

PART II: THE MARKET OPPORTUNITY

1. Introduction

The Manager believes that the evolving regulatory landscape of the world's major financial markets has generated, and will continue to generate, attractive risk-return adjusted investment opportunities for investors.

The global financial crisis began in 2007 following a collapse of the US real estate sector, particularly the subprime mortgage market. The catalyst for the crisis was the widespread defaulting of privately and publicly issued securitization vehicles collateralized by subprime mortgages. Such securitization vehicles were packaged by US and European investment banks and substantial portions of the debt and equity issued by these vehicles were held on the balance sheets of both US and European investment and commercial banks. As the crisis developed, global financial institutions began to lose access to short-term credit markets amid concerns about the balance sheets of such institutions and the underlying value of assets in the broader securitization markets. The crisis spread violently to the global equity markets in September 2008 when US regulators decided not to provide financial assistance to Lehman Brothers, one of the largest investment banks operating in the mortgage-related securitization markets. After Lehman Brothers declared bankruptcy, banks and specialty finance companies of all sizes began to fail, particularly those with significant exposure to the real estate and securitization markets, and those heavily reliant on short-term credit.

In response to the crisis, regulatory bodies across the world have developed various rules and regulations designed to strengthen the financial system and reduce the direct impact of any further crises on public finances. The thrust of these regulatory initiatives has been in the areas of deleveraging and strengthening bank balance sheets with higher capital requirements, and reducing perceived speculation in the securitization markets by creating an alignment of interests between investors and securitization sponsors/originators.

Some of the most significant developments include the "Basel III Framework", transposed into law by various countries, which builds on prior Basel Accords and is designed to improve bank capital adequacy and quality in addition to requiring greater levels of liquidity. In 2010, the US Government attempted to address the perceived weakness of its financial system through the 2010 enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"). Dodd-Frank attempts to promote the deleveraging and strengthening of bank balance sheets through various qualitative and quantitative tests and to reduce the risk posed by securitization vehicles by requiring their sponsors to retain a defined portion of the equity and/or debt issued by such vehicles ("**Risk Retention**"). European Union regulators have enacted similar rules addressing bank balance sheets and securitization markets.

2. Opportunity Emanating from Regulatory Change

In the current post-financial crisis regulatory environment, the Manager has identified two Target Investments that it believes offer attractive risk adjusted investment opportunities for long-term investors like the Company. Each of these categories of investment have developed as a result of the regulatory and structural changes impacting the financial services sector discussed above, and represent investment opportunities in which the principals of the Manager have extensive investment experience.

2.1 *Securitization and Related Opportunities*

(a) *Risk Retention and Related Opportunities*

The Manager believes that the current regulatory environment provides opportunities for smaller US community and regional banks and niche US insurance companies. Many of the restrictive regulatory initiatives mentioned above and discussed in more detail below have been primarily directed at global money-centre banks and insurance companies, providing a competitive and regulatory advantage to smaller banks and insurance companies. Legacy debt instruments issued by smaller banks and insurance companies prior to the crisis represent a particularly attractive investment opportunity for two fundamental credit reasons. First, these instruments tend to be LIBOR-floating in a rising interest rate environment. Second, and more importantly, the relative economic strength and regulatory advantage of these issuing entities make their legacy securities more likely to be retired at par by either the issuing entities themselves as part of a buy back transaction or as part of an M&A transaction. For these same fundamental credit reasons, owning, on a long-term basis, the risk retention tranche as well as the equity tranche of re-securitizations of smaller bank and insurance company legacy debt instruments offers an opportunity to own a diverse basket of strong credits on a modestly leveraged basis.

(b) *Capital Solutions and Asset Backed Securities Opportunities*

The Manager believes that regulatory developments have also resulted in some banks and other financial institutions seeking capital solutions to reduce or insure the risks maintained on their balance sheets. For example, instead of shedding certain attractive cash-flowing assets to meet regulatory capital requirements, certain banks, particularly in Europe, have developed innovative structures that allow long-term investors to participate in the cash-flow of such assets and simultaneously improve the bank's regulatory capital position.

2.2 ***Specialty Finance Opportunities***

The Manager believes that the recent regulatory and structural changes discussed above have created specialty finance opportunities for non-bank lenders to provide capital to areas/sectors where there is now less competition from global money-centre banks. Investment opportunities are particularly interesting for specialty finance lending platforms in more complex credit situations where previously only larger money-centre banks had the expertise and risk appetite to provide capital.

For further information on the Company's Target Investments, please see the section entitled "Investment Policy" in Part I: "*The Company*" of this Prospectus.

3. **The Underlying Catalysts for, and Further Information on, the Target Investments**

Each of the Target Investments derives from the consequences of post-crisis regulatory change. The Securitization and Related Investments opportunities derive from, among other things, the regulatory changes in securitization rules and the application of those rules to the regulatory changes that positively benefit small banks and insurance companies as well as from the heightened capital rules and other regulatory burdens that negatively impact banks and other regulated institutions. The Specialty Finance opportunities derive from the regulatory changes that negatively impact lending by larger banks and lending platforms and the inability to date of smaller banks to meet certain capital needs in the market. A summary of the fundamental regulatory and economic factors that serve as catalysts for the Target Investments is set out below.

3.1 ***Securitization and Related Investments***

(a) *Risk Retention and Related Investments*

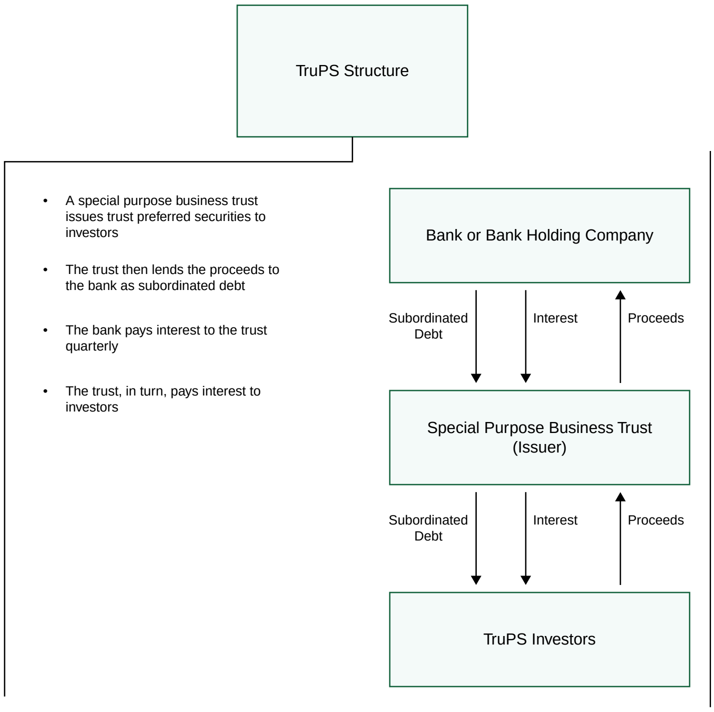
The Manager believes that the increased regulation of the financial system, specifically the Dodd-Frank reforms in the US, has generated unique opportunities within the securitization market. One of Dodd-Frank's principal provisions is designed to promote an alignment of interests between the sponsors/originators of securitizations and the investors in such securitizations, including CDOs and other asset-backed transactions. Effective from 24 December 2016, Section 941 of Dodd-Frank requires securitization sponsors to retain at least 5 per cent. of the credit risk relating to the securitization that they are involved in issuing. A significant departure from previous securitization market conventions, this capital requirement is expected to limit the ability of many securitization sponsors to issue new securitizations, particularly in niche asset classes. As a result, the Manager believes securitization sponsors who have capital resources for Risk Retention are at a distinct competitive advantage and those who do not will increasingly look for capital partners to help them meet Risk Retention capital requirements.

The Manager believes the Company is well-positioned to capitalize upon opportunities in securitizations as a capital partner brought about by the Risk Retention Regulations. As a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LLC is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitizations, in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Risk Retention Regulations) is required to retain. As such, the Company will have the opportunity to invest in the equity and other tranches of securitizations created in order to comply with the relevant Risk Retention Regulations in that jurisdiction.

The Company has partnered with EJF on its CDO issuance primarily backed by TruPS (as described below) issued by US community banks and insurance companies. As part of its partnership with EJF, the Company has, through its holding of units in the CDO Manager and for so long as EJF Investments Manager LLC is the Manager, benefitted from the right of the CDO Manager to be appointed as the provider of collateral administration, monitoring and management services in respect of each EJF Securitization and, accordingly, has received income distributions from the CDO Manager derived from receivables in respect of collateral management fees relating to EJF Securitizations. The Partnership may also seek to be the risk retention capital provider for other select securitization sponsors in certain asset classes, leveraging EJF's securitization and specialty finance expertise and industry contacts. In addition, the Company may seek to receive an equity interest in the securitizations' manager and/or a portion of the ongoing collateral management fees as additional compensation for providing risk retention capital.

(b) *Overview of TruPS securities*

TruPS are hybrid securities that have both debt and equity characteristics that are beneficial to the issuers of these securities. TruPS are debt-like because the interest payments are tax deductible. TruPS are equity-like because they are counted as Tier 1 equity capital when issued. TruPS may defer interest payments for five consecutive years, after which the payments become cumulative. An additional benefit for banks with less than US$15 billion in assets is that TruPS receive favourable regulatory capital treatment and are included in the calculation of Tier 1 capital, demonstrating the more favourable regulatory environment for smaller banks in the US



Most TruPS were originated between 2000 and 2007 and the Manager estimates that approximately US$119 billion of bank and insurance TruPS were issued during this period. The majority of banks and insurers that issued TruPS were incentivised to do so in order to benefit from equity recognition of a tax efficient debt instrument. TruPS issued during this time period typically had 30 year maturities and quarterly floating interest payments. The majority of bank and insurance TruPS originated during this period were securitized into long-term CDOs. The Manager estimates that there were over US$60 billion of bank and insurance TruPS CDOs issued during this time period.

The Manager believes that TruPS CDOs provide access to unique opportunities to invest in a diversified pool of TruPS previously issued by small community banks and insurance companies. The Manager believes investments in these CDOs provide an attractive risk-return profile in a high barrier-to-entry asset class. To this end, EJF has a long history with, and deep knowledge of, the niche TruPS sector and associated investment areas, with expertise in bank and insurance credit analysis as well as TruPS CDO underwriting and management.

EJF leverages its industry standing and knowledge base to source TruPS from a variety of sources, including legacy TruPS CDO liquidations, auction calls, government auctions and secondary market purchases. Once EJF has sourced TruPS, it either sells them back to the bank or insurance company issuer or re-securitizes them. The newly issued re-securitizations present a long-term investment opportunity to obtain consistent cash flow from a diversified pool of bank and insurance company credits on a modestly leveraged basis.

In this regard, in March 2016, EJF was able to successfully execute the issuance of the first post-crisis re-securitization: insurance-backed TruPS CDO, Trust Preferred Insurance Note Securitization 2016-1 ("**TPINS**"). The majority of the US$355 million of collateral in TPINS was obtained through the CDO liquidations referenced above. Five months later, EJF issued the first combined bank and insurance TruPS re-securitization since the financial crisis: TruPS Financials Note Securitization 2016-1, Ltd. ("**TFINS 2016**"). The majority of the US$340 million of collateral in TFINS 2016 was acquired through various CDO liquidations. Bank and Insurance TruPS CDO liquidations continue to provide a valuable source of collateral for newly issued CDOs. The Company has also subsequently invested in TFINS 2017-1 (in March 2017 and June 2017) and TFINS 2017-2 (in October 2017).

Investor interest and demand for yield in recovering economies continue to drive the demand for future TruPS CDO re-securitization. Given the improving credit environment for the underlying issuers, M&A tailwinds and a rising rate environment in the US have attracted investors to the asset class. Given the successful placing of EJF's previous re-securitizations, the Manager believes the opportunity to invest in risk-retention investments created by such securitizations is sustainable and will generate attractive returns, in part due to lower risk premia that will apply to bank and insurance issuers of TruPS collateral.

(c) *US community banks*

In the United States, the Manager believes that the fallout from the financial crisis has created a new regulatory paradigm for banks. Regulators have substantially increased the level of capital that a bank is required to hold. Legislation such as Dodd-Frank and the Basel III Framework also restrict certain activities and change the definition of what constitutes capital. Importantly, regulators have created a tiered structure that, in the Manager's estimation, is most favourable to community banks, particularly to those with less than US$1 billion in assets, and also to those with less than US$10 billion in assets. In general, these advantages include the following:

(i) *Small Bank Holding Company ("**SBHC**") designation:* since May 2015, SBHCs or bank holding companies with under US$1 billion in aggregate assets, have been explicitly exempt from the Basel III Framework.

(ii) *Tiered capital requirements:* SBHCs have greater flexibility with regard to leverage at the bank subsidiary level. For example, banks with less than US$10 billion in assets are required to maintain a minimum Tier 1 common ratio of 7.0 per cent. as opposed to higher minimums for larger banks. Regional banks have a similar minimum requirement, but typically target a higher capital ratio. Banks with assets greater than US$250 billion target even higher capital ratios.

(iii) *No stress testing:* banks with over US$10 billion in assets are subject to the annual Dodd-Frank Act Stress Tests, while smaller banks with under US$10 billion in assets are not. The stress test process involves estimating pro-forma capital levels during a severe economic downturn. Although this test does not explicitly restrict capital return, it provides regulators and examiners additional information and disclosure that may have implications during the annual regulatory exam process. The test typically requires additional resources both in terms of key personnel as well as systems and infrastructure. Currently, banks with over US$50 billion of aggregate assets are subject to additional Comprehensive Capital Analysis and Review ("**CCAR**") stress testing, which evaluates the capital planning processes and capital adequacy of large financial institutions through quantitative and qualitative assessments. This test is significantly more comprehensive and requires considerable investment in both systems and manpower in order to comply. In January 2017, the Federal Reserve issued a final rule that removed the qualitative assessment of CCAR for large and noncomplex firms, which are bank holding companies and US intermediate holding companies of foreign banking organizations with total consolidated assets between US$50 billion and US$250 billion, total nonbank assets of less than US$75 billion, and that are not identified as global systemically important banks. Banks with over US$50 billion of aggregate assets remain subject to the quantitative assessment of CCAR.

(iv) *Bank M&A activity:* the creation of regulatory thresholds since the global financial crisis has led to increased M&A activity. As a given bank approaches each threshold (US$1 billion, US$10 billion, US$50 billion in assets), the institution must prepare for the additional burden of higher regulatory costs as well as higher and more stringent capital levels. In general, this may lead to a scenario where a bank will grow to just below the threshold level and then begin to shed assets. Alternatively, the institution will typically make a large enough acquisition that the increase in scale will offset the increased economic burden. Incrementally, this scenario will provide a supportive environment for credit quality as smaller banks are acquired by larger, stronger firms. Additionally, if the combined institutions exceed

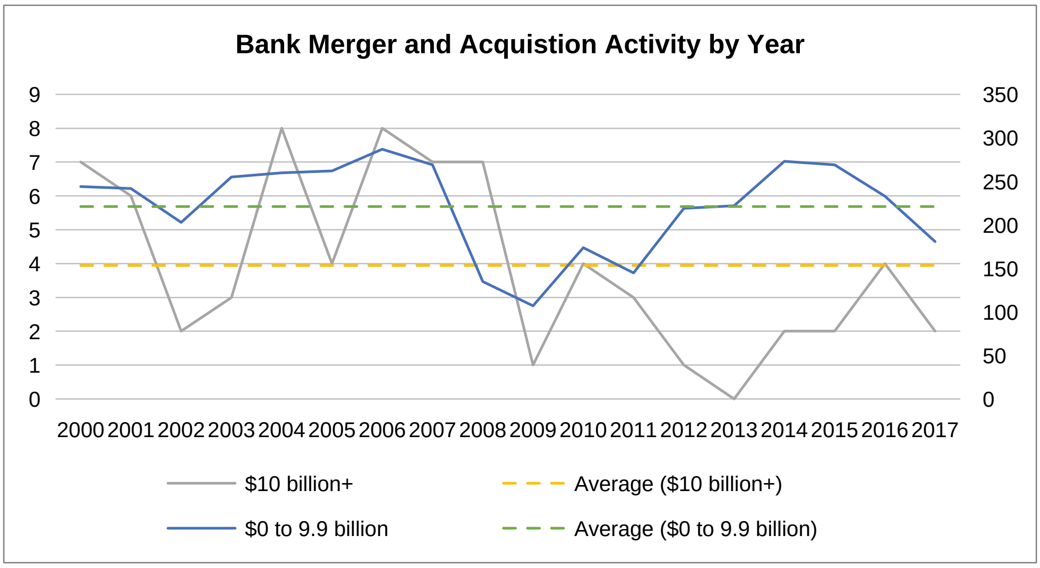
US$15 billion in assets, the TruPS may be retired as they no longer qualify for regulatory capital treatment.

(v) *Raised thresholds of "systemic risk"*: in March 2017, the Federal Reserve indicated that banking M&A transactions involving acquisitions of less than US$10 billion in assets (previous threshold was less than US$2 billion), or that result in a firm with less than US$100 billion in total assets (previous threshold was US$25 billion), "are generally not likely to create institutions that pose systemic risk". The Federal Reserve also stated that it would presume that a banking M&A transaction does not raise material financial stability concerns if the assets involved fall below either of the thresholds, unless there is evidence that the transaction would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors. The increase in the thresholds may provide the conditions that could lead to consolidation involving larger acquirers of community banks.

(vi) *Potential for further reduced regulatory burden*: in September 2017, the US federal banking regulatory agencies jointly issued a proposed rule with regard to a variety of points, including high volatility acquisition, development and construction loans, with risk weighting dropping from 150 per cent. to 130 per cent. and simplifying the treatment of mortgage servicing rights, deferred tax assets and investments in capital of unconsolidated financial institutions. This proposed rule would raise the individual limit to 25 per cent. of common equity tier 1 capital, up from the current 10 per cent. limitation. The proposed rule would also remove the combined limitation of 15 per cent. among these items. The Manager believes that these changes are further evidence of an intent of the US federal banking regulatory agencies to reduce the regulatory burden on US Community banks without legislative approval.

(vii) *Potential for higher interest rates*: the Manager believes that many community banks will benefit from higher interest rates as their balance sheets are positioned to be asset sensitive. Further, higher interest rates may prove to be a function of accelerating economic activity, which in turn is an indication of a healthy banking sector and supportive credit quality.

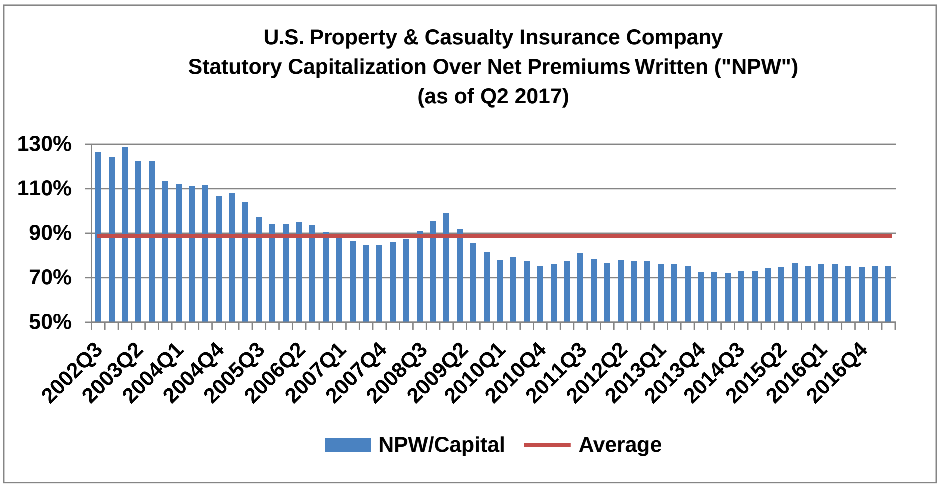
(viii) *Potential for lower corporate tax rates*: if corporate tax rates are lowered, the Manager believes the banking sector will be a major beneficiary. Lower taxes increase the retained profitability of the sector, affording bank management teams a greater array of options that may include the opportunity to retire increasingly expensive liabilities such as floating rate TruPS.



Source: Company data and information

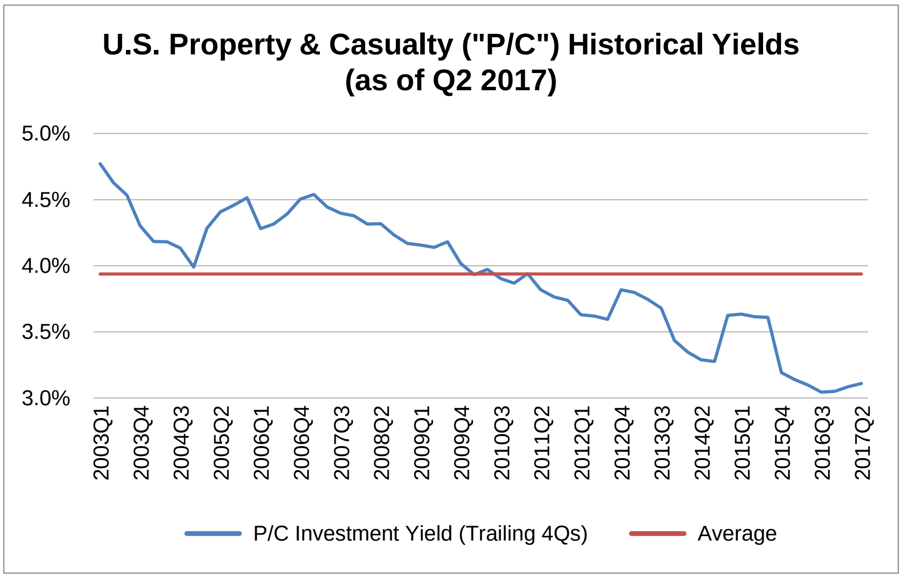
(d) *US insurance companies*

The Manager believes that the insurance industry is currently operating in a favourable credit environment. The industry is highly regulated and is well capitalized. As measured by net premiums written to capital, the capitalisation ratio of the insurance industry is considerably more capitalized than its historical average since 2002, as evidenced by the chart below. While greater capital levels reduce returns on equity (given the same dollar of income), the Manager views strong industry capitalization as being very positive from a credit and M&A perspective. Availability of capital has led to a robust M&A environment that could result in higher prepayments of TruPS issued by an acquired insurance company, as those securities become less economic for larger companies that tend to benefit from lower costs of capital.



Source: Company data based on publicly available information.

The industry is also positively exposed to a higher interest rate environment as the majority of insurance industry earnings are generated from the investment income earned from the reserves that insurance companies maintain to pay future claims. This income has been negatively impacted by a steady decline in interest rates over many years. Should interest rates continue to increase, this will likely be conducive to better earnings and interest coverage on debt issued.



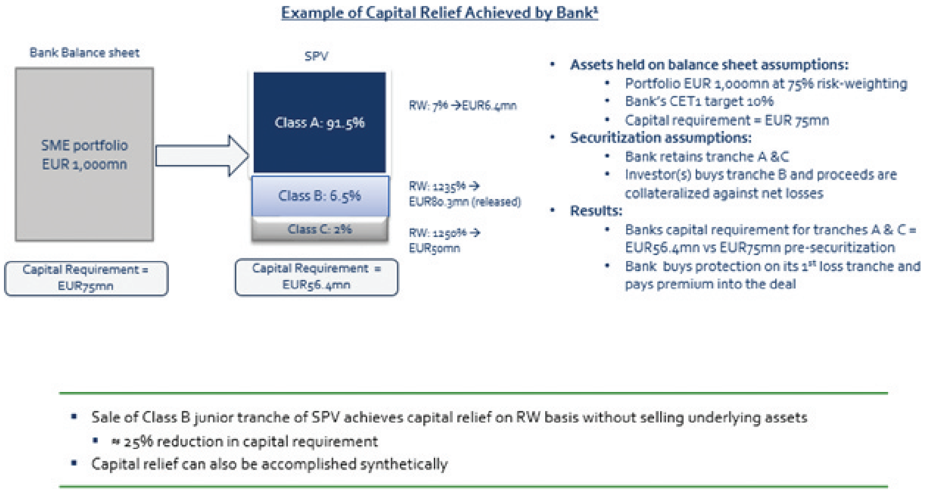
Source: Company data based on publicly available information.

(e) *Capital Solutions and Asset Backed Securities*

Under post-crisis regulatory regimes, many banks and other regulated financial institutions across the globe are subject to new and enhanced regulations requiring them to hold significantly more capital against owned assets. Intended to insulate against low probability, high impact events that could cause enterprise damage or failure, these new regulations not only dictate the amount and quality of capital, but also consider the amount and quality of the banks' owned assets. Consequently, the entire banking industry has been facing enormous balance sheet and business restructuring: both asset and liability sides of balance sheets are being restructured; non-core and capital inefficient businesses are being exited, sold, or greatly scaled down; and greater amounts of capital must be held in comparison to prior regulatory regimes. The requirement for banks to improve and maintain their capital adequacy ratios and comply with the other aspects of the new, more stringent, regulatory regime, provides a substantial opportunity for investment in bank and non-bank securitization solutions. The Manager intends to be active in this asset class, utilizing EJF's broad network of banks, brokers and specialist introducers.

Banks have a finite number of mechanisms through which they can create and optimize regulatory capital, such as retained earnings, new equity/hybrid capital issuance and deleveraging through asset and business segment dispositions. Risk transfer through regulatory capital transactions is also a means to reduce required regulatory capital against assets the bank is unwilling or unable to sell. As such, required levels of capitalization under current regimes mean that the Manager believes that banks and other regulated financial institutions will continue to use regulatory capital solutions.

To date, the underlying reference assets have included residential mortgage loans, high yield corporate loans and middle market loans with expansion into other areas being evident. The Manager believes regulatory capital transactions will continue to be an attractive option for bank capital management teams and investors alike. As a representative example below, a bank may be able to release significant regulatory capital via funded synthetic capital relief structure:



(1) Assumptions used in this example are based on historic transactions seen by EJF and economics can change on future transactions/ opportunities.

The Manager anticipates that any capital solutions investments will be held to maturity, although such investments may be traded opportunistically if deemed beneficial to the Company.

In addition, non-bank lenders have the potential to take advantage of the regulatory burdens faced by many banks and some such institutions have stepped in to fill the resultant lending void in certain areas. As regulators encourage the growth of the non-bank securitization markets, especially in Europe, the Manager expects to be able to source and execute non-bank capital solutions to help underlying borrowers finance themselves and grow. Frequently, a major growth impediment of these institutions is obtaining non-senior finance facilities and placing their non-senior securitized debt tranches. The Manager believes there to be a growing and attractive opportunity investing in and funding credible and reliable non-bank securitization platforms including financing pre-securitization warehouse facilities and/or holding non-senior tranches of the securitization. The Manager intends to provide financing or invest in non-senior tranches where the originator has significant exposure to the underlying pool of assets. Such transactions serve to facilitate non-banks lender to improve their profitability and grow their loan portfolios. This strategy is conceptually similar to the Manager's Specialty Finance strategy but will focus on the securitization markets.

Finally, the Manager believes there will be opportunities to invest in Asset Backed Securities on an opportunistic basis. This will include investing in certain securitizations backed by assets that are well understood by the Manager given its experience and heritage, including bank and insurance issued TruPS, allowing it to generate a complexity and in some case, illiquidity premium.

The Manager anticipates that any Asset Backed Securities investments will be held to maturity, although such investments may be traded opportunistically if deemed beneficial to the Company.

3.2 *Specialty Finance*

The Manager believes there is an opportunity to generate attractive risk adjusted returns from the revitalisation and development of the specialty finance industry, also known as non-bank lenders. Global money-centre banks and global banking conglomerates are continuing to scale down or exit non-core sectors as a result of the new regulatory environment. The Manager believes this situation underpins the potential for outsized asset growth for favourably regulated specialty finance companies over the near to medium term.

The Manager intends to take advantage of this opportunity in three distinct ways:

(a) by providing growth capital to specialist companies with existing lending platforms poised to benefit from bank deleveraging and certain resultant funding gaps;

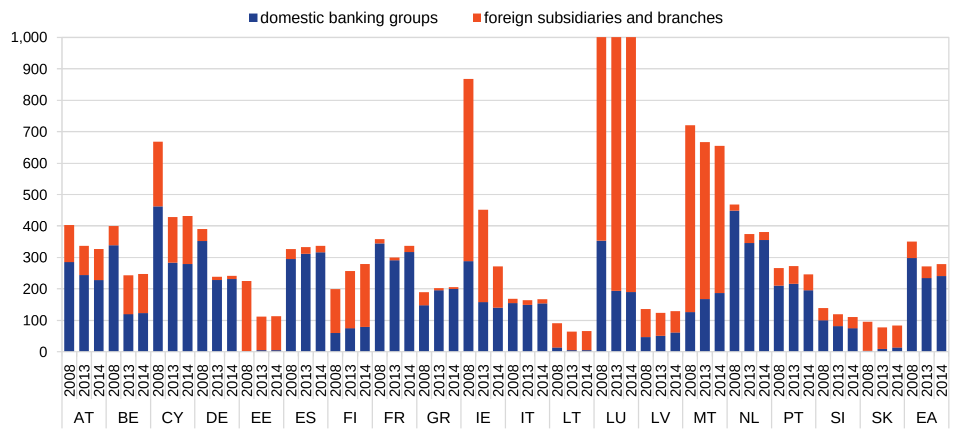
(b) by providing dedicated debt and equity facilities to finance the lending activities of specialist companies; and

(c) lending directly to idiosyncratic and often complex situations which are well understood by the Manager given its experience and heritage.

The Manager intends to be active in both the US and Europe. These markets display certain key differences as the specialty finance market is more developed in the US than in Europe, thereby creating differing opportunities. The Alternative Investment Management Association reported in late 2014 that it is estimated that banks in the US account for about 25 per cent. of corporate lending compared to about 80 per cent. in Europe, emphasizing Europe's historical over-reliance on the banking sector. In addition, as the chart below demonstrates, for many European countries, banking assets as a proportion of GDP remains well above 100 per cent. By contrast, according to the Bank of England in 2014, US banking sector assets accounted for less than 100 per cent. of GDP, illustrating that the European financial services industry remains highly leveraged.

The Manager anticipates that the repositioning of Europe's highly leveraged financial sector will generate specialty finance investment opportunities and is encouraged by various statements made by governing bodies and regulators. In the US, the ongoing maturation of the sector is set to continue as banks reposition their asset portfolios. These dynamics afford the Manager the opportunity to attain exposure to assets at attractive risk adjusted rates of return commensurate with the Company's targets.

Total assets of domestic banking groups and foreign-controlled subsidiaries and branches in relation to GDP in euro area countries in 2008, 2013 and 2014



Sources: ECB/Financial Stability Committee (FSC) consolidated banking data and ECB calculations. For readability, figures for LU are not fully shown in the chart.
Note: Data for domestic banking groups and foreign subsidiaries and branches are consolidated, hence including branches and subsidiaries of banks that can be classified as other financial institutions, except insurance companies.

The Manager anticipates that the repositioning of Europe's highly leveraged financial sector will generate specialty finance investment opportunities. In general, as many money-centre banks have chosen to focus on areas where they can benefit from their large branch networks and low deposit funding costs, the Manager believes a migration towards specialist lending companies will continue across several asset classes which will result in attractive risk adjusted investments for the Company.

4. **Competitive Advantage**

The Manager believes that it has a competitive advantage in investing in Securitization and Related Investments opportunities and Specialty Finance opportunities for the following reasons:

(a) *Unique relationship with EJF*: the Manager believes that the Company has a competitive advantage investing in certain specific areas of the financial markets as a result of the Manager's unique relationship with EJF. The Manager and EJF are separate entities but the Manager, which is owned by EJF, will rely upon and benefit from the resources of EJF including the provision of portfolio management functions, research and investment analysis performed by EJF investment professionals, service support and certain other functions. EJF and its affiliates manage on a discretionary basis debt and equity securities of approximately US$5 billion and securitization assets of approximately US$2.4 billion as at 31 December 2016. The Manager expects the Company to benefit from EJF's investment platform and network of relationships with numerous community and regional banks, insurance companies, investment banks, broker/dealers, management teams of public and private specialty finance companies and other asset managers.

(b) *Experience investing in certain areas of the financial sector*: EJF and its principals have a long history of investing in both the US financial sector (dating back to 1992) and the European financial sector (dating back to 2011).

(c) *The Manager's and EJF's track record*: the Manager and EJF have a proven track record investing in opportunistic debt and equity investments, TruPS CDOs, Capital Solutions, Asset Backed Securities and Specialty Finance Investments, as well as a strong investment track record investing in the debt and equity securities of community banks. Below is a summary of the funds EJF has managed post the financial crisis in 2007:

(i) *Funds with quarterly liquidity terms investing in financial services equity and debt*

In June 2008, EJF formed its flagship debt strategy which utilizes a catalyst-driven approach to identify securities across the entire capital structure, primarily in companies focused in banking or the related financial sector. The flagship debt strategy assets under management are approximately US$3.3 billion as at 31 December 2016.

In July 2010, EJF formed its flagship equity strategy which invests almost exclusively in the equity of banks in the US and Europe. The flagship equity strategy assets under management are approximately US$890 million as at 31 December 2016.

(ii) *Funds with greater than three-year liquidity terms investing in financial services equity and debt*

Beginning in December 2007, EJF began a series of vehicles that invest exclusively in financial services related equity, debt, TruPS or loans on a long-term basis. The performance and assets under management of those vehicles is set forth below:

Fund	**Launch Date**	**Capital Commitment**	**Fund Investment Strategy**	**IRR**[1]
EJF Distressed Fund, LP	Dec-07	US$33.3 million	Launched to purchase deeply discounted structured product and create a REIT to capture mortgage servicing management fees from distressed sub-prime securitizations.	5.5%[2]
EJF Sidecar Fund, Series LLC—Series A	Oct-08	US$5.8 million	Launched to purchase deeply discounted structured product in the REIT Trust Preferred CDO space in the secondary market.	11.9%[2]
EJF Sidecar Fund, Series LLC—Series B	Dec-08	US$17.6 million	Launched to purchase deeply discounted structured product in the Bank Trust Preferred CDO space in the secondary market.	17.9%[2]
EJF Sidecar Fund, Series LLC—Series D	Feb-12	US$102.5 million	Launched to purchase illiquid Trouble Asset Relief Program ("TARP") perpetual preferred and related securities in auctions conducted by the US Department of Treasury as part of its divestiture program.	3.7%[3]

Fund	Launch Date	Capital Commitment	Fund Investment Strategy	IRR[(1)]
EJF Specialty Finance Opportunities Fund	Aug-13	US$427.0 million	Launched to invest in two distinct strategies: (1) a de novo partnership that acquires prime mortgage servicing rights from banks exiting capital-intensive assets; and (2) a sub-debt origination program focused on the community bank market that the Manager believes has been capital-starved since Dodd Frank.	–2.9%
Armadillo Financial Fund LP	Mar-14	US$196.3 million	Invests in high yield loans to plaintiff law firms engaged in mass tort litigation.	17.8%[(4)]
EJF Sidecar Fund, Series LLC—Series E	Aug-15 equity	US$204.6 million	Launched to invest in opportunities in US community banks.	20.9%
EJF Specialty Finance Solutions Fund	Aug-15	US$32.5 million[(5)]	Launched to invest in European illiquid specialty finance investment opportunities.	7.3%[(6)]
Armadillo Financial Fund II LP	Feb-16	US$225.3 million	Launched to invest in high yield loans to plaintiff law firms engaged in mass tort litigation.	10.9%[(7)]
EJF Insurance TruPS Fund	Aug-16	US$33.5 million	Launched to invest in the collateral from Insurance Trust Preferred CDO liquidations.	5.8%

(1) Net IRR calculations performed on the total fund as of 30 September 2017 (unless otherwise stated) and may be subject to change based on final audit. IRRs from the final audit report for those funds liquidated prior to 2016.

(2) The fund was liquidated prior to 2016.

(3) As of 30 June 2017 calculation performed on investor that participated in the most side pockets. Fund level IRR is not a meaningful measure of return. Estimated IRR on invested capital was 7.2% as of 30 June 2017.

(4) As of 30 September 2017. Net IRR calculation performed on the total fund. The Company's investment in the non-fee paying class generated a 19.8% IRR as of 30 September 2017.

(5) In April 2016, approximately US$21.5 million of unfunded commitment was retired.

(6) Net IRR calculation using external LPs' performance. Please note a material amount of costs, expenses and fees were assumed by EJF on behalf of the fund's external LPs.

(7) As of 30 September 2017. Net IRR calculation performed on the total fund. The Company's investment in the non-fee paying class generated a 12.1% IRR as of 30 September 2017.

(d) ***Access to Pipeline***: the Manager expects that EJF will provide the Company with significant advantages in sourcing, evaluating and managing long-term investment opportunities that generate attractive current and non-current cash flows that can be distributed on a quarterly basis to the Company's Shareholders. The Manager expects that many of these long-term investment opportunities will be on a co-investment basis with EJF's other managed investment vehicles. One such unique opportunity is EJF Risk Retention securities issued in connection with securitization vehicles sponsored by EJF and its affiliates and collateralized by loans issued by banks and insurance companies. As a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LLC is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitizations, in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Risk Retention Regulations) is required to retain.

(e) ***Limited Competition***: the Manager believes that there are few competitors that possess the requisite set of skills, relationships and infrastructure to efficiently analyse, invest, and monitor Securitization and Related Investments and Specialty Finance Investments.

(f) ***Extended Investment Horizon***: the Company's permanent capital structure allows it to take advantage of long-term investment opportunities that are available to EJF. The Manager believes that the Company's structure allows it to make investments with a long-term view, giving it a competitive advantage over other institutional investors which may be subject to liquidity constraints or certain capital return requirements. The Manager believes that this flexibility will allow it to achieve superior risk adjusted returns on invested capital and a steady flow of CDO collateral management fee income from its ownership in the CDO Manager.

PART III: INVESTMENT PROCESS

1. Introduction

The Company's Board of Directors will provide oversight and supervision of all of the Company's affairs. Management of the Portfolio will be delegated to the Manager which will make investment decisions through its investment committee (the "**Investment Committee**"). The Manager and EJF are separate entities but the Manager, which is owned by EJF, will rely upon and benefit from the resources of EJF including the provision of portfolio management functions, research and investment analysis performed by EJF investment professionals, service support and certain other functions.

In addition, the Manager, relying upon and benefitting from the resources of EJF, will be responsible for supervising and directing the investment and reinvestment of the Partnership's assets, advising the Partnership, and performing on behalf of the Partnership the duties that have been specifically delegated to the Partnership as a risk retention partner. Furthermore, the Manager will be responsible for advising the CDO Manager and performing on behalf of the CDO Manager the duties that have been specifically delegated to the CDO Manager in the various transaction documents entered into from time to time by the CDO Manager pursuant to the US MOA Management Agreement.

2. Comprehensive Due Diligence and Investment Analysis

The Manager's investment philosophy is based on disciplined, fundamental, credit and investment analysis. The Manager will primarily source investment opportunities for the Company through its relationship with EJF. EJF has a network of relationships with numerous community and regional banks, insurance companies, investment banks, broker/dealers, management teams of public and private specialty finance companies and other asset managers. The Manager's investment research and, where applicable, investment decisions, will be based on rigorous credit and relative value analysis performed by EJF's research analysts, portfolio managers and traders. The Company will use the Manager's and EJF's existing infrastructure to identify attractive investment opportunities and to underwrite and monitor its investment portfolio. Potential investments will be analysed on the merits of the individual company and/or asset relative to its position in the industry, the general strength of the industry within the context of the overall economy and the structure of the investment. Credit analysis includes, but may not be limited to, an analysis of the key drivers of revenue, expense, cash flow, and sources and uses of working capital.

EJF's research analysts will typically prepare a formal credit memorandum that documents an investment hypothesis and supporting information on, among other things, due diligence performed, review of historical operational and financial information and the industry status of such potential investment, information presented in bank meetings, offering memoranda, management meetings and modelling of financial scenarios. When deemed appropriate, the due diligence process include interviews with management and controlling shareholder(s), review of external and proprietary research and on-site visits.

3. Investment Process

The Investment Committee will consist of voting and non-voting members who are also EJF employees. Voting members of the Investment Committee currently include Emanuel Friedman, Neal Wilson, Lindsay Sparacino, and Rebecca Manning, while non-voting members currently include Peter Stage and Hammad Khan. New investment opportunities will generally be initially reviewed and analysed by the relevant EJF research analysts, then be pre-reviewed by the Investment Committee members, and, in the case of assets that are viewed favourably, a formal credit memorandum will be prepared.

The Investment Committee then makes the investment decisions, under delegated authority from the Directors and within a set of pre-determined parameters, based on these recommendations. The Investment Committee will also take into consideration information from EJF's traders (as applicable) who will be responsible for contact with the primary and secondary desks within the dealer community and for providing an opinion to the Investment Committee regarding the investments under consideration. As part of this process, the Investment Committee will also take into consideration an analysis of a potential investment's impact on the applicable portfolio's structure. In the case of Risk Retention Investments, unanimous Board approval is also required.

3.1 *Investment Monitoring and Credit Risk Management*

EJF's research analysts and portfolio managers will maintain the investment monitoring process with a review by a designated Investment Committee member. Individual investment performance will be compared to the initial investment hypothesis, giving consideration to new financial information, market news, price or other events. As part of an overall risk management strategy, a "Credit Watch List" will be maintained and monitored, which will be derived from general market information including security prices, company press releases, trustee reports, news and statements and ongoing due diligence as appropriate. Data from the "Credit Watch List" will also be used as part of the process to forecast the occurrence of specific credit events and model the impact of credit events on an investment.

Where deemed appropriate, monitoring may include: (i) meetings with management and advisors; (ii) obtaining a seat on committees; and/or (iii) seeking new investors/capital. In performing the credit monitoring processes, various software, publications and third party monitoring services will be used. Based on these inputs, the designated Investment Committee member will provide periodic updates to the Directors in relation to the performance of the Company's investments. The third party and proprietary models of EJF will be designed to monitor ongoing performance of both individual investments and the Company's overall portfolio.

3.2 ***Allocation Policy***

While EJF, the Manager and the Company (as applicable to their relevant roles) will seek to manage potential conflicts of interest in good faith, the portfolio management or advisory strategies employed by EJF in managing its respective Other Accounts could conflict with the transactions and strategies employed: (i) by EJF in managing the portfolio of an EJF Securitization; (ii) by EJF in providing services to the Company through the Manager and the CDO Manager; (iii) by the Company in managing its own portfolio; and/or (iv) by EJF in advising the Company under the Management Agreement. The portfolio strategies employed by EJF may also affect the prices and availability of the securities and instruments in which EJF Securitizations invest and in which the Company may invest. In addition, in certain circumstances a specific investment opportunity may be appropriate, at times, for the Company, the EJF Securitizations and/or Other Accounts, as applicable.

It is the policy of the EJF Affiliates to generally share appropriate investment opportunities (including purchase and sale opportunities) with the Other Accounts (and by association, with the Company and EJF Securitizations). Each of EJF and the Manager is committed to transacting in securities and loans in a manner that is consistent with the investment objectives of its clients, and to allocating investment opportunities (including purchase and sale opportunities) among its clients on a fair and equitable basis. In allocating investment opportunities, EJF and the Manager will determine which clients' investment mandates are consistent with the investment opportunity (such clients, which may include applicable Other Accounts, "**Relevant Clients**"), taking into account each client's risk/return profile, investment guidelines and objectives, and liquidity objectives.

However, in the case of Risk Retention Investments, as a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LLC is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitizations, in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Risk Retention Regulations) is required to retain. Elsewhere and as a general matter, investment opportunities will be allocated *pro rata* among Relevant Clients based on their respective targeted acquisition size (which may be based upon available capacity or, in some cases, a specified maximum target size of a client) or targeted sale size (which is generally based upon the position size held by selling clients), in a manner that takes into account the applicable factors listed below.

In addition, each of EJF, the Manager and, if applicable, the Company, will comply with specific allocation procedures set forth in the documents governing its relationship with its clients and described during the marketing process. While no client will be favoured over any other client, in allocating investment opportunities certain clients may have priority over other clients consistent with disclosures made to the applicable investors. Consistent with the foregoing, EJF and the Manager will generally allocate investment opportunities pursuant to certain allocation methodologies as appropriate depending on the nature of the investment.

Notwithstanding the aforementioned, investment opportunities may be allocated in a manner that differs from such methodologies, but is otherwise fair and equitable to clients, taken as a whole (including, in certain circumstances, a complete opt-out of the allocation). In instances where a particular investment fits different strategies targeted by multiple Relevant Clients, EJF and the Manager may determine that a particular investment most appropriately fits within the portfolio and strategy focus of particular Relevant Clients and may allocate the investment to those clients. Any such allocations must be: (i) documented in accordance with their procedures; and (ii) undertaken with reference to one or more of the following considerations (in each case, as applicable):

(i) the risk-return and target-return profile of the investment opportunity relative to the Relevant Client's current risk profile;

(ii) the Relevant Client's investment guidelines, restrictions, terms and objectives, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of their respective portfolio's overall holdings;

(iii) the need to re-size risk in the Relevant Clients' portfolios (including the potential for the proposed investment to create an industry, sector or issuer imbalance within a Relevant Client's portfolio) and taking into account any existing non-*pro rata* investment positions in such portfolios;

(iv) liquidity considerations of the Relevant Client, including during a ramp-up or wind-down of one or more of such clients, proximity to the end of such client's specified investment period, redemption/ withdrawal requests from or with respect to a client, anticipated future contributions into a client and available cash;

(v) tax consequences;

(vi) regulatory or contractual restrictions or consequences;

(vii) avoiding *de minimis* or odd lot allocations;

(viii) availability and degree of leverage and any requirements or other terms of any existing leverage facilities;

(ix) the particular client's investment focus on a classification attributable to an investment or issuer of an investment, including, without limitation, investment strategy, geography, industry or business sector;

(x) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals or service support teams dedicated to the applicable client;

(xi) managing any actual or potential conflict of interest;

(xii) with respect to investments that are made available to EJF by counterparties pursuant to negotiated trading platforms (e.g., ISDA contracts) which may not be available for all clients in the absence of such relationships; and

(xiii) any other considerations deemed relevant by EJF and the Manager.

Because of these and other factors, certain Other Accounts may effectively have priority in investment allocation over the Partnership and/or the Company, notwithstanding policies of *pro rata* distribution. Investment orders may be combined for the Company, the Partnership, EJF or for the Other Accounts, and if any order is not filled at the same price, they may be allocated on an average price basis between such accounts. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities or loans may be allocated among the different accounts on a basis which the relevant party or their respective affiliates consider equitable.

From time to time, the Company, the Partnership, EJF and the Other Accounts may make investments at different seniority levels of an obligor's or issuer's capital structure or otherwise in different classes of an obligor's or issuer's securities. When making such investments, the Manager and EJF anticipate that their clients will have conflicts of interest or perceived conflicts of interest between or among the various classes of securities or loans that may be held by such entities and will seek to handle such conflicts in a fair and equitable manner.

PART IV: DIRECTORS, THE MANAGER AND ADMINISTRATION

1. The Company

1.1 *Directors of the Company*

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles and the Investment Policy and have overall responsibility for the Company's activities including its investment activities, strategy, risk profile and reviewing the performance and the overall control and supervision of its service providers. The Directors may delegate certain functions to other parties such as the Administrator and the Registrar. In particular, the Directors have delegated responsibility for the day-to-day management of the Portfolio to the Manager (although the Board will remain responsible for the supervision of the Manager).

The Board comprises four Directors, three of whom are independent.

The address of the Directors, all of whom are non-executive, is the registered office of the Company. The Directors of the Company are as follows:

Name	Age	Position
Joanna Dentskevich	52	Independent non-executive director and Chair
Alan Dunphy	43	Independent non-executive director
Nick Watkins	49	Independent non-executive director
Neal J. Wilson	51	Non-executive director

Joanna Dentskevich

Mrs. Dentskevich was appointed as a Director on 17 March 2017. She has over 25 years of risk, finance and investment banking experience gained in leading global banks worldwide, alternative investments and the offshore fiduciary industry. Mrs. Dentskevich was previously a director at Morgan Stanley heading up their Global Customer Valuation Group, director of Risk at Deutsche Bank and Chief Risk Officer of a London based hedge fund. Mrs. Dentskevich has a BSc Hons in Maths & Accounting and is a Chartered Member of the Chartered Institute of Securities & Investments and a member of the Institute of Directors. Mrs. Dentskevich is also a non-executive director of Royal Bank of Scotland International Ltd and the London Stock Exchange main market listed company GCP Asset Backed Income Fund Ltd.

Alan Dunphy

Alan Dunphy was appointed as a Director on 12 December 2016. Mr. Dunphy is a graduate of Dublin City University and a fellow of the Institute of Chartered Accountants in Ireland and has over 19 years' experience in the offshore financial industry. In June 2014, he joined LGL Trustees ("LGL") one of the leading independent fiduciary businesses in Jersey to further develop their fund and corporate services offerings. Prior to joining LGL, he established operations in Jersey for a global fund management group, Bennelong Asset Management, where he held the office of Managing Director for 8 years. From 2004 to 2007, Mr. Dunphy was a director at Capita Fiduciary Group in Jersey and was responsible for the management of a number of substantial entities and gained significant experience of a wide range of complex corporate structures. Prior to this, he worked within the Assurance and Business Advisory Division of PricewaterhouseCoopers (formerly Coopers and Lybrand) and subsequently within their affiliated fiduciary business in Jersey, Abacus Financial Services Group.

Nick Watkins

Nick Watkins was appointed as a Director on 17 March 2017. Mr. Watkins is Jersey resident and is a partner and director of Altair Partners Limited, which provides independent directors to funds and regulated entities. Prior to joining Altair in 2014, Mr. Watkins was global head of transaction management for Deutsche Bank's Alternative Fund Services division (DBFS) where he was responsible for transaction management and in-house legal support for DBFS' worldwide fund administration, FoF custody and depositary offering across a wide range of alternative fund types, including private equity and real estate funds, hedge funds, securitization structures and other investment funds. Prior to joining Deutsche Bank in Jersey in 2010, Mr. Watkins spent six and a half years with Citco Trustees in the Cayman Islands, where he was assistant managing director, senior in-house counsel and responsible for managing the Caribbean trust portfolio, which included the regional unit trust trustee function, and Citco Cayman's hedge fund secretarial business. Before joining Citco, he worked as legal services manager for Abacus Trust Company in the Isle of Man and prior to that, as a corporate tax lawyer for Dechert LLP in London. Mr. Watkins is a qualified solicitor in England and Wales, has a BA Joint

Honours degree in Modern Languages from Bristol University, and is a member of the Jersey branch of the Institute of Directors.

Neal J. Wilson

Neal J. Wilson was appointed as a Director on 27 January 2017. Mr. Wilson currently serves as the Chief Executive Officer of EJF Investments Manager LLC and the Chief Operating Officer of the General Partner. Mr. Wilson is a founding member of EJF and serves as a member of its investment committee. Prior to forming EJF, Mr. Wilson served as senior managing director for both the Alternative Asset Investments and Private Wealth Management groups at FBR. Prior to joining FBR, he was a senior securities attorney at Dechert LLP and a branch chief at the US SEC in Washington, D.C. Mr. Wilson is a member of the board of trustees of Sidwell Friends School and Hood College, and serves as the Clerk of the Finance Committee for Sidwell. He served as a member of the board of trustees of the Montgomery County (Maryland) Public Schools Employee Pension for nine years until 2013 and in 2014 received a Distinguished Service Award from Montgomery County for his contributions. Mr. Wilson is a member of the Economic Club of Washington, D.C. In June 2014, Mr. Wilson served as co-chair of the Bridges Gala for the Marriott Foundation for People with Disabilities Bridges from School to Work Program. He received his BA from Columbia University and his JD from the University of Pennsylvania. He also currently serves on the Board of Directors of Urban Exposure Finance Limited.

2. **Corporate Governance**

Under the Listing Rules (as voluntarily adopted by the Company), the Company must "comply or explain" against each of the provisions of the UK Corporate Governance Code (the "**UK Corporate Governance Code**") as published by the Financial Reporting Council. In addition, the Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Directors recognise the value of the UK Corporate Governance Code and have also considered the principles and recommendations of the AIC Code of Corporate Governance, Jersey Edition (the "**AIC Code**") produced by the Association of Investment Companies ("**AIC**"). The AIC Code, as explained in the AIC Guide, 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 relevant to the Company as an investment company.

The Directors consider that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders. Consequently, the Directors have taken appropriate measures to ensure that the Company complies, so far as is possible given the Company's size and nature of business, with the AIC Code.

The UK Corporate Governance Code includes provisions relating to the role of the chief executive, executive director remuneration and the need for an internal audit function, a nomination committee and a remuneration committee. For the reasons set out in the AIC Code, the Board considers that these provisions are not relevant in the Company's circumstances, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties (subject to appropriate systems, controls and oversight). As a result, the Company has no executive directors, employees or internal operations. In addition, the Board considers its size to be such that it would be unnecessarily burdensome to establish and separate nomination committee and remuneration committee. The Company will not therefore report further in respect of these provisions.

The Directors believe that it is appropriate to treat Alan Dunphy as an Independent Non-Executive Director for the purposes of the AIC Code, notwithstanding his role as a director of Urban Exposure Finance Ltd. ("**UE Finance**"), a joint venture between EJF and another entity, which is 98 per cent. funded by various EJF affiliated investment vehicles (none of which is the Company or the Manager). EJF nominated and appointed two persons to the board of UE Finance, one of which is Neal J. Wilson, and its joint venture partner nominated and appointed three persons to the board of UE Finance, one of which is Mr. Dunphy. Mr. Dunphy is an employee and shareholder of LGL Trustees Limited, a Jersey domiciled firm, providing arm's length third party administrative services to UE Finance. There is no economic or other direct nexus between UE Finance and the Company or the Manager.

Other than as set out above, the Directors have determined to report against the AIC Code and to follow the AIC Guide. This is treated as compliance with the UK Corporate Governance Code.

2.1 *Audit Committee*

The Company has established an audit committee (the "**Audit Committee**"), which comprises Joanna Dentskevich, Alan Dunphy and Nick Watkins. The Company's Audit Committee will meet formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the Company's annual accounts and half-yearly financial reports. Where audit-related and/or non-audit services are to be provided by the auditors, full consideration of the financial and other implications on the independence of the auditors arising from any such engagement will be considered before proceeding. Alan Dunphy acts as chair of the Audit Committee. The responsibilities of the Audit Committee will include monitoring the integrity of the Company's results and financial statements, reviewing reports received from the Administrator on the adequacy and the effectiveness of the Company's internal controls and risk management systems, considering annually the appointment and the on-going suitability of the external auditors and to review the procedures of the Company's service providers.

The chairmanship of the Audit Committee and each Director's performance is reviewed annually by the Chair and the performance of the Chair will be assessed by the other Directors.

2.2 *Management Engagement Committee*

The Company has established a management engagement committee (the "**Management Engagement Committee**"), which comprises Joanna Dentskevich, Alan Dunphy and Nick Watkins. The Management Engagement Committee will meet formally not less than once a year and will have responsibility for reviewing the actions and judgments of the Manager and also the terms of the Management Agreement. Nick Watkins acts as chair of the Management Engagement Committee.

2.3 *Directors' share dealings*

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Shares, which is based on the rules of the Market Abuse Regulation. The code will apply to the Directors, any persons discharging managerial responsibilities in respect of the Company and any persons closely associated with them.

3. The Manager

EJF Investments Manager LLC has been appointed as Manager of the Company pursuant to the Management Agreement (further details of which are set out in paragraph 11.2 in the section entitled "Material Contracts" in Part XIII: "Additional Information" of this Prospectus). The Manager is the alternative investment fund manager of the Company (as defined under the AIFM Directive). In such capacity, the Manager is responsible for the portfolio and risk management of the Company, including managing the Company's assets and its day-to-day operations, further details of which are set out in paragraph 11.2 in the section entitled "Material Contracts" in Part XIII: "Additional Information" of this Prospectus.

Although the exercise of the Manager's duties will be subject to the supervision of the Board, the Manager will be able to enter into agreements with other parties, including its affiliates, for the purpose of fulfilling its duties and servicing obligations under the Management Agreement (including retaining services of accountants, legal counsel, appraisers, insurers, brokers, transfer agents, registrars, developers, investment banks, financial advisors, banks and other lenders and others as the Manager deems necessary or advisable). In addition, the Manager will act as the agent of the Company, the Partnership, the General Partner and/or their respective subsidiaries (as the case may be) in making, acquiring, financing, structuring, managing and disposing of their investments.

The Manager is a Delaware limited liability company formed on 23 August 2005 with state file number 4018354 and whose registered office is situated at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801-1120, United States and principal place of business at 2107 Wilson Boulevard, Suite 410, Arlington, VA 22201, United States. On 14 December 2016, the Manager changed its name from Kodiak Capital Management Company LLC to EJF Investments Manager LLC. The Manager's sole business activity is to manage the Group and the Partnership, the General Partner, and their respective subsidiaries. The Manager has no employees and acts exclusively through its managing member, EJF. Accordingly, the Manager is operationally integrated into, and is a relying adviser of, EJF, which is a registered investment adviser with the US Securities and Exchange Commission. Upon its formation, the Manager's then-members made initial capital contributions to the Manager in an aggregate amount of US$600,000.

EJF holds 100 per cent. of the voting rights in the Manager and the Manager will rely upon and benefit from the resources of EJF in the performance of its obligations to the Group and the Partnership, the General Partner and their respective subsidiaries, including the provision of portfolio management functions, research and investment analysis performed by EJF investment professionals, service support and certain other functions. EJF and its affiliates manage on a discretionary basis debt and equity securities of approximately US$5 billion and securitization assets of approximately US$2.4 billion as at 31 December 2016.

3.1 *Officers of the Manager*

The officers of the Manager are as follows:

Name	Age	Position
Emanuel J. Friedman	71	Chairman and Co-Chief Investment Officer
Neal J. Wilson	51	Chief Executive Officer
Lindsay J. Sparacino	38	Co-Chief Investment Officer
Peter A. Stage	45	Chief Financial Officer
Rebecca J. Manning	40	Senior Managing Director, United States
Hammad W. Khan	37	Senior Managing Director, Europe

Emanuel J. Friedman, Chairman and Co-Chief Investment Officer

Mr. Friedman serves as Chairman and Co-Chief Investment Officer of EJF. Mr. Friedman co-founded EJF in 2005 following his retirement from FBR. Mr. Friedman is a founder and the former Co-Chairman and Co-Chief Executive Officer of FBR. Mr. Friedman has more than 40 years of capital markets and asset management experience. Throughout the 1990s, Mr. Friedman was active in building out FBR's alternative asset management platform. He was instrumental in the creation of hedge, private equity and venture capital funds of FBR, and maintains an extensive network of contacts within the CDO, hedge fund and private equity fund communities. In April 1998, Mr. Friedman was awarded the CEO of the Year Award by George Washington University. He was honoured for his outstanding leadership skills, demonstrated ability to meet organizational goals in the most challenging business environments, dedication to the community, and commitment to education. Mr. Friedman began his career in the securities industry in 1973 at Legg Mason Wood Walker, Inc. He received his BA in Education from the University of North Carolina at Chapel Hill and his JD from Georgetown University.

A disciplinary action was taken against Mr. Friedman, in relation to his involvement with a business of which he was a controller prior to the establishment of EJF. The US SEC reached a settlement with Mr. Friedman on 19 December 2006. In the offer of settlement submitted by Mr. Friedman he consented to the entry of an order by the US SEC containing the findings described below:

(a) the US SEC order found that Mr. Friedman was a registered representative of registered broker-dealer Friedman, Billings, Ramsey & Co., Inc. ("**FBR**") and either chairman or co-chairman and either CEO or Co-CEO of that firm during his entire tenure there. The order further found that a final judgment was entered by consent against Mr. Friedman enjoining him from violating Section 5 of the US Securities Act and, as a controlling person pursuant to Section 20(a) of the US Securities Exchange Act of 1934 (the "**US Exchange Act**"), from violating Exchange Act Sections 10(b) and 15(f) and Rule 10b-5 in the civil action US SEC v. Friedman, Billings, Ramsey & Co., Inc., et al., Civil Action No. 06-CV-02160 (D.D.C.);

(b) the US SEC's complaint alleged that in September/October 2001, Mr. Friedman, with others, directed or controlled the day-to-day management of FBR; in connection with a PIPE offering by CompuDyne Corp., FBR failed to establish, maintain, and enforce policies and procedures reasonably designed to prevent the misuse of material, non-public information and improperly traded CompuDyne stock in its market-making account while aware of material, non-public information concerning the PIPE offering; and

(c) Mr. Friedman, as a controlling person of FBR, was liable for the foregoing FBR conduct.

Mr. Friedman was barred from associating in a supervisory capacity with any broker or dealer, with the right to reapply for such association after two years (which time period expired in 2009) to the appropriate self-regulatory organization, or if there is none, to the US SEC. Other sanctions were imposed in related civil injunctive proceedings filed by the US SEC and the National Association of Securities Dealers (now known as Financial Industry Regulatory Authority).

The Company has been advised that there was no assertion or finding that Mr Friedman acted with bad intentions or improper motive, and nor did he profit personally. The Company is also advised that these findings have not impacted the continuing US SEC authorisation of EJF.

Neal J. Wilson, Chief Executive Officer

For biographical details relating to Mr. Wilson please refer to the section entitled "Directors of the Company" of Part IV: "*Directors, the Manager and Administration*" of this Prospectus.

Lindsay J. Sparacino, Co-Chief Investment Officer

Ms. Sparacino joined EJF in 2005 and has over 15 years' experience in the financial services industry. Ms. Sparacino assisted in the credit analysis, structuring and monitoring of the Partnership's portfolio. In addition, Ms. Sparacino has also worked on numerous investment strategies while at EJF, including public and private equity and debt investments, structured debt investments, EJF's TARP investment strategy, and EJF's law firm lending strategy. Prior to joining EJF, Ms. Sparacino worked in the real estate investment banking group at FBR, where she helped manage several REIT IPOs, follow-on offerings, and 144A private equity issuances. She currently serves on the board of directors of Gramercy Property Europe plc and Urban Exposure Finance Limited. Ms. Sparacino has a BS in Finance from Indiana University and is a CFA charter holder and member of the CFA Society of Washington, D.C.

Peter A. Stage, Chief Financial Officer

Mr. Stage joined EJF in January 2013, is a member of EJF's executive committee and is located in EJF's London office. Mr. Stage is responsible for identifying investment opportunities in the European fixed income, equity and private markets with a focus on the banking sector. Mr. Stage was previously Head of Credit Research at F&C Asset Management where he also analysed the banking sector. Prior to joining F&C in 2008, Mr. Stage was Head of Credit at Gordian Knot Limited, an investment management company, which he joined in 1998 as a bank analyst. Mr. Stage holds a BA in Economics from the University of Manchester.

Rebecca J. Manning, Senior Managing Director, United States

Prior to joining EJF, Ms. Manning was an Associate Director in UBS CDO Research, ranked number 1 by Institutional Investor in 2006 to 2007. While at UBS, she co-authored "Developments in CDOs: New Products and Insights" and wrote articles for several books and publications, including the Journal of Portfolio Management. Ms. Manning was formerly an Associate in FBR's Real Estate Investment Banking Group. She has an MBA from The Wharton School at the University of Pennsylvania and a BS cum laude in Civil Engineering from Cornell University.

Hammad W. Khan, Senior Managing Director, Europe

Mr. Khan joined EJF in March 2013 and is located in EJF's London office. Mr. Khan is responsible for identifying investment opportunities in the European fixed income, equity and private markets with a focus on the banking and asset-backed securities sectors. Mr. Khan previously worked at Oak Circle Capital LLC in New York as a credit analyst where he analysed opportunities within the US RMBS & CMBS sectors. Prior to joining Oak Circle Capital LLC, Mr. Khan worked at Ivy Square Ltd and Ceres Capital Partners LLC in New York where he analysed investment opportunities in the credit markets, modelled complex structured deals and aided with trading/ops. Mr. Khan holds a BA in International Economics from Suffolk University in Boston.

4. The CDO Manager

EJF CDO Manager LLC (the "**CDO Manager**"), which is 51 per cent. owned by the Manager and 49 per cent. owned by the Company, provides collateral management services to various CDO structures, including those which the Company and/or the Partnership invest or may invest in. For these purposes, the CDO Manager is not appointed by the Company and, instead, provides such services directly to those CDO structures on commercially reasonable terms (which will include terms relating to remuneration and standard terms relating to limitation of liability and indemnities, where applicable).

The CDO Manager is also expected to provide collateral management services to future EJF Securitizations as it will have the benefit, for so long as EJF Investments Manager LLC is the Manager, of a right to be appointed as the provider of collateral administration, monitoring and management services in respect of each EJF Securitization. The CDO Manager may also provide collateral management services to non-EJF securitizations as well, either via a Risk Retention Investment or a CDO investment. The CDO Manager is expected to benefit from collateral management fees on all CDOs it services and manages until maturity of such CDOs.

5. **Administrator and Company Secretary**

Crestbridge Fund Administrators Limited acts as Administrator and Company Secretary of the Company pursuant to the Administration Agreement (further details of which are set out in paragraph 11.3 in the section entitled "Material Contracts" in Part XIII: "Additional Information" of this Prospectus). In such capacity, the Administrator provides the day-to-day administration of the Company and is also responsible for the Company's general administrative and secretarial functions, such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records, together with compliance services.

The Administrator is a private limited company, created under the laws of Jersey on 31 January 2001 with registered number 79217 and whose registered office is situated 47 Esplanade, St. Helier, Jersey, JE1 0BD Channel Islands. As at 8 November 2017 (being the latest practicable date prior to the publication of this Prospectus) the issued share capital of the Administrator is £25,000, all of which is fully paid up. The Administrator is registered under the Financial Services (Jersey) Law 1998, as amended, with the Jersey Financial Services Commission (the "**JFSC**") to provide fund services business. The JFSC is protected by the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under that law. The Administrator's principal business activity is providing fund administration services.

6. **Registrar**

Capita Registrars (Jersey) Limited has been appointed as Registrar of the Company pursuant to the Registrar Services Agreement (further details of which are set out in paragraph 11.4 in the section entitled "Material Contracts" in Part XIII: "*Additional Information*" of this Prospectus) to provide share registration services. Capita Registrars (Jersey) Limited is a private limited company incorporated in Jersey and has an issued share capital of £10,000, all of which is fully paid up.

7. **Custodian**

Citigroup Global Markets Inc., Citibank N.A. have been authorised to provide prime brokerage and/or custody services to the Company pursuant to the Custody Agreement (further details of which are set out in paragraph 11.5 in the section entitled "Material Contracts" in Part XIII: "*Additional Information*" of this Prospectus). The principal activities of Citigroup Global Markets Inc. and Citibank N.A. are to provide banking, prime brokerage and custody services.

Citigroup Global Markets Inc., is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 15 October 1998 and having its principal business office at 390 Greenwich Street, New York, NY 10013-2396, USA (telephone number +1.212.816.6000) and having in Great Britain a principal branch office (Citigroup Global Markets Limited) situated at Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB, with company number 01763297. Citigroup Global Markets Inc. is a registered broker-dealer regulated by FINRA and the US SEC with CRD number 7059 and US SEC number 8177.

Citibank N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA (telephone number +1.646.294.2727) and having in Great Britain a principal branch office (Citibank, N.A., London) situated at Canada Square, Canary Wharf, London E14 5LB, with company number FC001835 and branch number BR001018. Citigroup Global Markets Inc. is an indirect wholly owned subsidiary of Citibank N.A. Citibank N.A. has a total share capital of US$208,381,000,000, with paid up share capital of US$107,896,000,000 and 2,644,001,999 shares outstanding.

8. Valuation Agent

The Board may appoint a recognized independent third party valuation agent(s) (the "**Valuation Agent**") as it deems appropriate from time to time on arm's-length commercial terms (which will include terms relating to remuneration and standard terms relating to limitation of liability and indemnities, where applicable).

9. Fees and Expenses

9.1 *Expenses related to the First ZDP Placing and Placing Programme*

The Company will bear costs or expenses in relation to First ZDP Admission up to a maximum amount. These expenses, which will include, without limitation, registration and admission fees, the cost of settlement and escrow arrangements, advising fees, printing, advertising and distribution costs and any other applicable expenses.

The First ZDP Placing Price is 100 pence. The net proceeds of the First ZDP Placing are dependent on the level of the subscriptions received pursuant to the First ZDP Placing. Assuming gross proceeds of £15 million and that costs and expenses of £525,000 will be paid by the Company, the net proceeds will be £14.475 million.

The variable costs of any Subsequent Placing under the Placing Programme are expected to be covered by any premium generated on the issue of any Ordinary Shares or 2022 ZDP Shares (as the case may be) or in respect of the issue of C Shares through a Subsequent Placing, from the proceeds of the issue of such C Shares.

9.2 *Ongoing expenses*

The Company's ongoing expenses will comprise the following:

(a) *Manager*

Under the terms of the Management Agreement, the Manager is entitled to receive a base management fee, calculated monthly and paid quarterly in arrears, in a monthly amount equal to the product of 1/12 of the NAV attributable to Ordinary Shares at the end of the relevant month multiplied by one per cent. (the "**Management Fee**").

Where there are C Shares in issue, the Management Fee will be charged on the NAV attributable to Ordinary Shares and the net assets attributable to C Shares, respectively.

In addition, the Manager is also entitled, subject to the satisfaction of certain conditions, to an annual incentive fee (the "**Incentive Fee**") calculated by reference to movements in the Adjusted NAV attributable to Ordinary Shares (as described below) from time to time. The Incentive Fee will be calculated in respect of each twelve month period starting on 1 January and ending on 31 December in each calendar year (an "**Incentive Fee Period**"), save that the first Incentive Fee Period commenced on the Original Admission and ends on 31 December 2017 and the final Incentive Fee Period shall end on the date that the Management Agreement is terminated or, where the Management Agreement has not been terminated, the actual date of termination of the provision by the Manager of the Non-Retained Services.

In the event that C Shares are in issue, the Manager shall be entitled, subject to the satisfaction of certain conditions, to an incentive fee payable in Ordinary Shares or, if applicable, cash in respect of movements in the adjusted net assets attributable to the C Shares on the same basis as summarised in respect of the Incentive Fee payable in relation to the Adjusted NAV attributed to Ordinary Shares in this paragraph 9.2, except that an Incentive Fee Period shall be deemed to end on the day prior to the conversion of the relevant class of C Shares into Ordinary Shares in accordance with the Articles.

The Incentive Fee shall be calculated in relation to the assets attributable to Ordinary Shares and shall be an amount equal to 10 per cent. of the amount by which the Adjusted NAV attributable to Ordinary Shares exceeds the higher of (i) the Incentive Hurdle at the relevant time and (ii) the High Watermark at the relevant time, in respect of the relevant Incentive Fee Period.

The Incentive Fee will, save as set out below, be payable to the Manager in Ordinary Shares ("**Incentive Shares**"). The amount of the Incentive Fee payable shall be calculated by the Manager and notified to the Company as a cash figure (the "**Cash Equivalent Amount**") but shall be paid either by the issue by the Company to the Manager of Ordinary Shares and/or by the Company procuring the transfer to the Manager of Ordinary Shares at its own cost, in each case in accordance with, and subject to, the provisions of the

Management Agreement. The number and source of Incentive Shares to be delivered to the Manager in satisfaction of the Incentive Fee will be determined as follows:

(i) if the relevant Average Closing Price equals or is higher than the last reported NAV per Ordinary Share, the Company will issue to the Manager in payment of the relevant fee such number of new Ordinary Shares credited as fully paid as is equal to the Cash Equivalent Amount divided by the Average Closing Price (rounded down to the nearest whole Ordinary Share);

(ii) if the relevant Average Closing Price is lower than the last reported NAV per Ordinary Share, the Company shall satisfy its obligation to pay the relevant fee by procuring, at its own cost, the transfer to the Manager of Ordinary Shares with an aggregate market price equal to the Cash Equivalent Amount at a price per Ordinary Share no greater than the last reported NAV per Ordinary Share. In procuring, or directing a broker or other agent of the Company to make, any such purchases necessary to effect such transfer, the Company shall act as agent for the Manager and not as principal. If it is not possible to apply all of the applicable Cash Equivalent Amount to the transfer of Ordinary Shares in the market at or below the last reported NAV per Ordinary Share within two months following the business day immediately preceding the end of the calendar year to which the relevant Incentive Fee relates, then the Manager may elect to extend that period for up to a further four months or require that the Company issues such number of new Ordinary Shares as is equal to the remaining portion of the Cash Equivalent Amount divided by the then last reported NAV per Ordinary Share (rounded down to the nearest whole Ordinary Share). Any balance of the Cash Equivalent Amount remaining at the end of such extended period will be paid by way of the Company issuing a number of new Ordinary Shares (rounded down to the nearest whole number) with an aggregate value equal to such balance on the basis of the then last reported NAV per Ordinary Share.

The Incentive Fee (or any portion thereof) shall be payable by the Company in cash in an amount equal to the Cash Equivalent Amount (or the relevant portion thereof), to the extent necessary, if (i) the Company is limited or prohibited from issuing or procuring the transfer of Ordinary Shares on the terms of the Management Agreement at the relevant time by applicable law or regulation, the Articles, the Shareholder Limitation, or any free float obligation applicable to the Company; or (ii) the Company does not have authority to issue the relevant Ordinary Shares on a non pre-emptive basis.

The Manager has agreed that the issuance to, or receipt by, it of any Incentive Shares pursuant to the Management Agreement shall be subject to its Lock-Up Deed.

Subject to certain standard protections, the Manager will be able to claim all documented expenses it incurs in providing its services under the Management Agreement and all other expenses actually incurred by the Manager on behalf of the Company, the Partnership, the General Partner and their respective subsidiaries (including, without limitation, travel expenses).

For the purposes of this paragraph 9.2, the following expressions have the following meanings:

"**Adjusted NAV attributable to Ordinary Shares**" means an amount equal to the NAV attributable to Ordinary Shares: (i) excluding any increases or decreases in NAV attributable to Ordinary Shares attributable to the issue or repurchase of any Ordinary Shares; (ii) adding back the aggregate amount of any dividends paid or distributions made in respect of any Ordinary Shares; (iii) excluding the aggregate amount of dividends and distributions accrued but unpaid in respect of any Ordinary Shares; and (iv) excluding the amount of any accrued but unpaid Incentive Fees payable in relation to the NAV attributable to Ordinary Shares, in each case without double counting;

"**Average Closing Price**" means the average of the middle market quotations of the Ordinary Shares (as adjusted to exclude any dividend which is included in such quotations if the Ordinary Shares delivered are ex that dividend) for the 30 day period ending on the business day immediately preceding the end of the calendar year to which the Incentive Fee relates;

"**High Watermark**" means the Adjusted NAV attributable to Ordinary Shares as determined on the last day of the latest previous Incentive Fee Period in respect of which an Incentive Fee was payable to the Manager;

"**Incentive Fee Calculation Date**" means the last business day of each calendar year with respect to which each instalment of Incentive Fee is payable except in relation to the final Incentive Fee Period, which shall be the date of termination of the Management Agreement or the actual date of termination of the provision by the Manager of the Non-Retained Services (as the case may be);

"**Incentive Hurdle**" means the Adjusted NAV attributable to Ordinary Shares on the date of Original Admission, compounded annually (with effect from 31 December 2017) at a rate equal to an internal rate of return of 8 per cent. per annum;

"**NAV attributable to Ordinary Shares**" means an amount equal to the total value, as at the relevant date, of the assets attributable to the Ordinary Shares after the deduction of all liabilities attributable to the Ordinary Shares determined in accordance with the accounting policies adopted by the Company from time to time;

"**NAV per Ordinary Share**" means an amount equal to, as at the relevant date, the NAV attributable to Ordinary Shares divided by all of the Ordinary Shares of the relevant class in issue as at such date;

"**Rule 9 Resolution**" means a resolution to waive the obligation of the Manager or any of its concert parties to make a general offer to the shareholders independent of EJF and its affiliates for their Shares in accordance with Rule 9 of the Takeover Code; and

"**Shareholder Limitation**" means the reinvestment in Ordinary Shares of any Cash Equivalent Amount resulting in the Manager or any person acting in concert with it (as defined under the Takeover Code) having interests in Shares carrying more than 29.9 per cent. of the aggregate voting rights in the Company, unless the shareholders of the Company have passed a Rule 9 Resolution.

(b) *Administrator and Company Secretary*

Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee comprising a fixed fee of £85,000 per annum (expected to increase to £90,000 per annum) and variable fees which are charged at market rates, depending on the nature of the services provided. Total fees payable to Crestbridge per annum are not expected to exceed £250,000 per annum.

(c) *Custodian*

Citigroup Global Markets Inc. is entitled to a monthly fee of US$10,000 for the provision of prime brokerage and custody services in relation to the Company's interest in the Discounted CDO Securities Portfolio and indirect interest in the TFINS 2017-1 preferred shares. For the provision of custody services in relation to the Company's interest in the Armadillo Portfolio, Citibank, N.A. is entitled to a monthly servicing fee of approximately US$208. The monthly servicing fee is calculated by reference to the month end valuation of the Armadillo Portfolio and any other assets which may be transferred to such custody account from time to time, subject to a minimum annual servicing fee of US$2,500.

(d) *Registrar*

The Registrar is entitled to an annual fee of £9,500. Other registrar activity outside of the agreed scope of services will be charged for in accordance with the Registrar's normal tariff as published from time to time.

(e) *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 Neal J. Wilson, the Directors are remunerated for their services at a fee of £40,000 per annum, plus an additional annual fee of £10,000 for the Chair and an annual fee of £5,000 for the chair of the audit committee. Neal J. Wilson has agreed to waive his annual fee. No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits. The aggregate remuneration and benefits in kind of the Directors in respect of the accounting period of the Company ending on 31 December 2017, which will be payable out of the assets of the Company is not expected to exceed £135,000.

(f) *Other operational expenses*

All other on-going operational expenses of the Company (excluding fees paid to service providers as detailed above) are borne by the Company including, without limitation: the incidental costs of making its investments and the implementation of its Investment Objective and Investment Policy; travel; accommodation; printing costs; the cost of directors' and officers' liability insurance; the costs of maintaining the Company's website; corporate brokers' fees; audit and legal fees; brokerage fees and annual Specialist Fund Segment fees.

PART V: OPERATING AND FINANCIAL REVIEW

1. Overview

(a) *The Partnership*

The Partnership was formed by EJF in 2005 with an initial investment mandate focused on: (i) the acquisition and aggregation of real estate related TruPS; (ii) the securitization of those TruPS; and (iii) investment in the subordinated tranches of the REIT TruPS CDOs.

Prior to the Original Admission, the Partnership and its subsidiaries undertook a restructuring of their assets (the "**First Restructuring**"). The First Restructuring was undertaken in order to facilitate, amongst other matters, the implementation of a group structure so as to (i) facilitate Original Admission, (ii) restructure the Partnership in order to ensure that the Group, through the Partnership, could invest in Risk Retention Investments in manner which is compliant with the relevant Risk Retention Regulations and (iii) expand the Partnership's investment mandate to permit, among other things, the making of certain Target Investments, such as Risk Retention Investments.

(b) *The Company*

The Company is a registered close-ended investment public company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016. On 20 December 2016, the Company changed its name to EJF Investments Limited and was re-registered as a public company.

The Company seeks to generate attractive risk adjusted returns for its Shareholders, by investing in opportunities created by regulatory and structural changes impacting the financial services sector, such as structured debt and equity, loans, bonds, preference shares, convertible notes and private equity, in both cash and synthetic formats issued by entities domiciled in the US, UK and Europe. The Company will seek to make quarterly dividend payments of income arising from the portfolio in addition to targeting Net Asset Value growth.

The Company intends to seek to achieve its Investment Objective by pursuing an Investment Policy of investing in a diversified portfolio of investments that are derived from the changing financial services landscape as described in the section entitled "Investment Policy" of Part I: "*The Company*" of this Prospectus. Investments will be primarily sourced and/or originated by the Manager directly but may involve working with third parties to design an investment. Debt investments listed on a recognised market may also be purchased on an opportunistic basis.

Most of the discussion in this section "Operating and Financial Review" relates to the financials of the Partnership. As a result the discussion of impacts and trends from the Partnership's results of operations and financial condition may not be directly comparable with those of the Company.

2. Financial Reporting and Accounting policies

The Partnership's consolidated financial statements comprise of the Partnership, certain consolidated operating subsidiaries, and the fair value of its investment subsidiaries. The Partnership's financial year begins on 1 January and closes on 31 December.

The financial statements for both the Company and the Partnership have been prepared in accordance with International Financial Reporting Standards as adopted by the EU including IFRS 1, including the significant accounting policies set out below.

These consolidated financial statements are presented in Pounds Sterling unless stated otherwise, which is different from the Partnership's functional currency of US Dollars. The financial statements for the Company are presented in the Company's functional currency of Pounds Sterling.

Revenue

The Company's and the Partnership's primary driver of revenue is the net gain from financial assets and investments in private investment companies at fair value through profit or loss. Revenue also consists of collateral management fee income, net gain (loss) from warrants held at fair value through profit or loss, interest income from investment securities, other interest income and other income.

Fair value of financial assets and liabilities

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the Company and the Partnership determine fair values using other valuation techniques.

Investments in private investment companies

The fair value of investments in the private investment companies is determined using the net asset adjusted for any applicable discounts or impairments (Level 3 valuation). The unadjusted Net Asset Value is used when the units in a fund are redeemable at the reportable Net Asset Value at, or approximately at, the measurement date. If this is not the case, then Net Asset Value is used as a valuation input and an adjustment is applied for lack of marketability/restricted redemptions. This adjustment is based on management judgement after considering the period of restrictions and the nature of the underlying investments. No such adjustments have been implemented by the Partnership or the Company.

Investment in tradeable securities

At 31 December 2016, 2015 and 2014, the investment portfolio included rated bonds by the Kodiak CDOs, Attentus CDOs, and CDOs issued by an unaffiliated third-party CDO sponsor. (the "**CDO Entities**").

The fair value of positions held in the CDO Entities is determined by a third party vendor who receives market quotes of similar securities in the market and validating these quotes against estimated future default probabilities using market standard models (Level 3 valuation). Credit spreads are observed directly by the third party vendor. The significant model inputs are observable in the marketplace or set in the contract.

Total expenses

Total expenses consist of professional fees, directors' fees and insurance, other general and administrative expenses and amortisation expense.

Income tax provision (benefit)

The income tax benefit for the taxable entities consolidated with the Partnership consists of federal and state tax expense for the taxable subsidiaries.

For 2016, 2015 and 2014, the Partnership's US federal income tax benefit differs from the provision which would have been assessed at the US federal and state income tax rates for 2016, 2015 and 2014 primarily due to the exclusion of income from consolidated entities not subject to income taxes, state taxes and changes in the valuation allowance associated with the net operating loss and capital loss carry forwards.

3. **Effects of the First Restructuring**

As a result of the First Restructuring, certain results of operations and financial conditions for the Partnership may not be directly comparable to the results of the Company. For example, effective 3 January 2017, the Manager purchased 51 per cent. of the total issued limited liability company interests in the CDO Manager from the Partnership. The Manager paid the Partnership US$10,000,000 consideration for the acquisition of a 51 per cent. interest in the CDO Manager. The Partnership retained the remaining 49 per cent. of the total issued limited liability company interest of the CDO Manager (which was subsequently transferred to the Company). As a result, income from the CDO Manager for the Company may be less than previously received given the reduction in ownership of the CDO Manager. With the proceeds of the sale, the Partnership invested US$10,000,000 in the US$325.0 million Bridge Loan on 20 January 2017.

Additionally, on 31 January 2017, the General Partner amended and restated the Partnership's management agreement with the Manager and the Company in the form of the Existing Management Agreement. The Existing Management Agreement provides for the payment of a base management fee by the Company of 1.0 per cent. per annum, calculated monthly and paid quarterly, of the Net Asset Value of the Company. This revised base management fee may result in greater expenses for the Company than the Partnership had previously paid for similar performance.

The Exchange Offer was completed on 9 February 2017.

Under IFRS 10, the Company does not consolidate the Partnership but accounts for it as an investment in a structured entity measured at fair value through the income statement.

4. **Results of operations of the Partnership**

(a) ***Total Revenue***

Total revenue for the year ended 31 December 2015 was £10.7 million, a decrease of £2.6 million or 19.5 per cent., from £13.3 million for the year ended 31 December 2014. This was primarily a result of the decrease in net gain from investments assets at fair value through profit or loss and the 2014 receipt of additional amount proceeds related to the Partnership's investment in a private investment company.

Net gain from financial assets and liabilities relating to the warrants where applicable at fair value through profit or loss for the year ended 31 December 2015 was £8.5 million, a decrease of £0.7 million or 7.6 per cent., from £9.2 million for the year ended 31 December 2014. This was primarily a result of increase to the valuation of tradable securities sold during 2014 above values determined in 2013.

Total revenue for the year ended 31 December 2016 was £14.7 million, an increase of £4.0 million or 37.4 per cent., from £10.7 million for the year ended 31 December 2015. This was primarily a result of the increase in net gain from investments in assets at fair value through profit or loss.

Net gain from financial assets and liabilities relating to the warrants where applicable at fair value through profit or loss for the year ended 31 December 2016 was £12.8 million, an increase of £4.3 million or 50.6 per cent., from £8.5 million for the year ended 31 December 2015. This was primarily a result of the returns generated from the Partnership's investment in a private investment company and gains from investments in CDO debt securities.

(b) ***Total Expenses***

Total expenses for the year ended 31 December 2015 were £1.2 million, a decrease of £0.8 million or 40 per cent., from £2.0 million for the year ended 31 December 2014. This was primarily a result of Manager's decision to waive management fees in the fourth quarter of 2014.

Total expenses for the year ended 31 December 2016 were £1.5 million, an increase of £0.3 million or 25 per cent., from £1.2 million for the year ended 31 December 2015. This was primarily a result of an increase in professional fees related to the restructuring of the Partnership.

(c) ***Income tax provision (benefit)***

Income tax provision (benefit) for the year ended 31 December 2015 was £2.4 million, an increase of £5.3 million or 183.0 per cent., from negative £2.9 million for the year ended 31 December 2014. This was primarily a result of the reversal of an allowance booked against the deferred tax asset.

Income tax provision (benefit) for the year ended 31 December 2016 was £3.5 million, an increase of £1.1 million or 45.8 per cent., from £2.4 million for the year ended 31 December 2015. This was primarily a result of additional tax liabilities incurred because of increased taxable earnings and the full utilization of the ordinary loss tax carry forward recorded over the same period.

(d) ***Exchange differences on translation of foreign operations***

Exchange differences on translation of foreign operations for the years ended 31 December 2015 and 2014 were broadly flat at £2.5 million.

Exchange differences on translation of foreign operations for the year ended 31 December 2016 were £9.3 million, an increase of £6.8 million or 272.0 per cent., from £2.5 million for the year ended 31 December 2015. This was primarily a result of market fluctuations to the USD to GBP exchange rates over the same period.

5. **Results of operations of the Company**

For the reasons stated above, the Company's results of operations from 20 October 2016 (being the date of the Company's incorporation) to 30 June 2017 are not directly comparable to any of the Partnership's results of operations and accordingly have not been compared. Income tax provision (benefit) and exchange differences on translation of foreign operations are also not applicable to the Company.

(a) ***Total Revenue***

Total revenue from 20 October 2016 until 30 June 2017 was £7.5 million.

Net gain from financial assets and liabilities relating to the warrants where applicable at fair value through profit or loss from 20 October 2016 until 30 June 2017 was £6.6 million.

(b) ***Total Expenses***

Total expenses from 20 October 2016 until 30 June 2017 were £0.9 million.

PART VI: CAPITALISATION AND INDEBTEDNESS STATEMENT

The following table sets out the capitalisation and indebtedness of the Company as at 30 June 2017.

	30 June 2017
	£'000
Current debt	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total non-current debt (excluding current portion of long-term debt)	—
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total gross indebtedness	—
Shareholders' equity	—
Net assets attributable to shareholders	69,871
Legal reserve	—
Other reserves	—
Total	**69,871**

There has been no material change in the Company's capitalisation since 30 June 2017.

The following table sets out the Company's net indebtedness as at 30 September 2017.

	30 September 2017
	£'000
A. Cash	14,524
B. Cash equivalent	—
C. Trading securities	—
D. Liquidity (A+B+C)	14,524
E. Current financial receivables	—
F. Current bank debt	—
G. Other current portion of non-current debt	—
H. Other current financial debt	—
I. Current financial debt (F+G+H)	—
J. Net current financial assets (D+E+I)	14,524
K. Non-current bank loans	—
L. Bonds issued	—
M. Other non-current loans	—
N. Non-current financial indebtedness (K+L+M)	—
O. Net financial indebtedness (J–N)	14,524

The Company had no indirect or contingent liabilities as at 30 September 2017.

On 30 March 2017 the Company entered into a Revolving Credit Facility with Access National Bank ("**ANB**") pursuant to which ANB has agreed to provide a revolving credit facility of up to US$10 million to be used by the Company for the purposes of supporting working capital needs and to fund the Company's general business requirements. The Revolving Credit Facility was amended on 29 June 2017 to add EJFIH as an additional borrower and on 16 October 2017 to extend the expiration date to 30 November 2019 (amongst other things). Unless repaid earlier, the unpaid loan amount together with accrued interest shall be payable in full on 30 November 2019. For further information in relation to the Revolving Credit Facility please see the section entitled "Revolving Credit Facility" in Part XIII: "*Additional Information*" of this Prospectus.

PART VII: HISTORICAL FINANCIAL INFORMATION OF THE COMPANY AND THE PARTNERSHIP

Historical financial information

The following documents, have been filed with the FCA and are available for inspection in accordance with paragraph 22 of Part XIII: *Additional Information*:

- the Company's prospectus dated 4 April 2017 published in connection with the Original Admission (the "**4 April Prospectus**"); and
- the Company's Interim Report and Unaudited Interim Financial Statements for the period from 20 October 2016 to 30 June 2017, filed with the FCA on 24 August 2017 (the "**Company's Interim Results 2017**").

Information incorporated by reference

The table below sets out the various sections of the documents referred to above which are incorporated by reference into, and form part of, this Prospectus so as to provide certain information required pursuant to the Prospectus Rules, and only the parts of the documents identified in the tables below are incorporated into, and form part of, this Prospectus. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this Prospectus. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this Prospectus. All such documents are available on the Company's website at www.EJFI.com and from the Company's registered office during normal business hours on any weekday (bank and public holidays excepted).

For the period 20 October 2016 through 30 June 2017

Reference document	Information incorporated into this Prospectus	Page number
Company's Interim Results 2017	Independent Auditor's Review Report	20
	Statement of Comprehensive Income	21
	Statement of Financial Position	22
	Statement of Changes in Equity	23
	Statement of Cash Flows	24
	Notes to the Unaudited Interim Financial Statements	25 - 60

For the years ended 31 December 2016, 2015 and 2014

Reference document	Information incorporated into this Prospectus	Page number
4 April Prospectus	Independent Registered Public Accounting Firm's report	130
	Consolidated Statement of Financial Position	131
	Consolidated Statement of Comprehensive Income	132
	Consolidated Statement of Changes in Net Assets Attributable to Unitholders	133
	Consolidated Statement of Cash Flows	134
	Notes to the Consolidated Financial Statements	135 - 169

PART VIII: DETAILS OF THE FIRST ZDP PLACING AND PLACING PROGRAMME

1. INTRODUCTION

The Company is seeking to raise gross proceeds of £15 million through the issue of 15 million 2022 ZDP Shares (up to a maximum of 20 million) at a First ZDP Placing Price of 100 pence under the First ZDP Placing (subject to the conditions set out below, including the New Articles, to permit issuances of 2022 ZDP Shares, being approved at the EGM). The total number of 2022 ZDP Shares issued pursuant to the First ZDP Placing will be determined by the Company, the Manager and Liberum after taking into account demand for the 2022 ZDP Shares and market conditions, subject to a maximum of 20 million 2022 ZDP Shares being issued in aggregate under the First ZDP Placing. The number of 2022 ZDP Shares to be issued under the First ZDP Placing is not known at the date of this Prospectus but will be notified by the Company via a RIS announcement and the Company's website prior to First ZDP Admission.

The First ZDP Placing is conditional upon raising the Minimum Gross Proceeds. If the First ZDP Placing does not proceed, subscription monies received under the First ZDP Placing will be returned without interest at the risk of the applicant. The target First ZDP Placing size should not be taken as an indication of the number of 2022 ZDP Shares to be issued.

The Company will also extend its existing placing programme (relating to Ordinary Shares and C Shares only) such that the Board has discretion to issue and allot up to 100 million Ordinary Shares and/or C Shares and also up to 50 million 2022 ZDP Shares (including the 2022 ZDP Shares issued pursuant to the First ZDP Placing). The Placing Programme has been implemented to satisfy market demand and to enable the Company to raise additional capital in the period from the date of this Prospectus to 8 November 2018, should the Board determine that market conditions are appropriate. The Placing Programme is intended to be flexible and may have a number of closing dates in order to provide the Company with the ability to issue and allot Shares at any time prior to the final closing date of 8 November 2018.

The maximum number of Shares available under the Placing Programme should not be taken as an indication of the number of Shares finally to be issued. The allotment and issue of Shares under the Placing Programme will be determined by the Company, the Manager and Liberum (and/or, if applicable, such other bookrunner acting in relation to a Subsequent Placing) after taking into account demand for the Shares and market conditions. Any issues of Shares under the Placing Programme will be notified by the Company through a RIS and the Company's website prior to each Subsequent Admission.

Neither the First ZDP Placing nor any Subsequent Placings under the Placing Programme will be underwritten. The terms and conditions which shall apply to any subscription for 2022 ZDP Shares pursuant to the First ZDP Placing or any Shares pursuant to any Subsequent Placing are contained in Part XIV: "*Terms and Conditions of each Placing*" of this Prospectus. Each Placee will agree to be bound by the New Articles once the Shares that such Placee has agreed to subscribe for pursuant to any Placing have been acquired by such Placee.

2. CONDITIONS

First ZDP Placing

The allotment and issue of the 2022 ZDP Shares pursuant to the First ZDP Placing is conditional, amongst other things, on:

(a) the New Articles, to permit issuances of 2022 ZDP Shares, and the amendments to the Company's borrowing limits being approved at the EGM;

(b) First ZDP Admission occurring by 8.00 a.m. on 1 December 2017 (or such later date as may be agreed between the Company, the Manager and Liberum, being not later than 8.00 a.m. on 31 December 2017) in respect of the First ZDP Placing;

(c) the Placing Agreement not being terminated in accordance with its terms and becoming unconditional in all respects (save for conditions relating to First ZDP Admission) prior to First ZDP Admission;

(d) the First ZDP Placing raising the Minimum Gross Proceeds; and

(e) to the extent required under the Prospectus Rules and the FSMA, a valid supplementary prospectus being published by the Company.

In circumstances in which these conditions are not fully met, the issue of the 2022 ZDP Shares pursuant to the First ZDP Placing will not take place.

Subsequent Placings

Each allotment and issue of Shares pursuant to a Subsequent Placing is conditional, amongst other things, on:

(a) the applicable Subsequent Placing Price being determined by the Directors and Liberum (and/or, if applicable, such other bookrunner acting in relation to such Subsequent Placing) to the extent that Ordinary Shares or 2022 ZDP Shares are issued as described below;

(b) Admission of the Shares issued pursuant to such Subsequent Placing;

(c) the Placing Agreement not being terminated in accordance with its terms and a particular Placing becoming unconditional, in each case in accordance with the terms of the Placing Agreement, prior to the completion of the Subsequent Placing;

(d) to the extent required under the Prospectus Rules and the FSMA, a valid supplementary prospectus being published by the Company; and

(e) for a Subsequent Placing of 2022 ZDP Shares only, the Minimum Cover Amount being met following completion of the Subsequent Placing.

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

3. PRICING

First ZDP Placing

All 2022 ZDP Shares issued pursuant to the First ZDP Placing will be issued at the First ZDP Placing Price. The Directors have determined that the 2022 ZDP Shares issued under the First ZDP Placing will be issued at a First ZDP Placing Price per 2022 ZDP Share of 100 pence.

Subsequent Placings

The Subsequent Placing Price in respect of any Subsequent Placing will be determined by the Directors and Liberum (and/or, if applicable, such other bookrunner acting in relation to such Subsequent Placing) and, to the extent that:

(a) Ordinary Shares are to be issued, will be not less than the prevailing Net Asset Value per Ordinary Share, plus a premium;

(b) C Shares are to be issued, will be at a Subsequent Placing Price of 100 pence per C Share; and

(c) 2022 ZDP Shares are to be issued, will be not less than the prevailing NAV per 2022 ZDP Share, plus a premium.

The Directors will determine the Subsequent Placing Price on the basis described above so as to cover the costs and expenses of each Subsequent Placing under the Placing Programme and to thereby avoid any dilution in the Net Asset Value of the existing Shares. In determining the Subsequent Placing Price, the Directors will also take into consideration, amongst other things, the prevailing market conditions at that time. The Company may only issue 2022 ZDP Shares under the Placing Programme in circumstances where, immediately following such issue the Minimum Cover Amount will be met and the borrowings limit not breached.

The Subsequent Placing Price in respect of any Subsequent Placing will be notified via a RIS as soon as practicable in conjunction with each Subsequent Placing.

The fees and expenses of issuing Shares under the Placing Programme will depend on subscriptions received but it is expected that in respect of an issue of Ordinary Shares or 2022 ZDP Shares under the Placing Programme, these costs will be covered by issuing such Ordinary Shares or 2022 ZDP Shares at a premium. The fees and expenses of any issue of C Shares under the Placing Programme will be paid out of the gross proceeds of the Placing Programme and will be borne by holders of C Shares only.

4. INVESTOR PROFILE

The Shares are only suitable for investors: (i) who are institutional, professional and highly knowledgeable (including those who are professionally advised); (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment, including the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company. The 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 investment.

5. THE PLACING

Liberum has agreed to use its reasonable endeavours to procure Placees to subscribe for the 2022 ZDP Shares issued under the First ZDP Placing or any Shares issued under any Subsequent Placing (to the extent Liberum is acting in relation to such Subsequent Placing) on the terms and subject to the conditions set out in the Placing Agreement. Details of the Placing Agreement are set out in paragraph 11.1 of Part XIII: "*Additional Information*" of this Prospectus.

The terms and conditions which shall apply to any subscription for Shares procured by Liberum (and/or, if applicable, such other bookrunner) acting in relation to a Subsequent Placing) pursuant to the First ZDP Placing or any Subsequent Placing are contained in Part XIII: "*Terms and Conditions of each Placing*" of this Prospectus.

6. SUBSCRIBER WARRANTIES

Each subscriber for Shares in any Placing and each subsequent investor in the Shares will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgements and agreements set out in paragraphs 4 and 5 in Part XIII: "*Terms and Conditions of each Placing*" of this Prospectus.

The Company, the Manager, Liberum and/or any other bookrunner or placing agent, and their respective directors, officers, members, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

If any of the representations, warranties, acknowledgements or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

7. PLACING ARRANGEMENTS

The Placing Agreement contains provisions entitling Liberum (and/or, if applicable, such other bookrunner acting in relation to a Subsequent Placing) to terminate the First ZDP Placing or any Subsequent Placing (and the associated arrangements) at any time prior to First ZDP Admission or Subsequent Admission (as the case may be) in certain circumstances. If this right is exercised, the First ZDP Placing or such Subsequent Placing and these arrangements will lapse and any monies received in respect of the First ZDP Placing or such Subsequent Placing will be returned to applicants without interest.

The Placing Agreement provides for Liberum (and/or, if applicable, such other bookrunner) to be paid a commission in respect of the Shares to be allotted pursuant to the First ZDP Placing and any Subsequent Placing. Any commission received by Liberum (or such other bookrunner) may be retained, and any Shares subscribed for by Liberum (or such other bookrunner) may be retained, or dealt in, by Liberum (or such other bookrunner) for its own benefit.

Arrangements in respect of any Subsequent Placing under the Placing Programme will be entered into prior to the relevant Subsequent Placing.

Further details of the terms of the Placing Agreement are set out in paragraph 11.1 of Part XIII: "*Additional Information*" of this Prospectus.

8. USE OF PROCEEDS

The net proceeds of the First ZDP Placing and any Subsequent Placing are dependent, among other things, on:

(a) the Directors determining to proceed with an issue of Shares under the relevant Placing;

(b) the level of subscriptions received;

(c) the number of Shares issued under the relevant Placing; and

(d) the price at which any Shares are issued under the Placing Programme.

The Directors intend to invest the net proceeds of the First ZDP Placing and any Subsequent Placing in accordance with the Company's Investment Objective and Investment Policy, subject to the availability of sufficient investment opportunities (further details of the Company's Investment Objective and Investment Policy are set out in Part I: "*The Company*" of this Prospectus). Prior to making the investments the Company will hold the proceeds from the First ZDP Placing and any Subsequent Placing in cash or cash equivalents. It is likely, therefore, that for a period following First ZDP Admission and at certain other times, the Company will have surplus cash.

9. SPECIALIST FUND SEGMENT

Application will be made to the London Stock Exchange for the Shares to be issued pursuant to each Placing to be admitted to trading on the Specialist Fund Segment of the London Stock Exchange.

10. ADMISSION AND DEALINGS

First ZDP Admission is expected to take place and dealings in the 2022 ZDP Shares are expected to commence on the Specialist Fund Segment of the London Stock Exchange at 8.00 a.m. on 1 December 2017. There will be no conditional dealings in the 2022 ZDP Shares prior to First ZDP Admission or any Shares prior to any Subsequent Admission.

The ISIN number of the Ordinary Shares is JE00BF0D1M25 and the SEDOL code for the Ordinary Shares is BF0D1M2. The ISIN number of the C Shares is JE00BF0D1P55 and the SEDOL code for the C Shares is BF0D1P5. The ISIN number of the 2022 ZDP Shares will be JE00BDG12N48 and the SEDOL code for the 2022 ZDP Shares will be BDG12N4.

The Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Shares which are held in certificated form, transfers of those Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the NAV per Ordinary Share or C Share or 2022 ZDP Share (as applicable). Furthermore, the level of the liquidity in the Shares can vary significantly and typical liquidity on the Specialist Fund Segment is relatively unknown.

11. SCALING BACK AND ALLOCATION

The Directors are authorised to issue and allot (i) up to 20 million 2022 ZDP Shares pursuant to the First ZDP Placing and (ii) up to 100 million Ordinary Shares and/or C Shares and up to 50 million 2022 ZDP Shares (including of the 2022 ZDP Shares to be issued pursuant to the First ZDP Placing) pursuant to the Placing Programme. To the extent that commitments under the First ZDP Placing exceed 20 million 2022 ZDP Shares in aggregate or commitments under the Placing Programme exceed 100 million Ordinary Shares and/or C Shares in aggregate or 50 million 2022 ZDP Shares, the Company reserves the right to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Shares pursuant to the First ZDP Placing or any Subsequent Placing. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they have applied.

The Company will notify investors of the number of Shares in respect of which their application has been successful and the results of the First ZDP Placing and each Subsequent Placing will be announced by the Company via a RIS announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant.

12. GENERAL

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Jersey, the Company, Liberum (and/or, if applicable, such other bookrunner acting in relation to a Subsequent Placing) and their respective agents (and their agents) may require evidence in connection with any application for Shares pursuant to any Placing, including further identification of the applicant(s), before any Shares are issued. The Company and its agents reserve the right to request such information as is necessary to verify the identity of the prospective Shareholder and (if any) the underlying prospective beneficial owner of the Shares. In the event of delay or failure by the prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with its agents, may refuse to accept a subscription for the Shares.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to the date on which dealing in the last Shares that may be issued under the Prospectus were to begin, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

The Directors may, in their absolute discretion, waive the minimum application amounts in respect of any particular application for Shares under the First ZDP Placing or any Subsequent Placing.

Should the First ZDP Placing or any Subsequent Placing be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant to the bank account from which the money was received forthwith following such abort or failure, as the case may be.

13. CLEARING AND SETTLEMENT

Payment for Shares issued pursuant to the First ZDP Placing or any Subsequent Placing should be made in accordance with settlement instructions to be provided to Placees by or on behalf of the Company. To the extent that any application for Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST following the First ZDP Admission and each Subsequent Admission. In the case of Shares to be issued in uncertificated form, these will be transferred to successful applicants through the CREST system.

14. CREST

CREST is a paperless book-entry settlement system operated by Euroclear which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. The Articles permit the holding of Shares under the CREST system. Prior to the issue of any Shares under the First ZDP Placing or any Subsequent Placing, application will be made for the Shares to be admitted to CREST with effect from the applicable Admission. An investor applying for Shares under the First ZDP Placing or any Subsequent Placing may elect to receive Shares in uncertificated form if such investor is a system-member in relation to CREST. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

The Company will instruct Euroclear to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Shares on the date of the applicable Admission. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of Shares outside of the CREST system following an issue of Shares under the First ZDP Placing or any Subsequent Placing should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form. If a Shareholder or transferee requests Shares to be issued in certificated form and is holding such Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares. Shareholders (other than US Persons and persons acting for the account or benefit of any US Person) holding definitive certificates may elect at a later date to hold such Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

Shareholders holding their Shares through CREST or otherwise in uncertificated form may obtain from the Registrar (as evidence of title) a certified extract from the Register showing their Shareholding.

15. PURCHASE AND TRANSFER RESTRICTIONS

For a description of restrictions on offers, sales and transfers of the Shares, please refer to the section entitled "*Selling restrictions*" in "*Important Notices*" of this Prospectus and the section entitled "*Articles of Association*" in Part XIII: "*Additional Information*" of this Prospectus. Save as set out in that section and in the Articles, there are no restrictions on the transfer of Shares.

PART IX: RIGHTS ATTACHING TO THE 2022 ZDP SHARES

Subject to approval at the EGM of the New Articles to permit issuances of 2022 ZDP Shares, the rights attaching to the 2022 ZDP Shares shall be set out in the Articles.

The explanation below details the rights attached to the 2022 ZDP Shares. The New Articles, if approved, will allow for more than one Class of ZDP Shares to be in issue at any one time and so the terms of the New Articles differ from those set out below to the extent required to accommodate for this. A summary of the provisions to be included in the New Articles is set out at Part XIII: "*Additional Information*" at paragraph 7.

1. INCOME

Without prejudice to 2022 ZDP Shareholders' rights described in paragraphs 2.1 and 4 and 5 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*", the 2022 ZDP Shares have no right to receive income from the Company, whether by dividend or otherwise.

2. CAPITAL

In relation to capital on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Ordinary Shares or C Shares or ZDP Shares in accordance with the Articles and the Statutes), the surplus assets of the Company remaining after payment of all creditors shall be distributed as follows:

2.1 first, there shall be paid to the 2022 ZDP Shareholders in respect of each 2022 ZDP Share held by them, (regardless of the date on which such winding up or return of capital occurs) the 2022 ZDP Final Capital Entitlement; and

2.2 second, there shall be paid to:

(a) Ordinary Shareholders (subject to the rights of any Ordinary Shares that may be issued with any special rights and privileges) the surplus capital and assets of the Company attributable to the Ordinary Shares, to be divided amongst the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them; and

(b) C Shareholders (subject to the rights of any C Shares that may be issued with any special rights and privileges), the surplus capital and assets of the Company attributable to the relevant class of C Shares to be divided amongst the holders of C Shares of each class pro rata to the relative Net Asset Values of each of the classes of C Share, and within each such class, such assets shall be distributed *pari passu* amongst the holders of C Shares of that class in proportion to the number of C Shares of such class held by them.

3. VOTING RIGHTS

3.1 Save as described in this paragraph 3 and paragraph 5 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*", 2022 ZDP Shareholders shall not have the right to receive notice of, nor to attend or vote at, any general meeting of the Company.

3.2 Subject to the provisions described in paragraphs 4 and 5 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*", the Company shall not without the prior approval of the 2022 ZDP Shareholders by Special Resolution passed at a class meeting of the 2022 ZDP Shareholders:

(a) pass a resolution (other than a ZDP Exempted Resolution) for the voluntary liquidation or winding-up of the Company, such winding-up to take effect prior to the 2022 ZDP Repayment Date;

(b) change the rights conferred upon the 2022 ZDP Shareholders in a manner adverse to 2022 ZDP Shareholders;

(c) issue further Shares or securities, or rights to subscribe for or to convert or exchange any securities into shares or securities, or reclassify any Shares unless the Cover Test is satisfied;

(d) pass a resolution (other than a ZDP Exempted Resolution) either:

(i) amending the provisions described in paragraphs 4.1 or 5 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*"; or

(ii) releasing the Board from its obligation: (i) to convene a general meeting of the Company at which a ZDP Liquidation Resolution is to be proposed; or (ii) to redeem compulsorily the 2022 ZDP Shares on the 2022 ZDP Repayment Date;

(e) (other than pursuant to a ZDP Exempted Resolution) reduce the share capital of the Company in any manner, unless the Cover Test is satisfied;

(f) redeem or repurchase any Ordinary Shares in the Company, unless:

(i) the Cover Test is satisfied; or

(ii) at the same time as the redemption or repurchase of the Ordinary Shares, the Company also offers to redeem or repurchase the 2022 ZDP Shares pro rata with the Ordinary Shares, such that the Cover for any remaining 2022 ZDP Shares after such redemption or repurchase of 2022 ZDP Shares would be equal to or greater than the Cover excluding adjustments made to take account of the redemption or repurchase of the Ordinary Shares;

(g) make any material change to the Company's investment policy which, at the time of making such change, appears likely, in the reasonable opinion of the Directors, to be materially prejudicial to the 2022 ZDP Shareholders;

(h) pay any dividend or other distribution (save for any (i) dividend or other distribution or payment in cash or kind out of the capital reserves of the Company or (ii) a redemption or repurchase of Shares pursuant to the rights described in paragraph 3.6(f) of this Part IX: "*Rights attaching to the 2022 ZDP Shares*"), unless the Dividends Cover Test is satisfied;

(i) pay any dividend or other distribution or otherwise make a payment in cash or kind out of the capital reserves of the Company, save for a redemption or repurchase of Shares pursuant to the rights described in paragraph 3.6(f) of this Part IX: "*Rights attaching to the 2022 ZDP Shares*", unless the Cover Test is satisfied;

(j) incur any new borrowings for long term investment purposes after the date of the general meeting of the Company approving the creation and issue of the 2022 ZDP Shares unless the Cover Test would continue to be satisfied (where, for the purposes of this paragraph 3.2(j), the Net Asset Value to be used to calculate the Cover will be calculated in accordance with the Articles and published by the Company in the month immediately preceding the month in which such new borrowings are to be incurred); or

(k) alter any objects set out in the Memorandum of the Company.

4. **REDEMPTION**

4.1 Subject to the provisions of the Companies Law, the Company will redeem all of the outstanding 2022 ZDP Shares on the 2022 ZDP Repayment Date, with payment of the 2022 ZDP Final Capital Entitlement being made by the 2022 ZDP Payment Date. The price per ZDP Share at which the 2022 ZDP Shares will be redeemed will be that which results in the 2022 ZDP Final Capital Entitlement being paid to the 2022 ZDP Shareholders.

4.2 The Company will serve a redemption notice on each 2022 ZDP Shareholder in respect of those 2022 ZDP Shares to be redeemed in accordance with the provisions described in paragraph 4.1 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*", which notice shall specify in respect of the holding of each 2022 ZDP Shareholder: (a) the number of 2022 ZDP Shares to be redeemed in accordance with the provisions described in paragraph 4.1 of this Part X: "*Rights attaching to the 2022 ZDP Shares*"; (b) the aggregate redemption amount in respect of such 2022 ZDP Shares; and (c) in respect of 2022 ZDP Shares held in certificated form, the address at which certificates for the 2022 ZDP Shares are to be surrendered for redemption. A redemption notice may not be withdrawn without the prior consent of all the holders of the 2022 ZDP Shares. No defect in the redemption notice or in the giving thereof shall affect the validity of the redemption proceedings.

4.3 Unless otherwise determined by the Board, payments in respect of the amount due on redemption of 2022 ZDP Shares shall be made, in respect of ZDP Shares held in certificated form, by Sterling cheque drawn on a bank in the UK or, upon the request of the holder or joint holders, by transfer to a Sterling account maintained by the payee with a bank in the UK and, in respect of 2022 ZDP Shares held in uncertificated form, by crediting the holder's CREST account. Such payment will be made against surrender of the relevant certificate in the case of certificated ZDP Shares or, if the relevant certificate has been lost or destroyed, the giving of an appropriate indemnity in a form satisfactory to the Board, provided that the Board may determine that surrender of certificates shall not be required, in which event each certificate shall be void and of no effect as from the 2022 ZDP Repayment Date for the 2022 ZDP Shares to which the certificate relates.

5. **VOLUNTARY LIQUIDATION AND EARLY REDEMPTION OF ZDP SHARES IN OTHER CIRCUMSTANCES**

5.1 If the Company is unable or fails to redeem all of the 2022 ZDP Shares on the 2022 ZDP Repayment Date and/or fails to make payment of the aggregate 2022 ZDP Final Capital Entitlement by the 2022 ZDP Payment Date in the manner described in paragraph 4 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*" (except by reason of administrative error rectified within 7 business days of the 2022 ZDP Payment Date and disregarding any 2022 ZDP Shares which are not redeemed as a result of a failure by a 2022 ZDP Shareholder to comply with a requirement relating to the redemption imposed in accordance with the Articles) then, subject to the provisions described in paragraphs 5.2 and 5.3 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*":

(a) the Directors shall convene an extraordinary general meeting of the Company to be held as soon as reasonably practicable following the 2022 ZDP Repayment Date at which a Special Resolution (a "**ZDP Liquidation Resolution**") will be proposed (and recommended by the Directors) requiring the Company to be wound up summarily pursuant to the Companies Law, and in the manner described in paragraph 2 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*"; and

(b) the provisions described in paragraph 5.4 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*" shall apply in relation to such ZDP Liquidation Resolution.

5.2 If any offer is made (whether by the Company or any other person) to all the 2022 ZDP Shareholders (other than the offeror and/or persons controlled by or acting in concert with the offeror) which becomes or is declared unconditional in all respects prior to the 2022 ZDP Repayment Date, and which enables the 2022 ZDP Shareholders to receive no later than the 2022 ZDP Payment Date an amount in cash not less than that which the Directors estimate (so far as practicable at the time) would be equal to or greater than the 2022 ZDP Final Capital Entitlement (whether or not such offer is accepted in any particular case and ignoring any option to receive alternative consideration) and such offer is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable, then unless the Board considers that the aforementioned offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer:

(a) the provisions described in paragraphs 4.1 and 5.1 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*" shall not apply; and

(b) the provisions described in paragraph 5.4 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*" shall apply to the 2022 ZDP Shareholders in relation to any resolution or resolutions proposed at any separate class meeting of the 2022 ZDP Shareholders relating to such offer (a "**ZDP Recommended Resolution**").

5.3 If at any time on or before the 2022 ZDP Repayment Date, a resolution or resolutions (a "**ZDP Reconstruction Resolution**") is proposed at any general meeting of the Company or at any separate class meeting of the 2022 ZDP Shareholders (including any meeting to be convened to consider the winding up of the Company) to approve any form of arrangement which enables the 2022 ZDP Shareholders to receive, no later than the 2022 ZDP Payment Date, an amount in cash not less than that to which the Directors' estimate (so far as practicable at the time) would be equal to or greater than the 2022 ZDP Final Capital Entitlement (ignoring any option to receive their entitlements otherwise than in cash) and such arrangement is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable then, unless the arrangement is not implemented in accordance with its terms:

(a) the provisions described in paragraphs 4.1 and 5.1 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*" shall not apply; and

(b) the provisions described in paragraph 5.4 of this Part IX: "*Rights attaching to the 2022 ZDP Shares*" shall apply to the 2022 ZDP Shareholders in relation to such ZDP Reconstruction Resolution.

5.4 There is provision under the Articles that, in respect of any ZDP Exempted Resolution proposed at either a general meeting of the Company or a class meeting of 2022 ZDP Shareholders, each Shareholder present in person, by a duly authorised representative (if a corporation) or by proxy and entitled to vote shall (in respect of the votes attached to all such Shares) vote in favour of any resolution or resolutions so recommended by the Directors and, where any vote is not cast or is cast against any such resolution or resolutions, it shall be deemed to have been cast in favour. The vote on any ZDP Exempted Resolution shall be taken on a poll.

5.5 There is provision under the Articles that, notwithstanding anything to the contrary in the Articles, the passing and implementation of any ZDP Exempted Resolution shall be deemed to be in accordance with the rights attached to the Ordinary Shares and the C Shares (in each case of whatever class), with the result that neither the passing nor the implementation of any such resolution shall be treated as varying, modifying or abrogating such rights and so that the consent or sanction of any such class of Ordinary Shares or C Shares, each as a separate class shall not be required.

6. **CONVERSION OF ZDP SHARES**

6.1 Subject to the Companies Law and the Articles, the Directors may, at their absolute discretion, permit a 2022 ZDP Shareholder of one class to convert (by way of re-designation) some or all of the 2022 ZDP Shares into ZDP Shares of another class upon such 2022 ZDP Shareholder giving notice to the Company in the form and manner requested by the Directors in their absolute discretion. The conversion (by way of re-designation) shall take effect at such time and on such terms as the Directors may determine in their absolute discretion.

6.2 The Directors may amend the process, notice requirements and form of notification for effecting conversions (including the timing and frequency of such conversions and the procedure for giving notice of conversion) in such manner as they, in their absolute discretion, see fit. Any instruction or conversion notice once given by a 2022 ZDP Shareholder shall be irrevocable without the consent of the Directors.

6.3 The number of ZDP Shares of the other class which the 2022 ZDP Shareholder shall receive by way of conversion will be rounded down to the nearest whole number and any fractional entitlements may, subject to the Companies Law and the Articles, be dealt with by the Directors in such manner as they think fit including, without limitation, selling or redeeming any ZDP Shares of the other class representing such fractional entitlements and retaining the proceeds for the benefit of the Company.

6.4 The Directors may, in their absolute discretion, determine not to allow the conversion of some or all 2022 ZDP Shares into ZDP Shares of another class pursuant to the Articles.

PART X: PRINCIPAL BASES AND ASSUMPTIONS

Unless otherwise indicated, the illustrative financial statistics contained in this Prospectus relating to the 2022 ZDP Shares have been calculated on the following principal bases and assumptions. For the avoidance of doubt the Assumptions have not been used in preparing the working capital statement set out in Part XIII: "*Additional Information*" of this Prospectus.

There can be no guarantee that the Assumptions set out below will be realised. In particular, the number of 2022 ZDP Shares issued pursuant to the First ZDP Placing may differ from the assumed amounts; market gains or losses between publication of this Prospectus and the First ZDP Admission will affect the amount of the Company's assets at First ZDP Admission; costs will be incurred in investing the net proceeds of the First ZDP Placing (if any); annual running expenses of the Company may exceed the assumed level; and exchange rate differences may prove material.

Accordingly, no reliance should be placed on the illustrative financial statistics derived from the Assumptions set out below. The attention of prospective investors is also drawn to the section entitled "*Risk Factors*" of this Prospectus.

The Assumptions used are:

1. On 30 September 2017 (being the latest practicable date prior to the publication of this Prospectus on which the Portfolio was valued) the Company had 53,874,670 Ordinary Shares in issue and net assets (cum-income) were £80 million and the NAV per Ordinary Share (unaudited) was £1.49 on a cum-income basis.
2. Total gross proceeds of £20 million are raised pursuant to the First ZDP Placing by the issue of 20 million 2022 ZDP Shares at 100 pence per 2022 ZDP Share.
3. The total estimated costs for the account of the Company of implementing the First ZDP Placing are approximately £700,000.
4. No allowance is made for the costs of investing the net proceeds of the First ZDP Placing.
5. The annual operating costs of the Company are approximately £1 million to £1.15 million per annum and are not deducted for the purposes of calculating the Initial Cover and the Final Cover.
6. The ZDP Gross Redemption Yield of a 2022 ZDP Share is 5.75 per cent. per annum, accruing daily and compounding annually from 1 December 2017 (the anticipated date of First ZDP Admission) up to (but excluding) the 2022 ZDP Repayment Date. The 2022 ZDP Final Capital Entitlement of 132.25 pence per 2022 ZDP Share is payable on 30 November 2022.
7. The Initial Cover is calculated as the ratio of:
    (a) the NAV as at 30 September 2017 adjusted to (i) add back the net proceeds of the First ZDP Placing; and (ii) deduct the dividend for the period to 30 September 2017; to
    (b) the gross proceeds of the First ZDP Placing.
8. The Final Cover is calculated as the ratio of:
    (a) the NAV as at 30 September 2017, adjusted to (i) add back the net proceeds of the First ZDP Placing; and (ii) deduct the dividend for the period to 30 September 2017; to
    (b) the sum of the assets required to pay the aggregate 2022 ZDP Final Capital Entitlement in respect of the 2022 ZDP Shares issued pursuant to the First ZDP Placing and other borrowings.
9. The Hurdle Rate is calculated as the minimum annual growth rate from the date of First ZDP Admission of the Group's assets required to cover fully the 2022 ZDP Final Capital Entitlement and other borrowings.
10. No capital gains tax is payable by the Company in Jersey; no other changes occur in any relevant taxation law and practice; and the allocation of certain expenses to the capital reserve results in a notional transfer of tax relief from the revenue account to the capital reserve in accordance with the Association of Investment Companies' Statement of Recommended Practice.
11. There are no changes to generally accepted accounting practices relevant to the Company.
12. The Company has an indefinite life.

PART XI: TAXATION

1. GENERAL

The information below, which relates only to Jersey, UK and US taxation is for general information purposes only and summarises the advice received by the Board and is applicable to the Company and the Partnership (except in so far as express reference is made to the treatment of other persons) and to persons who are resident or ordinarily resident in Jersey, the United Kingdom or the United States for taxation purposes and who hold Shares as an investment. It is not intended to be a comprehensive summary of all technical aspects of the structure, or tax law and practice in Jersey, the UK or the United States (including such tax law and practice as it applies to any land or building situated in Jersey). It is not intended to constitute legal or tax advice to Shareholders. It is based on current Jersey, UK and United States tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

If you are in any doubt about your tax position, you should consult your professional adviser without delay.

2. JERSEY

2.1 The Company

Under Article 123C of the Income Tax (Jersey) Law 1961 and on the basis that the Company is tax resident in Jersey, the Company (not being a financial services company, or a utility company as defined under the Income Tax (Jersey) Law 1961 at the date of this Prospectus) will be regarded as subject to Jersey income tax at a rate of zero per cent.

The Company is not within the new category of "financial services company" or a "large corporate retailer" as defined by the proposed new legislation concluded within the draft Finance (2018 Budget) (Jersey) Law 2018 and so will continue to be regarded as subject to Jersey income tax at a rate of zero per cent upon such legislation coming into force.

If the Company derives any income from the ownership or development and disposal of land in Jersey, such income will be subject to tax at the rate of 20 per cent. It is not expected that the Company will derive any such income.

2.2 Holders of Shares

There is no capital gains tax, estate duty, inheritance tax or similar taxes (other than stamp duty see below.)

Dividends on Shares and redemption proceeds may be paid by the Company to non-Jersey resident shareholders without withholding or deduction for or on account of Jersey income tax. Non-Jersey resident shareholders will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Shares. Non-Jersey resident shareholders will be exempt from Jersey income tax on receipt of any distribution from the Company. Shareholders who are resident in Jersey for tax purposes may be liable to pay income tax on distributions (including redemption proceeds) received from the Company. The attention of any holder of any ZDP Shares who is resident in Jersey is drawn to the provisions of Article 134A of the Income Tax (Jersey) Law 1961, as amended, which may in certain circumstances render such a resident liable to Jersey income tax on undistributed income or profits of the Company. Advice should be obtained from a professional advisor in these circumstances.

2.3 Goods and Services Tax

Jersey imposes a Goods and Services Tax ("**GST**") on the taxable supply of goods and services in or imported into Jersey. The current GST rate is 5 per cent. On the basis that the Company has obtained International Services Entity status, the Company is not:

(a) required to register as a taxable person pursuant to the Goods and Services Tax (Jersey) Law 2007;

(b) required to charge GST in Jersey in respect of any supply made by it; or

(c) (subject to limited exceptions that are not expected to apply to the Company) required to pay GST in Jersey in respect of any supply made to it.

The Directors intend to continue to conduct the business of the Company such that no GST will be incurred or be payable by the Company.

2.4 Stamp Duty

In Jersey, no stamp duty is levied on the issue, acquisition, ownership, exchange, sale, transfer or other disposition of Shares between living persons except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer Shares on the death of a holder of such Shares. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the deceased's moveable estate (wherever situated in respect of a holder of Shares domiciled in Jersey, or situated in Jersey in respect of a holder of Shares domiciled outside Jersey). Such duties are payable in respect of the net value of the estate (as at the date of death) rounded up to the nearest £10,000 at a rate of 0.5 per cent. of the first £100,000 and 0.75 per cent. thereafter up to a maximum net value of £13,360,000. The rules for joint holders and holdings through a nominee are different and advice relating to this form of holding should be obtained from a professional advisor.

Purchasers of Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase or other relevant jurisdiction.

2.5 European Union Directive on the Taxation of Savings Income

Following the repeal on 1 January 2016 of the EU Savings Tax Directive, and in line with steps taken by other relevant third countries, Jersey has suspended its system of automatic communication to EU Member States of information regarding payments made by certain Jersey collective investment vehicles to EU resident individuals. The introduction of the Common Reporting Standard (see below) supersedes the information exchange arrangements previously in place.

2.6 FATCA

Under Sections 1471 through 1474 of the US Internal Revenue Code (commonly referred to as "**FATCA**") "Financial Institutions" are required to use enhanced due diligence procedures to identify US persons who have invested in either non-US financial accounts or non-US entities.

Pursuant to FATCA, certain payments of (or attributable to) US-source income, (including dividends and interest), and (from 1 January 2019) the gross proceeds of sales of property that give rise to US-source payments, are subject to a 30 per cent. withholding tax unless the Company agrees to certain reporting and withholding requirements ("**FATCA Withholding**").

The United States and Jersey have entered into an intergovernmental agreement ("**US-Jersey IGA**") to implement FATCA. Under the terms of the US-Jersey IGA, the Company is obliged to comply with the provisions of FATCA as enacted by the Taxation (Implementation) (International Tax Compliance) (United States of America) Regulations 2014 (the "**Jersey IGA Legislation**"), rather than directly complying with the US Treasury regulations implementing FATCA. Under the terms of the US-Jersey IGA, Jersey resident entities that comply with the requirements of the Jersey IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to FATCA Withholding on payments they receive and will not be required to withhold under FATCA on payments they make.

The Company is considered a Jersey resident financial institution and therefore is required to comply with the requirements of the Jersey IGA Legislation. Under the Jersey IGA Legislation, the Company is required to identify, review and report to the States of Jersey Comptroller of Taxes certain holdings by and payments made to US tax resident Shareholders in the Company, as well as to non-US financial institutions that are considered to be "Non-Participating Financial Institutions" for the purposes of the US-Jersey IGA and have one or more controlling persons who are US residents for tax purposes. Under the terms of the US-Jersey IGA, such information will be onward reported by the States of Jersey Comptroller of Taxes to the United States.

Prospective Shareholders should consult their tax advisors with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the Company.

2.7 Common Reporting Standard

The OECD has developed a new global standard for the automatic exchange of financial information between tax authorities (the "**Common Reporting Standard**" or "**CRS**"). The CRS has been implemented in the EU by way of the Revised Directive on Administrative Co-Operation (Council Directive 2014/107/EU). Jersey is a signatory to the CRS and commenced exchange of information with tax authorities of other signatory jurisdictions in September 2017.

Jersey legislation which implements the CRS in Jersey came into effect on 1 January 2016 (the "**Jersey CRS Legislation**").

In summary, the Jersey CRS Legislation requires "reporting financial institutions" in Jersey to identify, review and report on "financial accounts" maintained by them and which are held by residents for tax purposes (whether individuals or entities) of jurisdictions with which Jersey has agreed to exchange information. The reporting deadline for Jersey reporting financial institutions to report to the States of Jersey Comptroller of Taxes is 30 June in the year following the calendar year to which the return relates.

Reports will be made to the States of Jersey Comptroller of Taxes and then passed to the competent authority of the jurisdiction in which the account holder is resident. Although the Company will attempt to satisfy any obligations imposed on it by the CRS, no assurance can be given that it will be able to satisfy such obligations. Implementation of the CRS may require the Company to conduct additional due diligence and report upon accounts held with it by Shareholders who are reportable persons in other participating jurisdictions.The Company may require certain additional financial information from Shareholders to comply with its due diligence and reporting obligations under the CRS.

Failure by the Company to comply with the obligations under the CRS may result in penalties being imposed on the Company and in such event, the target returns of the Company may be materially affected. All prospective Shareholders must agree to provide the Company at the time or times prescribed by applicable law and at such times reasonably requested by the Company such information and documentation (whether relating to themselves, their investors and/or beneficial owners) prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under CRS.

Prospective Shareholders should, as with FATCA, consult their tax advisors with regard to the potential CRS tax reporting and certification requirements associated with an investment in the Company. It is further recommended that Shareholders who are entities consider themselves whether they have any obligations to notify their respective investors, Shareholders or account holders about the information that the Company requests, and the potential disclosures that the Company will be obliged to make in connection with those persons in complying with its obligations under CRS.

This summary of Jersey taxation issues can only provide a general overview of this area and it is not a description of all the tax considerations that may be relevant to a decision to invest in the Company. The summary of certain Jersey tax issues is based on the laws and regulations in force as of the date of this document and may be subject to any changes in Jersey law occurring after such date. Legal advice should be taken with regard to individual circumstances. Any person who is in any doubt as to his tax position or where he is resident, or otherwise subject to taxation, in a jurisdiction other than Jersey, should consult his professional adviser.

In order to avoid the Company being subject to withholding taxes or penalties, all investors must agree to provide the Company at times reasonably requested by the Company with such information and documentation (whether relating to themselves, their investors and/or beneficial owners) reasonably requested by the Company.

3. UNITED KINGDOM

The following is a summary of certain United Kingdom tax considerations relating to an investment in the Shares.

The statements set out below are based on current United Kingdom law and published HM Revenue & Customs ("**HMRC**") practice (which may not be binding on HMRC), as at the date of this Prospectus, and which may be subject to change, possibly with retroactive effect. They are intended as a general guide and apply only to Shareholders resident and, in the case of an individual, domiciled in (and only in) the United Kingdom for United Kingdom tax purposes (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold Shares as an investment (other than under an individual savings account or self-invested personal pension) and who are the absolute beneficial owners of the Shares and any dividends paid on them. (In particular, Shareholders holding their Shares via a depositary receipt system or clearance service should note that they may not always be regarded as the absolute beneficial owners thereof.) The discussion does not address all possible tax consequences relating to an investment in the Shares. The statements are not addressed to: (i) special classes of Shareholders such as (and without limitation), for example, dealers in securities, broker dealers, intermediaries, insurance companies and collective investment schemes; (ii) Shareholders who hold Shares as part of hedging transactions; (iii) Shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment; and (iv) Shareholders who hold Shares in connection with a trade, profession or vocation carried on in the United Kingdom through a branch or agency (or, in the case of a corporate Shareholder, in connection with a trade in the UK carried on through a permanent establishment or otherwise).

Shareholders or prospective Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

3.1 **The Company**

The Directors intend to conduct the affairs of the Company in such a way that it should not be resident in the UK for UK tax purposes. Accordingly, and **provided that** the Company does not carry on a trade in the UK (whether or not through a branch, agency or permanent establishment situated therein) and is not managed and controlled in the UK, the Company will not be subject to UK income tax or corporation tax other than by way of withholding on certain types of UK source income such as UK source interest.

3.2 **Shareholders**

(a) ***UK Offshore Fund Rules***

If the Company meets the definition of an "offshore fund" for the purpose of UK taxation, then in order for a UK Shareholder to be taxed under the capital gains tax regime (rather than on an income basis) on disposal of Shares, the Company must apply to HMRC to be treated as a reporting fund and maintain reporting fund status throughout the period in which the UK Shareholder holds the Shares.

The Directors are of the opinion that, under current law, the Company should not be an "offshore fund" for the purposes of UK taxation and legislation, contained in Part 8 of the Taxation (International and Other Provisions) Act 2010, should not apply.

On this basis, Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident in the UK, or who carry on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, may, depending on their circumstances and subject as mentioned below, be liable to UK tax on chargeable gains realised on the disposal of their Shares.

(b) ***Tax on Chargeable Gains***

A disposal of Shares by a Shareholder who is resident in the UK for UK tax purposes or who is a company that is not so resident but carries on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains or capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

For individual Shareholders capital gains tax at the rate of tax at 10 per cent. (for basic rate taxpayers) or 20 per cent. (for higher or additional rate taxpayers) will be payable on any chargeable gain.

Individuals may benefit from certain reliefs and allowances (including an annual exempt amount, which presently exempts the first £11,300 from tax for tax year 2017 - 18) depending on their circumstances.

For Shareholders that are bodies corporate resident in the UK for taxation purposes, any gain will be within the charge to corporation tax. The main rate of corporation tax is currently 19 per cent, reducing to 17 per cent. from 1 April 2020.

Shareholders which are bodies corporate resident in the UK for taxation purposes may benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index. Indexation allowance cannot create or increase an allowable loss.

More specifically in the context of 2022 ZDP Shares, subject to the comments made under the section headed "Disguised interest rules" below, Shareholders who are UK-resident individuals should be subject to capital gains tax at a rate of 10 per cent. (for basic rate taxpayers) or 20 per cent. (for higher and additional rate taxpayers) on any gain realised. Individuals may be able to benefit from other reliefs and allowances (including the annual exempt amount mentioned above).

For 2022 ZDP Shareholders who are subject to UK corporation tax, the amount by which the 2022 ZDP Final Capital Entitlement exceeds the amount originally subscribed for the 2022 ZDP Shares will be treated as a "distribution" for UK corporation tax purposes. Such a distribution would potentially be taxable as income, but would generally qualify to be treated as exempt under Part 9A of the Corporation Tax Act 2009 for a UK tax resident corporate shareholder that is not a "small company".

(c) ***Disguised interest rules***

The attention of Individual Shareholders resident in the UK is drawn to the "disguised interest" rules contained in Chapter 2A of Part 4 of the Income Tax (Trading and Other Income) Act 2005. These provisions, which apply when the return received by the taxpayer is considered to be economically equivalent to interest, operate to re-characterise capital proceeds as income and subject them to tax as income. If these provisions were to apply to the 2022 ZDP Shares, profits received by Shareholders on the 2022 ZDP Repayment Date or otherwise in relation to a disposal or redemption of their 2022 ZDP Shares would be subject to tax as interest rather than capital gains.

One of the requirements for returns to be characterised as "economically equivalent to interest" is that there must be no practical likelihood that the return will cease to be produced, ignoring factors such as the insolvency of the payor (in this case, the Company). HMRC has issued guidance on this point which confirms that the rules should not apply to arrangements where the payout is linked to an investment portfolio which is "genuinely exposed to investment risk". While the Company believes that its investment portfolio is such that the return on the 2022 ZDP Shares will be genuinely exposed to investment risk, it cannot be guaranteed that HMRC will accept the application of its guidance to the 2022 ZDP Shares in which case returns would be taxed as interest rather than as capital gains.

(d) ***Dividends***

The Company will not be required to withhold amounts on account of United Kingdom tax at source when paying a dividend.

Individual Shareholders

All dividends received by a UK resident individual Shareholder from the Company or from other sources on or after that date will form part of the Shareholder's total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £5,000 of taxable dividend income received by the Shareholder in a tax year. Income within the nil rate will be taken into account in determining whether income in excess of the nil rate band falls within the basic rate, high rate or additional rate tax bands. Where the dividend income is above the £5,000 dividend allowance, the first £5,000 of the dividend income will be charged at the nil rate and any excess amount will be taxed at 7.5 per cent. to the extent that the excess amount falls within the basic rate tax band, 32.5 per cent. to the extent that the excess amount falls within the higher rate tax band and 38.1 per cent. to the extent that the excess amount falls within the additional rate tax band. At the Spring Budget on 8 March 2017, the UK Government announced that the annual dividend allowance will be reduced from £5,000 to £2,000 from 6 April 2018. This reduction is likely to be enacted in the near future with the progression of Finance Bill 2017 - 2019 through the UK Parliament.

Corporate Shareholders

Unless the recipient is a "small company" (see below), dividends paid by the Company to a corporate Shareholder which is UK resident should generally be expected to fall within one or more of the classes of dividend qualifying for exemption from corporation tax.

Shareholders within the charge to UK corporation tax which are "small companies" (as that term is defined in section 931S of the Corporation Tax Act 2009) will be liable to corporation tax on dividends paid to them by the Company because the Company is not resident in a "qualifying territory" for the purposes of the legislation contained in the Corporation Tax Act 2009. Jersey is a non-qualifying territory for this purpose.

(e) ***Non-UK resident Shareholders***

A Shareholder who is not resident in the UK for UK tax purposes will not be liable to income or corporation tax in the UK on dividends paid on the Shares unless such a Shareholder carries on a trade (or profession or vocation) in the UK and the dividends are either a receipt of that trade or, in the case of corporation tax, the dividends are receipts of a trade carried on by the Shareholder through a UK permanent establishment.

(f) ***Stamp duty and Stamp Duty Reserve Tax ("SDRT")***

No UK stamp duty or SDRT will arise on the issue of Shares. No UK stamp duty will be payable on a transfer of Shares, **provided that** all instruments effecting or evidencing the transfer (or all matters or things done in relation to the transfer) are not executed in the UK and no matters or actions relating to the transfer are performed in the UK.

Provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the UK, any agreement to transfer the Shares will not be subject to UK SDRT.

Transfers of Shares within the CREST system will generally give rise to a charge to SDRT at a rate of 0.5% of the consideration payable in respect of the transfer. The SDRT due will generally be collected within the CREST system. Provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company, no SDRT should be payable on transfers through the CREST systems.

(g) ***ISAs and registered pension schemes***

Investors resident in the United Kingdom who are considering acquiring Shares are recommended to consult their own tax and/or investment adviser in relation to the eligibility of the Shares for ISAs and SSAS/SIPPs.

Shares acquired pursuant to the Placing Programme will not be eligible for inclusion in a stocks and shares ISA. On Admission, Shares acquired in the market should be eligible for inclusion in a stocks and shares ISA, subject to applicable subscription limits.

Between 6 April 2017 and 5 April 2018, the total annual ISA investment allowance is £20,000 in cash, stocks and shares or certain other items, or any combination of these.

The Shares may be eligible for inclusion in a registered pension scheme subject to the rules of the scheme and the discretion of the trustees of the scheme.

3.3 **Other UK Tax Considerations**

(a) ***Transfer of Assets Abroad***

Individuals Shareholders resident in the UK should note that Chapter 2 of Part 13 of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company.

(b) ***Close Company Provisions***

The attention of Shareholders resident in the UK is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances where the company would be a close company if UK resident, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 25 per cent. of the Shares.

(c) ***Transactions in Securities***

The attention of UK resident Shareholders is drawn to the provisions of (in the case of a UK resident individual Shareholder) Chapter 1 of Part 13 Income Tax Act 2007 and (in the case of a UK resident corporate Shareholder) Part 15 of the Corporation Tax Act 2010, which give powers to HMRC to cancel tax advantages derived from certain transactions in securities.

(d) ***Controlled foreign companies***

UK resident corporate Shareholders should be aware of the "controlled foreign companies" rules contained in Part 9A of the Taxation (International and Other Provisions) Act 2010. These rules can result in the "chargeable profits" of a non-UK resident company which is controlled or deemed to be controlled by UK tax resident persons (a "**CFC**") being apportioned to and subject to a UK corporation tax-equivalent charge in the hands of UK tax resident companies which have "relevant interests" in the CFC (which include "relevant interests" held by a bare trustee or nominee). A holding of Shares could qualify as a "relevant interest" for these purposes if the Company is or were to become a CFC. However, no apportionment would be made to a Shareholder unless that Shareholder (together with any persons connected or associated with it) would have at least 25 per cent. of the Company's profits apportioned to it in accordance with Part 9A. Persons who may be treated as "connected" or "associated" with each other for these purposes include two or more companies one of which controls the other(s) or all of which are under common control.

4. **UNITED STATES**

The following is a summary of certain US federal income tax considerations relevant to the acquisition, ownership and disposition of Shares. This summary is based upon the US Tax Code, the regulations promulgated by the US Treasury Department, or the Treasury regulations, current administrative interpretations and practices of the IRS (including administrative interpretations to and practices expressed in private letter rulings which are binding on the IRS only with respect to the particular taxpayers who requested and received these rulings) and judicial decisions, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. For example, President Trump and certain members of the House of Representatives have publicly stated that one of their top legislative priorities is significant reform of the US Tax Code. There is a substantial lack of clarity around both the timing and details of any such reform and the impact of any potential tax reform is uncertain. In addition, no assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. No advance ruling has been or will be sought from the IRS regarding the Company's classification as a partnership for US federal income tax purposes or any other matter discussed in this summary. This summary is for general information only, and does not purport to discuss all aspects of US federal income taxation that may be important to a particular investor in light of its investment or tax circumstances or to investors subject to special tax rules, such as:

- US expatriates;
- persons who mark-to-market the Shares;
- subchapter S corporations;
- US Holders (as defined below) whose functional currency is not the US dollar;
- financial institutions;
- insurance companies;
- broker-dealers;
- regulated investment companies;
- trusts and estates;
- holders who receive Shares through the exercise of employee share options or otherwise as compensation;
- persons holding Shares as part of a "straddle", "hedge", "conversion transaction", "synthetic security", or other integrated investment;
- persons subject to the alternative minimum tax provisions of the US Tax Code;
- persons holding their interest through a partnership or similar pass-through entity;
- persons holding a 10 per cent. or more (by vote or value) beneficial interest in the Company;
- tax-exempt organizations;
- holders of C Shares; and
- non-US Holders (as defined below).

If an entity or arrangement treated as a partnership for US federal income tax purposes holds Shares, the US federal income tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of such partnership. A partner of a partnership holding Shares should consult its tax advisor regarding the US federal income tax consequences to the partner of the acquisition, ownership and disposition of Shares by the partnership.

This summary assumes that investors hold Shares as capital assets, which generally means as property held for investment. In addition, this discussion does not address the US federal income tax consequences of the issuance of C Shares or the Conversion of C Shares into New Ordinary Shares. Any issuance of C Shares or Conversion of C Shares into New Ordinary Shares may affect the allocation of the Company's income, gains, losses, deductions and credits, and holders of Shares outstanding at the time of issuance or Conversion should consult their tax advisors with respect to the US federal income tax treatment of the issuance of C Shares or the Conversion of C Shares into New Ordinary Shares and consequences of holding Ordinary Shares or 2022 ZDP Shares while any C Shares are outstanding. In addition, this discussion does not address the US federal income tax consequences of the conversion of 2022 ZDP Shares into another class of shares of the Company, and prospective holders of 2022 ZDP Shares should consult their tax advisors with respect to the US federal income tax treatment of any such conversion.

Further, although the matter is not certain, the Company intends to take the position that the 2022 ZDP Shares are not treated as indebtedness of the Company for US federal income tax purposes and the remainder of this discussion assumes that the 2022 ZDP Shares will be so treated. Holders of Shares should consult their tax advisors with respect to the US federal income tax consequences if the 2022 ZDP Shares were treated as indebtedness of the Company for US federal income tax purposes.

For purposes of this summary, a "**US Person**" is an individual who is a citizen or a resident of the United States for US federal income tax purposes, a corporation that is organized in or under the laws of the United States, any state or the District of Columbia, an estate, the income of which is subject to US federal income taxation regardless of its source, or a trust that is subject to the supervision of a court within the United States and the control of a US Person as described in Section 7701(a)(30) of the US Tax Code. A "**US Holder**" is a holder of Shares that is a US Person. A "**US Taxable Holder**" is a US Investor that is not otherwise exempt (as described below). A "**Non-US Holder**" is a holder of Shares that is not a US Person. A "**US Tax-Exempt Holder**" is a US Holder which is exempt from tax under Section 501(a) of the US Tax Code.

THE US FEDERAL INCOME TAX TREATMENT OF ACQUIRING, HOLDING, AND DISPOSING OF SHARES DEPENDS IN SOME INSTANCES ON DETERMINATIONS OF FACT AND INTERPRETATIONS OF COMPLEX PROVISIONS OF US FEDERAL INCOME TAX LAW FOR WHICH NO CLEAR PRECEDENT OR AUTHORITY IS AVAILABLE. IN ADDITION, THE TAX CONSEQUENCES TO ANY PARTICULAR SHAREHOLDER WILL DEPEND ON THE SHAREHOLDER'S PARTICULAR TAX CIRCUMSTANCES. EACH SHAREHOLDER IS URGED TO CONSULT ITS TAX ADVISOR REGARDING THE US FEDERAL, STATE, LOCAL, AND NON-US INCOME AND OTHER TAX CONSEQUENCES, IN LIGHT OF THE SHAREHOLDER'S PARTICULAR CIRCUMSTANCES, OF ACQUIRING, HOLDING, AND DISPOSING OF SHARES.

4.1 Investment in the Company

(a) *Classification of the Company*

The Company has elected to be treated as a partnership for US federal income tax purposes. However, the Company will be treated as a "publicly traded partnership" or "**PTP**" if interests in the Company are: (i) traded on an established securities market; or (ii) readily tradable on a secondary market or the substantial equivalent thereof. The Company expects to be treated as a PTP, and accordingly will be treated as an association taxable as a corporation for all periods in which it is a PTP unless 90 per cent. or more of the Company's gross income was "qualifying income" for the relevant taxable year and for each of its prior taxable years during which it was a PTP (the "qualifying income exception"). Qualifying income generally includes rents from real property, dividends, interest and capital gains from the sale or other disposition of stocks, bonds and real property. In determining whether interest is treated as qualifying income for purposes of these rules, interest income derived from a "financial business" and income and gains derived by a "dealer" in securities are not treated as qualifying income. Although there is no clear guidance as to what constitutes a financial business under the tax laws, the Company believes that for purposes of determining whether it is engaged in a financial business or whether it would be treated as a dealer in securities, portfolio investing activities that it will engage in should not cause it to be engaged in a financial business or to be considered a dealer in securities.

Although the Company believes that it will satisfy the qualifying income exception, there can be no assurance that the IRS would not challenge the Company's compliance with the qualifying income requirements and, therefore, assert that the Company is taxable as a corporation for US federal income tax purposes. If at the end of any taxable year the Company fails to meet the qualifying income exception, it may still qualify as a partnership if it is entitled to relief under the US Tax Code for an inadvertent termination of partnership status.

This relief will be available if: (i) the failure is cured within a reasonable time after discovery, (ii) the failure is determined by the IRS to be inadvertent, and (iii) the Company agrees to make such adjustments (including adjustments with respect to its Shareholders) or to pay such amounts as are determined by the IRS. It is not possible to state whether the Company would be entitled to this relief in any or all circumstances. It also is not clear under the US Tax Code whether this relief is available for the Company's first taxable year as a PTP. If this relief provision is not applicable to a particular set of circumstances involving the Company, it will not qualify as a partnership for US federal income tax purposes. Even if this relief provision applies and the Company retains its partnership qualification, the Company or its Shareholders (during the failure period) will be required to pay such amounts as determined by the IRS.

If the Company fails to meet the qualifying income exception and is not entitled to relief as described above, it would be treated as a non-US corporation (subject to discussion below of treatment of the Company as a "surrogate foreign corporation") subject to US federal income tax on its income that is "effectively connected" with the conduct of a trade or business within the United States for US federal income tax purposes ("**ECI**"), including an additional "branch profits tax" on earnings and profits attributable to such ECI, and subject to 30 per cent. US federal withholding tax on certain non-ECI income from US sources (e.g. US source dividends and certain items of US source interest). In addition, the Company's items of income, gain, loss, deduction, and credit (including foreign tax credits) would not pass through to Shareholders, and Shareholders would be treated for US federal income tax purposes as Shareholders in a corporation. Distributions by the Company to investors would constitute dividend income taxable to US Taxable Holders, to the extent of the Company's current and accumulated earnings and profits, and US Taxable Holders will not be eligible for the preferential individual US federal income tax rates on "qualified dividend income" with respect to any such dividend income received from the Company. US Taxable Holders would be subject to various other potential adverse consequences, including the recognition of any gain on their Shares at the time of the conversion of the Company from a partnership to a corporation for US federal income tax purposes, and taxation under the regime for shareholders in a "passive foreign investment company" (a "**PFIC**") as described in greater detail below.

In addition, if the Company is treated as a "surrogate foreign corporation" with respect to the Partnership for US federal income tax purposes, it would be treated as a US corporation subject to US federal income tax on its worldwide income. In addition, distributions by the Company to its investors would be treated as dividends for US federal income tax purposes to the extent of the Company's current and accumulated earnings and profits. The Company will be treated as a surrogate foreign corporation if, among other things, it is treated as having acquired substantially all of the properties constituting a "trade or business" of the Partnership or another US partnership, or substantially all of the properties held directly or indirectly by the Manager or another US corporation. While the Company does not believe that it will be so treated, no assurance can be **provided that** the IRS will not successfully assert that the Company should be treated as a surrogate foreign corporation. Shareholders should consult their tax advisors on the consequences of holding an interest in a "surrogate foreign corporation" or a corporation that is treated as a US corporation for US federal income tax purposes.

The remainder of this discussion assumes that the Company will qualify to be taxed as a partnership for US federal income tax purposes.

In any event, the Company may hold the stock of entities that are taxed as US or non-US corporations that would give rise to the consequences discussed above in respect of the income of and distributions from such entity. For additional information, see the discussion below under "*US Federal Income Taxation of US Taxable Holders*".

(b) *US Tax Information*

It is intended that the Company will provide, or cause to be provided, such information, including a US Internal Revenue Service Schedule K-1, as a US Holder may reasonably request for the filing of any required tax returns or reports in respect of such US Holder's holding in the Company and its assets.

(c) *US Federal Income Taxation of US Taxable Holders*

Except as discussed below in respect of tax audits for taxable years generally beginning after December 31, 2017, the Company itself will not be subject to US federal income tax in respect of taxable years for which it is treated as a partnership for US federal income tax purposes. Rather, each US Taxable Holder will be required to report separately on its US federal income tax return its allocable share of the Company's income, gain, loss, deduction and credit for each taxable year of the Company ending with or within the US Taxable Holder's taxable year, regardless of the extent to which, or whether, the US Taxable Holder has received cash distributions from the Company for such taxable year. Generally, each such item will have the same character and the same source to a US Taxable Holder as would be the case if the US Taxable Holder recognized the item directly. It is possible, and likely in the case of a US Taxable Holder holding 2022 ZDP Shares, that the US federal income tax liability of a US Taxable Holder with respect to its allocable share of the Company's earnings in a particular taxable year could exceed the cash distributions to the US Taxable Holder for the year, thus requiring an out-of-pocket tax payment by the US Taxable Holder. In addition, a US Taxable Holder may be subject to direct taxation on any distributions received from, gain from the disposition of, or income or gain of any PFIC owned by the Company. For additional information, see the discussion below under "*—PFICs*".

(i) *Allocation*. For US federal income tax purposes, the income, gains, losses, deductions and credits of the Company will be allocated to the US Taxable Holders so as to conform to the allocation principles under Section 704 of the US Tax Code, as determined by the Manager in its sole discretion. It is expected that net income and gains will be allocated first to holders of 2022 ZDP Shares to reflect the accrual of their capital entitlements. The IRS may challenge these allocations. If such a challenge were successful, the US Taxable Holders may be allocated different amounts of income, gain, losses, deductions and credits than initially reported to them. In addition, due to potential timing differences between income inclusion for US federal income tax purposes and actual cash distributions, it is possible that a US Taxable Holder may incur US federal income tax liabilities in excess of actual cash distributions made prior to the date the liability arises or the tax is due.

In accordance with Treasury regulations, the Company will apply a monthly convention pursuant to which its taxable income and losses will be determined annually and will be prorated on a monthly basis. Then the income and losses will be apportioned among the holders in proportion to the Shares owned by each of them as of the first Business Day of the month, or the "Allocation Date." However, certain "extraordinary items," such as income or gain realized on a sale or other disposition of the Company's assets other than in the ordinary course of business, will be allocated among the holders owning Shares on the Allocation Date in the month in which that gain or loss is recognized. As a result of the monthly convention for allocating items, a US Taxable Holder transferring Shares may be allocated items of income, gain, loss, deduction, and credit realized after the date of transfer. In addition, as a result of such allocation method, a US Taxable Holder may be allocated taxable income even if the US Taxable Holder did not receive any cash distributions. Moreover, a US Taxable Holder may be allocated differing amounts of the Company's income, gain, loss, deduction and credit than other holders of Shares as a result of Section 704(c) of the US Tax Code and the Treasury Regulations promulgated thereunder.

(ii) *Distributions*. A US Taxable Holder generally will not recognize gain or loss on the receipt of a distribution from the Company. A US Taxable Holder, however, will recognize gain on the receipt of a distribution of cash (and in certain circumstances marketable securities) to the extent that the amount of the distribution exceeds such US Taxable Holder's adjusted tax basis in its Shares. Any gain recognized by a US Taxable Holder or on the receipt of a distribution from Shares generally will be capital gain, but may be taxable as ordinary income, either in whole or in part, under certain circumstances.

(iii) *Limitations on Deductions*. Each US Taxable Holder will be entitled, subject to certain limitations, to deduct its allocable share of the Company's losses to the extent of its tax basis in its Shares at the end of the Company's taxable year during which such losses are recognized. The ability of a US Taxable Holder to deduct an allocation of net loss from the Company from its taxable income from other sources is subject to limitations under the US Tax Code. These limitations include, for certain shareholders, such as individuals and closely held corporations, the "at risk" rules of Section 465 of the US Tax Code. Additionally, individuals are subject to limitations on investment interest deductions under Section 163 of the US Tax Code and limitations on passive activity losses under Section 469 of the US Tax Code. Because the Company should be a PTP, under Section 469(k) of the US Tax Code, a US Taxable Holder will be required to apply the passive loss limitations of Section 469 separately to the income and loss from the Company. Because of these limitations, if the Company has income and loss from different types of activities, certain US Taxable Holders may not be able to use the Company's losses to offset other income from the Company.

Subject to certain exceptions, all miscellaneous itemized deductions of individual US Taxable Holders, and certain of such deductions of an estate or trust, are deductible only to the extent that such deductions exceed 2 per cent. of the US Taxable Holder's adjusted gross income. Moreover, otherwise allowable itemized deductions of an individual US Taxable Holder with an adjusted gross income in excess of an applicable threshold are subject to reduction by an amount equal to the lesser of (i) 3 per cent. of the excess of such individual US Taxable Holder's adjusted gross income over the threshold, or (ii) 80 per cent. of the amount of the itemized deductions otherwise allowable. These limitations do not apply to the extent the Company is deemed to be engaged in a trade or business and its expenses are deemed to be ordinary and necessary expenses of that trade or business.

(iv) *Limitation on Deductibility of Capital Losses*. Any capital losses generated by the Company (or upon a disposition of Shares) will generally be deductible by US Taxable Holders who are individuals only to the extent of such US Taxable Holders' capital gains for the taxable year plus up to US$3,000 of ordinary income. Excess capital losses may be carried forward by individuals indefinitely. Any capital losses generated by the Company (or upon a disposition of Shares) generally will be deductible by corporate US Taxable Holders to the extent of such US Taxable Holders' capital gains for the taxable year. Corporations generally may carry capital losses back three years and forward five years. Shareholders are urged to consult their tax advisors regarding the deductibility of capital losses.

(v) *Dispositions of Shares.* A US Taxable Holder generally will recognize gain or loss if (i) it receives a liquidating distribution when the Company terminates, or (ii) the US Taxable Holder sells or otherwise disposes of its interest in the Company. Such gain or loss generally will be equal to the difference between the amount realized on the disposition and such US Taxable Holder's adjusted basis in the Shares it disposed of. If a US Taxable Holder sells less than all of its Shares, a portion of the US Taxable Holder's adjusted tax basis must be allocated to the Shares sold using an "equitable apportionment" method, which generally means that the adjusted tax basis allocated to the Shares sold equals an amount that bears the same relation to the US Taxable Holder's adjusted tax basis in all of the US Taxable Holder's Shares as the value of Shares sold bears to the value of all of the US Taxable Holder's Shares in the Company. US Taxable Holders who purchased Shares at different times and sell all or part of the Shares within a year of their most recent purchase are urged to consult with their tax advisors regarding the application of certain "split holding periods" rules and the treatment of any gain or loss as long-term or short term capital gain or loss. A US Taxable Holder may use the actual holding period of the portion of such US Taxable Holder's Shares, provided (i) such Shares are divided into identifiable Shares with ascertainable holding periods, (ii) the US Taxable Holder can identify the portion of the Shares transferred, and (iii) the US Taxable Holder elects to use the same identification method for all sales or exchanges of Shares. Thus, a US Taxable Holder will be unable to select high or low basis Shares to sell as would be the case with corporate stock, but such US Taxable Holder may be able to designate specific Shares sold for purposes of determining the holding period of Shares transferred.

Although gain or loss on the disposition of Shares should generally be capital gain or loss, it may be treated as ordinary income or loss to the extent that the Company holds certain types of assets, such as inventory and receivables and market discount on bonds having a stated redemption price at maturity that is greater than the Company's tax basis in those bonds. For this purpose, a US Taxable Holder's basis in its interest will be increased or decreased to take into account the US Taxable Holder's share of undistributed Company income or loss for the portion of the Company's taxable year ending on the date of disposition, and the amount realized from the disposition of interests will equal the sum of cash and the fair market value of any property received in exchange for the interest, plus the selling US Taxable Holder's allocable share of the Company's liabilities.

(vi) *PFICs.* The Company may invest in the shares of a non-US entity treated as a PFIC for US federal income tax purposes. In general, a non-US entity classified as a corporation for US federal income tax purposes will be treated as a PFIC for a taxable year if either (i) 75 per cent. or more of its gross income is in the form of "passive income" or (ii) 50 per cent. or more of the average quarterly value of its assets produce or are held for the production of passive income. Passive income includes, among other things, dividends, capital gains, interest and rental income not treated as earned in connection with the active conduct of a trade or business and gains from the sale of assets that produce such income.

Absent a US Taxable Holder making a "Qualified Electing Fund" election, as further discussed below, if the Company invests in a PFIC for any taxable year during which a US Taxable Holder owns Shares, the US Taxable Holder will be subject to special tax rules with respect to its allocable shares of (i) "excess distributions" received on the PFIC shares and (ii) any gain realized from a sale or other disposition of the PFIC shares (including a pledge or a sale by the US Taxable Holder of its Shares). Excess distributions are distributions received from a PFIC in a taxable year that are greater than 125 per cent. of the PFIC's average annual distributions during the shorter of the three preceding taxable years or the US Taxable Holder's holding period for the PFIC shares.

Under these special tax rules, (i) the excess distribution or gain will be allocated over the US Taxable Holder's holding period for its PFIC shares, (ii) the amount allocated to the current taxable year will be subject to tax as ordinary income, and (iii) the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year, and an interest charge (at the rate generally applicable to underpayments of tax due in such year) will be imposed on the tax attributable to each such year. In addition, US Taxable Holders in a PFIC are required to file additional information with the IRS regardless of whether they make the election discussed below.

US Taxable Holders will not be eligible for the preferential individual US federal income tax rates on "qualified dividend income" with respect to PFIC distributions, regardless of whether they make the "Qualified Electing Fund" election described below.

(vii) *Qualified Electing Fund Election.* A US Taxable Holder will be subject to different rules than those described above if the US Taxable Holder makes an election to treat a PFIC as a "Qualified Electing Fund" ("**QEF**") for US federal income tax purposes. Generally, a QEF election is made with the filing of the US Taxable Holder's US federal income tax return for the first taxable year that it owns the PFIC shares. If a timely QEF election is made, an electing US Taxable Holder generally will be required to include in its gross income each taxable year its *pro rata* share of the PFIC's (i) ordinary earnings (as ordinary income) and (ii) net capital gain (as long-term capital gain), in each case, regardless of whether such amounts are distributed by the PFIC to the US Taxable Holder. A US Taxable Holder's tax basis in its PFIC shares (and Shares) will be increased to reflect such QEF inclusions. Amounts included in income pursuant to a QEF election are not subject to US federal income tax when later distributed, although a US Taxable Holder's tax basis in its PFIC shares (and Shares) will be reduced to the extent of any non-taxable distributions.

The ability of a US Taxable Investor to make a QEF election with respect to a PFIC directly or indirectly held by the Company will depend on the Company's ability to obtain annual information from the PFIC as to its ordinary income and net capital gain, computed in accordance with US federal income tax principles (an "**Annual Information Statement**"). There can be no assurance that the Company will be able to obtain an Annual Information Statement with respect to any PFIC it holds directly or indirectly.

The rules dealing with PFICs and with QEF elections are complex and are affected by various factors in addition to those described above. US Taxable Holders should consult their tax advisors regarding the PFIC rules, including applicable US federal income tax reporting requirements.

(viii) *Foreign Currency Gain or Loss; Tax Credits*. Although not entirely clear, the Company currently intends to take the position that its functional currency for US federal income tax purposes is the US dollar. The Company may own investments denominated in non-US dollars. In such a case, US Taxable Holders may recognize foreign currency gain or loss as a result of an investment in the Company (including foreign currency gain or loss associated with a QEF election for a PFIC owned by the Company). In general, foreign currency gains and losses are treated as ordinary income or loss for US federal income tax purposes. Under certain circumstances and subject to certain limitations, a US Taxable Holder may be allowed a credit or, alternatively, a deduction, against US federal income tax for foreign taxes imposed on its allocable portion of the Company's income and gain. US Taxable Holders should consult their tax advisors with respect to the US federal income tax treatment of foreign currency gain and loss and with respect to the availability and use of foreign tax credits.

(ix) *Adjustment of Basis of Company Assets.* For US federal income tax purposes, under Section 754 of the US Tax Code, the Company generally may elect to adjust the basis of its assets in the event of a distribution of Company property to a shareholder or a transfer of Shares. Such an election, if made, could either increase or decrease the value of an interest in the Company to the transferee because the election would increase or decrease the basis of the Company's assets for purposes of computing the transferee's distributive share of Company income, gains, losses and deductions. The Company must make these basis adjustments in the case of (1) a transfer of an interest in the Company if the Company has a built-in loss of more than US$250,000 immediately following the transfer; or (2) a distribution of Company property if the recipient acquires a basis in the property that exceeds by more than US$250,000 the basis the Company had in the property or where the distributee investor recognizes a loss of more than US$250,000. To determine whether the mandatory basis adjustment rules will be triggered upon an investor's transfer or withdrawal from the Company, the Manager may require such investor to provide certain information, including information regarding its tax basis in its interest in the Company. The Company will be exempt from making the mandatory basis adjustment if it elects to be an "electing investment partnership". There can be no assurance that the Company will be eligible to make such an election or, if the Company is so eligible, that such an election will be made.

(x) *Constructive Termination*. Subject to the electing large partnership rules described below, the Company will be considered to have terminated for US federal income tax purposes, if there is a sale or exchange of

50 per cent. or more of the total interests in its capital and profits within a 12-month period. A termination would result in the closing of the Company's taxable year. In the case of a US Taxable Holder reporting on a taxable year other than the fiscal year ending on the Company's year end, the closing of the Company's taxable year may result in more than 12 months of the Company's taxable income or loss being includable in the US Taxable Holder's taxable income for the year of termination. The Company would be required to make new tax elections after termination, including a new tax election under Section 754 of the US Tax Code. A termination could also result in penalties if the Company were unable to determine that the termination had occurred. Moreover, a termination might either accelerate the application of, or subject the Company to, any tax legislation enacted before the termination.

(xi) *Elective Procedures for Large Partnerships*. For taxable years beginning before January 1, 2018, the US Tax Code allows large partnerships to elect streamlined procedures for US federal income tax reporting. This election, if made, would reduce the number of items that must be separately stated on the IRS Schedules K-1 that are issued to US Taxable Holders, and such Schedules K-1 would have to be provided on or before the first March 15 following the close of each taxable year. In addition, this election would prevent the Company from suffering a termination as discussed above. If the Company makes such an election, IRS audit adjustments will flow through to US Taxable Holders for the year in which such adjustments take effect rather than the year to which the adjustment relates. In addition, the Company, rather than US Taxable Holders holding Shares individually, generally will be liable for any interest and penalties that result from such audit adjustment. Such election, if made, would apply only to taxable years of the Company beginning before January 1, 2018.

(xii) *Reporting Requirements.* US Taxable Holders will be required to report payments of cash to a non-US corporation or partnership, including the Company and any non-US corporation or partnership in which the Company invests, in exchange for an interest in such non-US corporation or partnership if (i) immediately after a payment, the US Taxable Holder owns 10 per cent. or more of the total interests in such corporation or partnership or (ii) the payment, when aggregated with other payments to such corporation or partnership, exceeds US$100,000. Other reporting requirements also will apply to US Taxable Holders that hold 10 per cent. or more of a non-US corporation's or non-US partnership's total interests. US Taxable Holders may also be required to file the "Report of Foreign Bank and Financial Accounts." Such US Taxable Holders may also be subject to more burdensome US tax reporting obligations as a result of the Company's investment in a PFIC. Failure to fulfil these reporting requirements may result in substantial penalties and may toll the time for assessment of US federal income tax with respect to any tax return, event, or period to which such information relates. Potential US Taxable Holders should consult with their tax advisors regarding applicable reporting requirements.

(xiii) *Reportable Transactions.* In addition, US Treasury regulations promulgated under the US Tax Code require US Holders to disclose participation in "reportable transactions." A significant penalty is imposed on taxpayers who participate in a "reportable transaction" and fail to make the required disclosure. Although the Company does not expect to enter into transactions that would be treated as reportable transactions for US federal income tax purposes, no assurance can be provided that certain transactions entered into by the Company would not be treated as reportable transactions for US federal income tax purposes. Accordingly, US Holders should consult with their advisors concerning the application of these disclosure obligations to their specific situations.

(d) ***US Federal Income Taxation of US Tax-Exempt Holders***

Qualified pension, profit sharing and stock bonus plans, certain educational institutions and their affiliated support organizations and certain other tax exempt entities are subject to US federal income taxation at individual income tax rates or, in the case of certain entities, corporate income tax rates, on their unrelated business taxable income ("**UBTI**"). Subject to certain exceptions, UBTI is defined as gross income derived by a tax-exempt entity from an unrelated trade or business, less the deductions directly connected with that trade or business.

UBTI generally does not include dividends, interest, certain types of rents from real property and gain or loss derived from the sale of property (other than property held for sale to customers in the ordinary course of a trade or business) but does include operating income from businesses owned directly or through fiscally transparent entities (i.e., entities treated as partnerships or disregarded for US federal income tax purposes). Fee income received (or deemed to be received) by a US Tax-Exempt Holder directly or through an entity treated as a partnership for US federal income tax purposes may also be treated as UBTI in certain circumstances.

If a US Tax-Exempt Holder's acquisition of an interest in the Company is debt financed, or if a US Tax-Exempt Holder invests directly in the Company and the Company incurs "acquisition indebtedness" that is allocated to an investment, then such investor will generally include as a UBTI a percentage of the gross income (less the same percentage of deductions) derived from such investment, regardless of whether such income would otherwise be excluded from UBTI as a dividend, interest, rent or gain from the sale of property.

The Company intends to acquire any investment that would produce income treated as UBTI through a subsidiary that is treated as a non-US corporation for US federal income tax purposes. As a result, a US Tax-Exempt Holder generally should not recognize UBTI as a result of its investment in the Company, **provided that** the US Tax-Exempt Holder does not borrow funds to acquire or own its Shares.

Most US Tax-Exempt Holders will be required to report payments of cash to a non-US corporation or partnership, including the Company any non-US corporation or partnership in which the Company invests, in exchange for an interest in such non-US corporation or partnership if (i) immediately after a payment, the US Tax-Exempt Holder owns 10 per cent. or more of the total interests in such corporation or partnership or (ii) the payment, when aggregated with other payments to such corporation or partnership, exceeds US$100,000. Other reporting requirements also will apply to US Tax-Exempt Holders that hold 10 per cent. or more of a non-US corporation's or non-US partnership's total interests. US Tax-Exempt Holders may also be required to file the "Report of Foreign Bank and Financial Accounts." Such US Tax-Exempt Holders may also be subject to more burdensome US tax reporting obligations as a result of the Company's investment in a PFIC. Failure to fulfil these reporting requirements may result in substantial penalties and may toll the time for assessment of US federal income tax with respect to any tax return, event, or period to which such information relates. Each US Tax-Exempt Holder will be responsible for the preparation and filing of its own income tax return and related filings.

If the Company engages in certain tax shelter transactions, certain US Tax-Exempt Holders who are deemed to participate in such transactions could be subject to an excise tax equal to the highest corporate tax rate times the greater of (i) such US Tax-Exempt Holder's net income from the transactions or (ii) 75 per cent. of the proceeds attributable to such investors from the transactions. The excise tax is not imposed on US Tax-Exempt Holders that are pension plans. A higher excise tax could be applicable if the US Tax-Exempt Holder knew or had reason to know that a transaction was a prohibited tax shelter transaction. In addition, such US Tax-Exempt Holders could be subject to certain disclosure requirements and penalties could apply if such US Tax-Exempt Holders do not comply with such disclosure requirements. There can be no assurance that the Company will not engage in prohibited tax shelter transactions.

US Tax-Exempt Holders are urged to consult with their tax advisors with respect to the US federal income tax consequences of an investment in the Company.

(e) ***US Federal Income Taxation of Non-US Holders***

The Company does not expect (though no assurance can be given) that it will be treated as engaged in a trade or business within the United States or recognize ECI, including gain from the disposition of certain real estate intensive investments subject to US federal income tax under the US Foreign Investment in Real Property Tax Act of 1980, that would be subject to US federal income tax to the extent allocated to Non-US Holders. In the event that the Company is considered to be engaged in a trade or business in the United States, or otherwise treated as deriving ECI, a Non-US Holder of in Shares would be subject to US federal income tax (and possibly state and local income tax) on a net basis on its allocable share of the Company's income that is effectively connected with such trade or business in the United States and would be required to file US federal income tax returns with regard to such income. A corporate Non-US Holder may also be subject to an additional US federal "branch profits tax" on its earnings and profits attributable to such effectively connected income.

Non-ECI income from US sources (e.g. US source dividends and interest) will generally be subject to US federal withholding tax at a rate of 30 per cent. (or a reduced rate or exemption (i) under an applicable US income tax treaty, **provided that** the Non-US Holder qualifies for the "limitation on benefits" provision of such treaty, that the Company is treated as "fiscally transparent" for purposes of the domestic tax law of treaty partner jurisdiction, and that no other exception applies, or (ii) in the case of certain interest income, under the "portfolio interest" exemption) to the extent allocated to Non-US Holders. Gain or loss recognized by a Non-US Holder on a disposition of Shares generally should not be subject to US federal income tax **provided that** the Company is not treated as engaged in a trade or business within the United States in the year of the disposition, and at the time of such disposition it does not hold assets that generate ECI, including certain real estate intensive investments subject to US federal income tax under the US Foreign Investment in Real

Property Tax Act of 1980, unless the Non-US Holder holds its Shares in connection with a trade or business within the United States or unless the Non-US Holder is an individual who is present in the United States for 183 days or more during the taxable year in which such gain or loss is realized and certain other conditions are satisfied.

(f) ***Information Reporting and Backup Withholding***

Payments of dividends and sales proceeds may be subject to information reporting, and may be subject to backup withholding unless: (i) the recipient establishes that it is an exempt recipient; or (ii) in the case of backup withholding, the recipient provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a shareholder will be allowed as a credit against the shareholder's US tax liability and may entitle the investor to a refund, **provided that** the required information is timely furnished to the IRS. Failure by a US Holder to provide an IRS Form W-9 may result in the imposition of US withholding tax on US source income of the Company that is allocable to such investor.

(g) ***Tax Audits***

The recently enacted Bipartisan Budget Act of 2015 revised the rules relating to tax audits of a partnership for taxable years beginning after December 31, 2017. Under the new rules, the Company will designate a "partnership representative" with a substantial presence in the US to have sole authority to act on behalf of the Company in the event of an IRS audit of the Company for a relevant taxable year. In addition, unless the Company elects otherwise, any adjustments, penalties and interest imposed as a result of an audit of the Company's US federal income tax returns will be assessed at the partnership level in the year in which the adjustments are finalized at the higher of the maximum applicable rate of US federal income tax for corporations or for individuals in respect of the relevant item. In certain circumstances, the revised audit rules will reduce the amount of tax, penalties and interest imposed on the Company in circumstances where a shareholder or a former shareholder files amended tax returns and pays tax for the taxable year subject to the audit, or to the extent it is established that a portion of the adjustment is attributable to a shareholder or former shareholder that would have been exempt from tax in respect of the relevant item, or that is subject to a reduced highest applicable rate of US federal income tax in respect of the relevant item by reason of its status as a C-corporation or an individual (with an S corporation being treated as an individual for this purpose). In addition, the Company may elect to issue to investors and former investors revised statements of their allocable shares of the Company's taxable income, gain, loss, deduction and credit, in which case the shareholders and former shareholders will be subject to US federal income tax in the year of the statement based upon the effect the adjustment would have on the shareholder's or former shareholder's prior taxable years. Treasury regulations implementing the revised partnership audit rules have been released but are not yet finalized. Accordingly, there is still uncertainty as to how the new audit rules would apply to the Company. Investors should consult their tax advisors regarding the impact of the revised partnership audit rules on an investment in the Company.

The foregoing analysis is not intended as a substitute for careful tax planning. Accordingly, Shareholders are urged to consult their tax advisors regarding the tax consequences of acquiring, holding, and disposing of Shares.

Any Shareholder in doubt as to its taxation position is strongly recommended to consult an independent professional adviser without delay.

PART XII: AIFMD DISCLOSURES

In accordance with the AIFM Directive and the Codes of Practice for Alternative Investment Funds and AIF Services Business issued by the JFSC, the Manager, as the AIFM of the Company for the purpose of AIFM Directive, must disclose certain prescribed information to prospective investors because it is intended that this Prospectus is to be used to market Shares to professional investors in Member States of the EEA in accordance with Article 42 of the AIFM Directive. The following table indicates where the required information is located within this Prospectus or sets out the required information, to the extent applicable.

Information to be disclosed	Article	Reference in Prospectus
General Fund Information		
Investment strategy and objectives of the AIF	Art 23(1)(a)	Summary B34 (*Investment objective and policy*) Part I: "*The Company*" (*Investment Objective; Investment Policy*)
Information on where master AIF is established and where the underlying funds are established	Art 23(1)(a)	Part I: "*The Company*" (*Introduction*)
Type of assets in which the AIF may invest and the techniques it may employ and all associated risks	Art 23(1)(a)	Summary B34 (*Investment objective and policy*) Risk Factors Part I: "*The Company*" (*Investment Objective; Investment Policy*) Part III: "*Investment Process*" Part XIII: "*Additional Information*" (*Directors—Authorisation of conflicts of interest*)
Applicable investment restrictions	Art 23(1)(a)	Summary B34 (*Investment objective and policy);* Summary B38 / B39 *(Investment of 20% or more or 40% or more in single underlying asset or investment company*) Part I: "*The Company*" (*Investment Limits and Restrictions*)
Circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, restrictions on using leverage and any collateral and asset reuse arrangements	Art 23(1)(a)	Summary B35 (*Borrowing limits*) Part I: "*The Company*" (*Investment Policy*) Part XIII: "*Additional Information*" (*Directors—Borrowing powers*) Risk Factors
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	Art 23(1)(a)	Summary B35 (*Borrowing limits*) Part I: "*The Company*" (*Investment Policy*) Part XIII: "*Additional Information*" (*Directors—Borrowing powers*) The Manager is a non-EEA AIFM and not authorised under the AIFM Directive by any EEA national competent authority and therefore not required to set a maximum level of leverage in respect of the Company.
Procedures by which the AIF may change its investment strategy or investment policy, or both	Art 23(1)(b)	Part I: *"Company" (Procedure to amend the Investment Policy)*

Information to be disclosed	Article	Reference in Prospectus
Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	Art 23(1)(c)	The Company is established in Jersey under, and governed by, the provisions of the Companies (Jersey) Law 1991, as amended. The Company has a separate legal identity for Jersey law purposes and, accordingly, may take or be the subject of legal actions in its own name. The nature of an investor's interest in the Company is that of a shareholder, and investors have the rights set out in this Prospectus in relation thereto. Subject to the provisions of the Judgments (Reciprocal Enforcement) (Jersey) Law 1960 and the Rules under that Law, if a final and conclusive judgment under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty) were obtained in England in the High Court of Justice, Court of Appeal, House of Lords or Supreme Court of the United Kingdom against the Company in relation to which the Company has submitted to the jurisdiction of such courts or in relation to which the said courts otherwise had jurisdiction, such judgment would, on application to the Royal Court of Jersey, be registered and would thereafter be enforceable. Additionally, subject to the principles of private international law, by which for example foreign judgments may be impeachable, as applied by Jersey law (which are broadly similar to the principles accepted under the common law of England), if a final and conclusive judgment under which a debt or definite sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty or multiple damages) were obtained in the courts of any territory having jurisdiction against the Company in respect of such documentation, (a) the Royal Court would, on application properly made to it, recognise such judgment and give a judgment for liquidated damages in the amount of that judgment without reconsidering its merits and (b) such judgment of the Royal Court would thereafter be enforceable. Any changes that would be contrary to the terms of the Jersey Listed Fund Guide published by the JFSC or contrary to any of the JFSC's published policies applicable to Jersey Listed Funds will require the prior consent of the JFSC.
Identity of the AIFM, the AIF's depositary, auditor and any other service providers and description of their duties and the investors' rights	Art 23(1)(d)	The Manager is the AIFM of the Company. For details of the AIFM, auditor and all other service providers to the Company, see *"Directors, Advisers and Service Providers"*

Information to be disclosed	Article	Reference in Prospectus
		and *"Directors, the Manager and Administration"* Crestbridge Fund Administrators Limited has been appointed as Administrator and Company Secretary of the Company. Capita Registrars (Jersey) Limited has been appointed as Registrar of the Company. Liberum Capital Limited has been appointed as Financial Adviser to the Company. Citigroup Global Markets Inc. and Citibank N.A. have been authorised to provide prime brokerage and/or custody services to the Company. Absent a direct contractual relationship between a Shareholder and any relevant service provider to the Company, Shareholders generally have no direct rights against any such service provider and there are likely to be only limited circumstances (if any) in which a Shareholder may potentially bring a claim against any such service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Company by any relevant service provider is, *prima facie*, the Company.
Description of how the AIFM is protected against potential professional liability risks	Art 23(1)(e)	Part IV: *"Directors, the Manager and Administration" (Fees and Expenses—Other operational expenses)* Part XIII *'Additional Information' (Directors—Indemnity of Officers)* The provisions of the AIFM Directive concerning professional indemnity insurance or additional own funds to cover professional negligence risk do not apply to the Manager as a non-EEA AIFM of an AIF established in Jersey.
Description of any delegated management functions by the AIFM and of any safe-keeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations	Art 23(1)(f)	*"Directors, Advisers and Service Providers"* and Part IV: *"Directors, the Manager and Administration"* Certain administrative and secretarial duties are delegated to the Administrator. The Manager will not delegate risk management or portfolio management functions within the meaning of the provisions of the AIFM Directive concerning delegation. Save as disclosed in paragraphs 10 and 11.2 of Part XIII: *"Additional Information"* in relation to the appointment letter entered into with Neal J. Wilson and the Management Agreement, neither the AIFM nor the

Information to be disclosed	Article	Reference in Prospectus
		Company has entered into any related party transactions since its incorporation.
Description of the AIF's valuation procedure and of the pricing methodology for valuing assets	Art 23(1)(g)	The Manager, as a non-EEA AIFM of an AIF established in Jersey, is not subject to Article 19 of the AIFM Directive. A description of the valuation procedures of the Company is set out at Part I: *"The Company" (Calculation of Net Asset Value)*
Description of the AIF's liquidity risk management	Art 23(1)(h)	Part I: *"The Company" (Share Buybacks)* Part VII: *"Historical Financial Information of the Company and the Partnership",* Section B (*Historical Financial Information of the Company*)
Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors	Art 23(1)(i)	Summary B40 *(Applicant's service providers)* Summary E1 *(Net proceeds/expenses)* Part IV: *"Directors, the Manager and Administration" (Fees and expenses)* Part XIII: *"Additional Information" (Directors—Remuneration)*
Description of how the AIFM ensures a fair treatment of investors and a description of any preferential treatment or the right to obtain preferential treatment obtained by any investor	Art 23(1)(j)	The Manager will endeavour to treat all investors fairly although it is, as non-EEA AIFM, not required to do so by the AIFM Directive.
Latest annual report	Art 23(1)(k)	Summary B7 *(Key Financial Information)* Important Notices *(Presentation of Financial Information)* Part VII: *"Historical Financial Information of the Company and the Partnership",* Section B *(Historical Financial Information of the Company)* Part I: *"The Company" (Reports and Accounts)* The selected financial information has been prepared in accordance with IFRS as adopted by the EU, has been extracted without material adjustment from (i) the audited historical financial information of the Partnership for the three years ended 31 December 2016; and (ii) the audited accounts of the Company for the period from incorporation to 9 February 2017.
Procedure and conditions for the issue and sale of Shares	Art 23(1)(l)	Summary: Part C *(Securities)* and Part E *(Offer)* Part VIII: *"Details of the First ZDP Placing and Placing Programme"* Part XIV: *"Terms and Conditions of each Placing"*
Latest net asset value of the AIF or the latest market price of the unit or share of the AIF	Art 23(1)(m), Art 19(3)	Summary B45 *(Portfolio)* Part I: *"The Company" (Existing Portfolio)*

Information to be disclosed	Article	Reference in Prospectus
Historical performance of the AIF, where available	Art 23(1)(n)	Part VII: *"Historical Financial Information of the Company and the Partnership",* Part B *(Historical Financial Information of the Company)*
The identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and re-use of AIF assets, and information about any transfer of liability to the prime broker that may exist	Art 23(1)(o)	Part XIII: *"Additional Information" (Custody Agreement)*
Description of how any changes to liquidity or leverage provisions of the AIF will be disclosed to investors	Art 23(1)(p)	The AIFM will ensure disclosure annually in the annual report for the fund to the extent required by the AIFM Directive: (i) the percentage of the fund's assets which are subject to special arrangements arising from their illiquid nature; (ii) any new arrangements for managing the liquidity of the fund; and (iii) the current risk profile of the fund and the risk management systems employed by the AIFM to manage those risks.
Any arrangement made by the depositary to contractually discharge itself of liability and any changes with respect to depositary liability	Art 23(2)	N/A

PART XIII: ADDITIONAL INFORMATION

1. **RESPONSIBILITY**

1.1 The Company and each of its Directors (whose names appear on page 58 of this Prospectus) accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 The Partnership accepts responsibility for the information contained in this Prospectus relating to it and all statements made by it. To the best of the knowledge and belief of the Partnership (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.3 The Manager accepts responsibility for the information contained in this Prospectus relating to it and all statements made by it. To the best of the knowledge and belief of the Manager (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. **INCORPORATION AND ADMINISTRATION**

2.1 The Company was incorporated in Jersey on 20 October 2016 with registered number 122353 under the Companies Law as a private company limited by shares with the name EJF Private Funding Limited.

2.2 The Company changed its name to EJF Investments Limited and its status to a public limited company on 20 December 2016.

2.3 The Company is a closed-ended investment fund with indefinite life.

2.4 The principal legislation under which the Company operates is the Companies Law and the ordinances and regulations made thereunder and has no employees.

2.5 The Company is governed by the Collective Investment Funds (Jersey) Law 1988 (the "**CIF Law**") and the subordinate legislation made thereunder. The Company has been established in Jersey and the JFSC issued a certificate pursuant to the CIF Law on 23 December 2016 in relation to the Company's status as a Jersey Expert Fund, and this was amended on 31 March 2017 to reflect the Company's change of regulatory status to a Jersey Listed Fund.

2.6 The registered office, head office and the principal place of business of the Company is at 47 Esplanade, St Helier, Jersey JE1 0BD, Channel Islands (telephone number +44 (0)1534 835 600).

2.7 The Company is the holder of a certificate as a "Company Issuing Units" issued by the JFSC under the CIF Law. The JFSC is protected by the CIF Law against liability arising from the discharge of its functions under the CIF Law. The Company is subject to the Jersey Listed Fund Guide issued by the JFSC. The Company is not regulated by the Financial Conduct Authority or any other non-Jersey regulator.

3. **SHARE CAPITAL**

3.1 As at the date of this Prospectus, the Company's capital structure consists of Ordinary Shares, C Shares. The Company has an unlimited authorised share capital and there is no limit on the number of shares of any class which may be issued by the Company. The liability of a member arising from the holding of a share in the Company is limited to the amount (if any) unpaid on it.

3.2 On incorporation, the share capital of the Company was US$2.00 divided into two Ordinary Shares of no par value, issued to Carey Olsen Nominees Jersey Limited (the "**Subscriber Shares**").

3.3 Since 20 October 2016 (being the date on which the Company was incorporated), the issued share capital of the Company has been changed as follows:

(a) on 20 October 2016, the Subscriber Shares were transferred, one to Emanuel J. Friedman and the other to Neal J. Wilson;

(b) on 9 February 2017:

  (i) 48,395,217 Ordinary Shares with an issue price of £1.36 each were issued to Eligible Unitholders pursuant to the completion of the Exchange Offer;

  (ii) the Subscriber Shares were repurchased and cancelled by the Company; and

(c) on 28 February 2017 warrants were issued to Wolfson Equities LLC and CNF Investments II, LLC (the "**Warrants**"), each of which may be exercised for the issue of 624,000 Ordinary Shares to each holder thereof.

3.4 Pursuant to a special resolution passed on 12 December 2016, the then-shareholders of the Company resolved to repurchase the Subscriber Shares held by Emanuel J. Friedman and Neal J. Wilson, with effect from completion of the Exchange Offer.

3.5 Pursuant to resolutions of the Board passed on 30 January 2017, the Directors resolved, *inter alia*, that, subject to passage of the shareholder resolutions described in paragraph 3.6 below:

(a) the allotment and issuance of 48,395,217 Ordinary Shares to the Eligible Unitholders for the purposes of settling the consideration due to Eligible Unitholders pursuant to the Exchange Offer be approved; and

(b) the Company issue the Warrants and the allotment and issuance of Ordinary Shares upon the terms and exercise of each of the Warrants be each approved.

3.6 As the date of this Prospectus, pursuant to resolutions of the Company's then-Shareholders passed on 9 February 2017 and at the Company's last annual general meeting on 26 June 2017:

(a) the Directors are authorised to allot and issue an aggregate of up to 60 million Ordinary Shares and/or C Shares in connection with the Company's existing placing programme as if pre-emption rights did not apply (of which 5,479,453 Ordinary Shares were issued in connection with the July Placing), such authority to expire on 3 April 2018, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares and/or C Shares in pursuance of such an offer or agreement as if such authority had not expired;

(b) the Directors are authorised to allot and issue an aggregate of up to 1,248,000 Ordinary Shares pursuant to the exercise of the Warrants as if pre-emption rights did not apply, such authority to expire at 11:59 pm (Central Time) on 3 December 2017, save that where the holder(s) of a Warrant has, at any time prior to the expiry of such authority, validly exercised their Warrant, the Company may issue Ordinary Shares on the terms of that Warrant as if such authority had not expired;

(c) the Directors are authorised to allot and issue (or sell from treasury) new Ordinary Shares and/or C Shares for cash in an aggregate amount of up to 2,419,760 Ordinary Shares and/or C Shares, equivalent to approximately 5 per cent. of the total issued share capital of the Company as at 25 May 2017 (being the latest practicable date before publication of the notice of the last annual general meeting) as if pre-emption rights did not apply. This authority is limited to any such allotment and issuance (or sale from treasury):

  (i) after the final closing date of the existing placing programme (or, if earlier, the date on which no further Ordinary Shares or C Shares may be allotted and issued pursuant to authority referred to in paragraph (a) above); and

  (ii) at any time in favour of the Manager in satisfaction of any incentive fees due to it under and in accordance with the terms of the Management Agreement.

  Such authority will each expire at the end of the Company's next annual general meeting or, if earlier, 31 July 2018;

(d) the Directors are authorised to allot and issue (or sell from treasury) an additional aggregate amount of up to 2,419,760 Ordinary Shares and/or C Shares for cash as if pre-emption rights did not apply, in connection with the financing (or refinancing, if the authority is to be used within six months after the original transaction) of an acquisition or specified capital investment which is announced contemporaneously with the allotment and issuance (or sale from treasury) or which has taken place in the preceding six month period and is disclosed in the announcement of the allotment and issuance (or sale from treasury), such authority to expire at the end of the Company's next annual general meeting or, if earlier, 31 July 2018; and

(e) the Company is authorised to make market purchases of Ordinary Shares, in an amount of up to 7,254,443 Ordinary Shares, representing approximately 14.99 per cent. of the Company's issued share capital (excluding those held in treasury) as at 25 May 2017, such authority to expire at the end of the Company's next annual general meeting or, if earlier, on 31 July 2018.

3.7 At the EGM, the Shareholders of the Company will be requested to resolve, *inter alia*, that:

(a) in replacement of the authority referred to at paragraph 3.6(a) above, the Directors be authorised to allot and issue an aggregate of up to 100 million Ordinary Shares and/or C Shares and up to 50 million 2022 ZDP Shares in connection with the First ZDP Placing and the Placing Programme as if pre-emption rights did not apply, such authority to expire on the date which is twelve months from the date of this Prospectus, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares and/or C Shares and/or 2022 ZDP Shares in pursuance of such an offer or agreement as if such authority had not expired;

(b) in replacement of the authority referred to at paragraph 3.6(c) above, the Directors be authorised to allot and issue (or sell from treasury) new Ordinary Shares and/or C Shares for cash in an aggregate amount of up to five per cent. of the total issued share capital of the Company as at First ZDP Admission as if pre-emption rights did not apply. This authority will be limited to any such allotment and issuance (or sale from treasury):

(i) after the final closing date of the Placing Programme (or, if earlier, the date on which no further Ordinary Shares or C Shares may be allotted and issued pursuant to authority referred to in paragraph (a) above); and

(ii) at any time in favour of the Manager in satisfaction of any incentive fees due to it under and in accordance with the terms of the Management Agreement.

Such authority will each expire at the end of the Company's next annual general meeting or, if earlier, 31 July 2018.

3.8 Prior to the Original Admission, the Group carried out a restructuring (the "**First Restructuring**"), which resulted in, *inter alia*, the Company becoming the ultimate holding company of the Group (which, for the avoidance of doubt, excludes the Partnership) and the majority-holder of Partnership Units in the Partnership, by way of its post-First Restructuring holding of approximately 67 per cent. of the issued and outstanding Partnership Units. Pursuant to the terms of an exchange offer, the Company acquired all of the issued and outstanding Partnership Units held by eligible unitholders in exchange for Ordinary Shares and each eligible unitholder received from the Company, for each Partnership Unit held, one Ordinary Share.

3.9 In July 2017, the Company carried out a Group restructuring pursuant to which a wholly-owned subsidiary of the Company, EJF Investments Holdings Limited ("**EJFIH**"), was incorporated in Jersey and the investment assets of the Company, together with cash, were contributed to EJFIH (the "**Second Restructuring**"). The board of directors of EJFIH mirrors the composition of the Board.

3.10 In July 2017, the Company raised gross proceeds of approximately £8.0 million through a placing and subscription of 5,479,453 new Ordinary Shares at 146 pence per new Ordinary Share (the "**July Placing**").

3.11 Save as disclosed in this Prospectus:

(a) since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration;

(b) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital; and

(c) no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

3.12 As at the date of this Prospectus, the Company has 53,874,670 Ordinary Shares of no par value in issue.

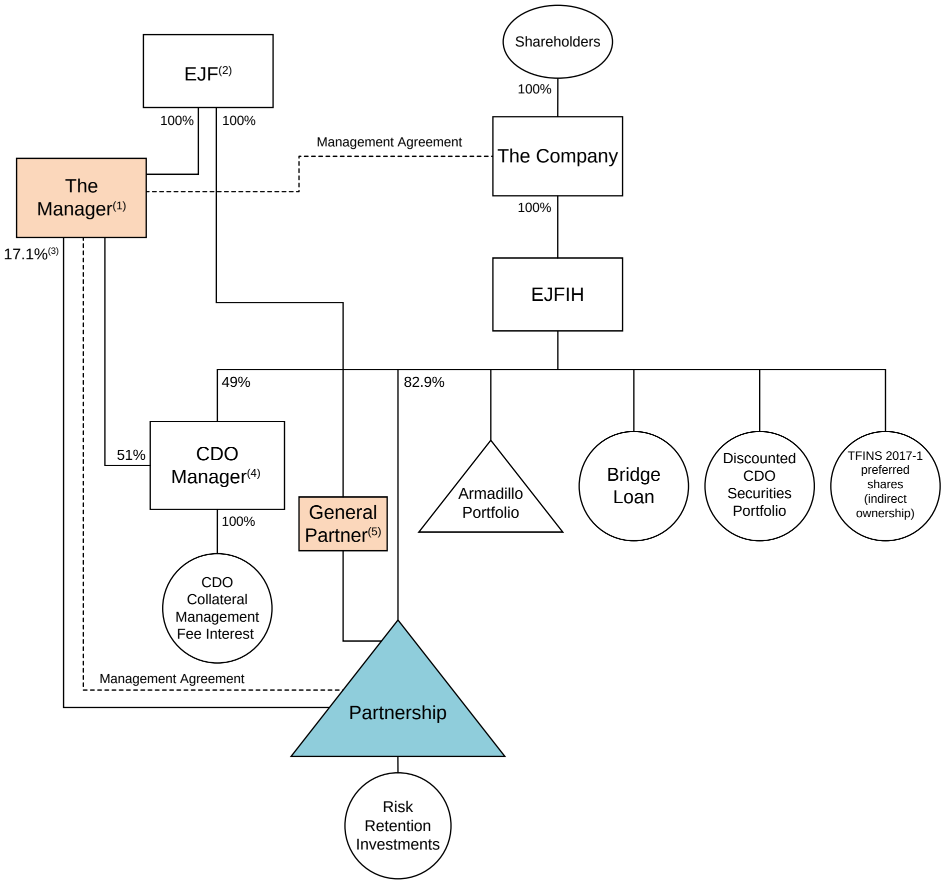
3.13 The Shares are in registered form and are (in the case of the Ordinary Shares and C Shares) and will be from First ZDP Admission (in the case of the 2022 ZDP Shares) capable of being held in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the Regulations).

3.14 The Ordinary Shares and C Shares will rank in full for all dividends and distributions declared, made or paid after their issue and all Shares otherwise rank *pari passu* in all respects with each existing Share of the same class and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each existing Share of the same class, as set out in the Articles. The Shares will be denominated in Pounds Sterling.

3.15 Other than as provided by the Takeover Code and Part 18 of the Companies Law (see paragraphs 19 and 20 below), there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Company.

4. GROUP STRUCTURE

4.1 The diagram below illustrates the Group's structure as at the date of this Prospectus:



(1) The Manager is the investment manager of the Company, the Partnership, the General Partner and their respective subsidiaries.

(2) EJF holds 100 per cent. of the voting rights in the Manager.

(3) In order to comply with the relevant Risk Retention Regulations, the Manager is required to hold a minimum of 15 per cent. of the Partnership Units.

(4) The 51 per cent. owned by the Manager was acquired pursuant to the CDO Manager Partial Sale SPA. For further information in relation to the sale and purchase of the CDO Manager Interests, please see the section entitled "*CDO Manager Partial Sale SPA*" in Part XIII: "*Additional Information*" of this Prospectus.

(5) As at 31 October 2017 (being the latest practicable date prior to the publication of this Prospectus), the General Partner holds 165 Partnership Units.

5. SIGNIFICANT SUBSIDIARIES

As at the date of this Prospectus, the Company had the following significant subsidiaries:

Name of subsidiary	Country of incorporation or residence	Proportion of ownership interest	Proportion of voting power held
EJF Investments Holdings Limited	Jersey	100%	100%
EJF CDO Manager LLC	United States of America	49%	49%

6. CURRENT ARTICLES OF ASSOCIATION

The Articles as at the date of this Prospectus contain provisions to the following effect:

6.1 Objects

The Memorandum and Articles do not limit the objects of the Company.

6.2 Rights attached to shares

Subject to the provisions of the Companies (Jersey) Law 1991 (as amended) (the "**Companies Law**") and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under that law (the "**Statutes**") and to any special rights conferred on the holders of any other shares, any share or any class may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide. Fractions of shares may not be issued.

(a) *Voting rights*

Subject to the rights or restrictions referred to below (or otherwise in the Articles), and subject to any special rights or restrictions as to voting for the time being attached to any shares, on a show of hands (a) every Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote; and (b) every proxy appointed by a Shareholder shall have one vote save that every proxy appointed by one or more Shareholders to vote for the resolution and by one or more other Shareholders to vote against the resolution, has one vote for and one vote against. On a poll, each Shareholder shall have one vote for each share held (of any class) and a Shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses in the same way. In the case of joint holders, the vote of the person first named in the register who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(b) *Restrictions on voting*

Unless the Board otherwise decides, a Shareholder of the Company shall not be entitled to vote, either in person or by proxy, at any general meeting or at any separate general meeting of the holders of any class of shares in the Company in respect of any share held by him unless all calls and other sums presently payable by him in respect of that share have been paid.

A Shareholder of the Company shall not, if the Directors determine, be entitled to be present or to vote at general meetings of the Company or to exercise any other rights of membership if he has failed to comply with a notice requiring disclosure of interests in shares given under the Articles within 14 days (such that the Directors may reasonably determine the identity of the person or persons or entities which have an indirect interest in the relevant Shares).

(c) *Dividends*

The Company may, by ordinary resolution, declare a dividend to be paid to the Shareholders, according to their respective rights and interests in the profits of the Company, but no such dividend shall exceed the amount recommended by the Directors. The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company. No dividend or other monies payable by the Company on or in respect of any share shall bear interest as against the Company unless otherwise provided by the rights attaching to the relevant share.

The Board may, if authorised by an ordinary resolution of the Company, offer any holders of any particular class of shares in the Company the right to elect to receive further shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution.

The Company or the Board may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared.

A dividend unclaimed for a period of 12 years after having been declared or become due for payment shall be forfeited and cease to remain owing by the Company.

Subject to the rights of any shares which may be issued with special rights or privileges, the shares of each class shall rank *pari passu* as to their rights to receive dividends.

(d) ***Return of capital***

If the Company is in liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Statutes, divide among the Shareholders *in specie* the whole or any part of the assets of the Company and, for that purpose, value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders or vest the whole or any part of the assets in trustees on such trusts for the benefit of the Shareholders as the liquidator, with the like sanction, shall think fit but no Shareholder shall be compelled to accept any assets on which there is any liability.

As to capital on a winding-up of the Company or other return of capital (other than by way of a repurchase or redemption of shares in accordance with the provisions of the Articles and the Statutes), the surplus assets of the Company attributable to the shares remaining after payment of all creditors shall, subject to the rights of any shares that may be issued with special rights or privileges, be divided amongst the holders of shares in proportion to the number of shares held by them (each class of shares ranking *pari passu* for such purpose).

(e) ***C Shares***

A summary of the rights attaching to the C Shares is set out in paragraph 6.11 below.

6.3 **Variation of rights**

All or any of the rights for the time being attached to any class of shares in the Company in issue may from time to time (whether or not the Company is being wound up) be varied in such manner (if any) as may be provided by those rights or with the consent in writing of the holders of three-quarters in number of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares.

All the provisions of the Articles relating to general meetings of the Company or to the proceedings at general meetings shall apply to class meetings, except that (a) the necessary quorum for the separate general meeting (other than an adjourned meeting) shall be two persons holding, or representing by proxy at least one-third of the issued shares of the class (excluding any shares of that class held as treasury shares); (b) at an adjourned meeting, the necessary quorum shall be two persons holding shares of the class (other than treasury shares) or his proxy; (c) every holder of Shares of the class shall have one vote in respect of every Share of that class held by him (excluding any Shares of that class held as treasury shares); and (d) a poll may be demanded by any one holder of Shares of the class whether present in person or by proxy.

6.4 **Continuation vote**

If the Shares are admitted to trading on a stock exchange then on or about each fifth anniversary of such admission, the Directors shall procure that an extraordinary general meeting of the Company be convened at which an ordinary resolution will be proposed that the business of the Company be continued (the "**Continuance Resolution**"). If the Continuance Resolution is not passed, the Directors will take such actions as they deem appropriate to commence the liquidation of the assets of the Company (having regard to the prevailing liquidity of the assets of the Company and, if applicable, any rules imposed by the Risk Retention Regulations) and formulate proposals for the orderly return of capital to holders of Shares.

6.5 **Transfer of Shares**

Subject to the restrictions set out in this paragraph, a Shareholder may transfer all or any of his shares in the Company in any manner which is permitted by the Statutes or in any other manner which is from time-to-time approved by the Board.

The instrument of transfer of any share in the Company shall be in writing in any usual common form or in any other form permitted by applicable law or the Statutes or approved by the Board. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of Shareholders in respect of those shares. Subject to the Articles, a Shareholder may transfer an uncertificated share by means of the relevant system or in any other manner which is permitted by the Statutes or the Companies (Uncertificated Securities)(Jersey) Order 1999 and is from time-to-time approved by the Board.

The Board may, in its absolute discretion, refuse to register any transfer of a certificated Share of any class which is not fully paid and shall refuse to register any transfer of Shares to a person who does not meet the regulatory requirements applicable to the Company, **provided that**, where any such shares are admitted to trading on a stock exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The Board may also refuse to register any transfer of a certificated share unless the transfer is in respect of one class of shares and is in favour of no more than four transferees and the instrument of transfer is deposited at the office of the Company or such other place as the Board may appoint, accompanied by the certificate for the shares to which it relates if it has been issued, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

The Directors may, pursuant to the provisions of the Articles relating to disclosure of interests in Shares, decline to register a transfer in respect of shares which are the subject of a notice under the Articles and in respect of which the required information has not been received by the Company within 14 days after service of the notice.

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods as the Directors may determine.

In respect of any allotment of any share the Directors shall have the same right to decline to approve the registration of any renouncee of an allottee as if the application to allot and the renunciation were a transfer of a share under the Articles.

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 under Section 3(42) of the Employment Retirement Income Security Act of 1974, as amended or the US Tax Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the US Investment Company Act, as amended and/or the US Securities Act and/or the US Securities Exchange Act 1934, as amended (the "**US Exchange Act**") and/or any laws of any state of the US that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under Rule 405 under the US Securities Act; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the US Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the US Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder; or (vi) cause the Company to become subject to any withholding tax or penalties under FATCA, CRS or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce such tax or to comply with any reporting obligation pursuant to such legislation; (vii) prevents the Company from complying with the terms of an applicable intergovernmental agreement entered into to facilitate implementation of FATCA or entering into, or complying with, or may result in a default under, or termination of, an agreement of the type described in section 1471(b) of the US Codes or similar laws; or (viii) creates a significant risk of the Company being in breach, or at risk of being in breach, of its obligations under anti-money laundering legislation, the CIF Law, the JFSC Codes or International Tax Compliance Legislation, then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with this paragraph. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.

The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of Shareholder and those rights will vest in the chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable) and the provisions relating to unclaimed dividends (detailed at paragraph 6.2(c) above) shall apply *mutatis mutandis* to any sums which cannot be paid or where the recipient cannot be identified to the satisfaction of the Directors.

6.6 Pre-emption rights

The Articles provide that, at any time when a class of shares is admitted to trading on a stock exchange, unless otherwise authorised by a special resolution, if the Company is proposing to allot equity securities of or relating to that class, it shall not allot them on any terms unless (i) the Company has first made an offer to each person who holds shares of that class to allot to him, on the same or more favourable terms, equity securities in proportion to his existing holding; and (ii) the period, which shall not be less than 21 clear days, during which any offer referred to in (i) above may be accepted or has expired or the Company has received notice of the acceptance or refusal of every offer made. A reference to the allotment of equity securities above includes the grant of a right to subscribe for, or to convert any securities into, equity securities of any class but does not include the allotment of any class of shares pursuant to such a right.

The pre-emption rights set out above shall not apply to:

(a) a particular allotment of equity securities if these are, or are to be, wholly or partly paid up or allotted otherwise than in cash;

(b) the allotment of equity securities which would, apart from a renunciation or assignment of the right to their allotment, be held under an employee share scheme; or

(c) the allotment of bonus shares in the Company,

in which circumstances, Shares in the Company may be allotted and issued at the discretion of the Directors.

6.7 Disclosure of interests in Shares

Upon any admission to trading of a class of shares of the Company on a stock exchange, the provisions of the Disclosure Guidance and Transparency Rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (the "**Disclosure Guidance and Transparency Rules**") will apply to the Company on the basis that the Company is a "non-UK issuer", as such term is defined in the Disclosure Guidance and Transparency Rules. As such, following any such admission to trading, a person is required to notify the Company of the percentage of voting rights it holds as a holder of shares or is deemed to hold through the direct or indirect holding of financial instruments falling within the Disclosure Guidance and Transparency Rules if, as a result of an acquisition or disposal of shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a non-UK issuer, 5, 10, 15, 20, 25, 30, 50 and 75 per cent.

The Articles also contain provisions which require Shareholders, in certain circumstances, to disclose interests in the shares of the Company. If it shall come to the notice of the Directors that any Shareholder has not, within the requisite period, made or, as the case may be, procured the making of any notification required by this paragraph, the Directors may serve a notice on such Shareholder and the provisions of the Articles shall apply.

The Company has the right, by service of notice in writing, to require in such circumstances a Shareholder to disclose to the Company the nature of his interest in shares in the Company held at such time or at any time in the previous three years including the identity of any person, other than the Shareholder, who has any interest in the shares held by the Shareholder, and the nature of such interest.

A Shareholder will be required to respond within 14 days of receipt of the notice. The sanctions applicable if a Shareholder is in default of his obligation to respond to such notice include the Shareholder being no longer entitled to exercise voting rights attaching to the shares held by that Shareholder, dividends payable on the Shareholder's shares being withheld and transfers of shares being refused registration, in each case, until such time as the appropriate disclosures are properly made.

6.8 Alteration of capital and purchase of own Shares

The Company may alter its share capital in any way that is permitted by the Statutes. Any new shares created on an increase or other alteration of share capital shall be issued upon such terms and conditions, including as to currency, as the Company may by resolution of the Board or by ordinary resolution determine.

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

6.9 General meetings

The requirement for the Company to hold an annual general meeting may be dispensed with if all of the Shareholders agree in writing and any such agreement remains valid in accordance with the Companies Law. Otherwise, the Company shall in each calendar year hold a general meeting as its annual general meeting at such time and place outside the UK as may be determined by the Directors **provided that**, if the Company holds its first annual general meeting within 18 months of its incorporation, the Company need not hold an annual general meeting in the year of its incorporation or in the following year.

(a) ***Convening of general meetings***

All meetings, other than annual general meetings, shall be called general meetings. The Board may convene a general meeting whenever it thinks fit. All general meetings shall take place in Jersey. A general meeting shall also be convened by the Board on the requisition of Shareholders pursuant to the provisions of the Companies Law or, in default, may be convened by such requisitions, as provided by the Statutes. The Board shall comply with the provisions of the Statutes regarding the giving and the circulation, on the requisition of Shareholders, of notices of resolutions and of Statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company.

(b) ***Notice of general meetings***

At least 14 clear days' notice shall be given of every annual general meeting and of every general meeting of the Company, including without limitation, every general meeting called for the passing of a special resolution.

Notwithstanding that a meeting is called by less than 14 clear days' notice, any such meeting shall be deemed to have been duly called if it is so agreed (a) in the case of an annual general meeting by all the Shareholders entitled to attend and vote thereat and (b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting being a majority together holding not less than 95 per cent. of the total voting rights of shares giving that right.

Every notice shall specify the place outside the UK, the day and the time of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the Articles, and to any restrictions imposed on any shares, notice of every general meeting shall be given to all Shareholders, to all persons entitled to a share in consequence of the death, bankruptcy or incapacity of a Shareholder, to the auditors (if any) and to every Director who has notified the Company Secretary in writing of his desire to receive notice of general meetings.

In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a Shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote at that meeting instead of him and that a proxy need not also be a Shareholder of the Company.

(c) ***Quorum***

No business shall be transacted at any general meeting, except the adjournment of the meeting, unless a quorum of Shareholders is present at the time when the meeting proceeds to business.

A quorum of Shareholders shall consist of not less than two Shareholders present but so that not less than two individuals will constitute the quorum, **provided that**, if at any time all of the issued shares in the Company are held by one Shareholder such quorum shall consist of that Shareholder present.

If within 15 minutes from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of Shareholders, shall be dissolved. In any other case, it shall stand adjourned to a day 10 clear days after the original meeting (or, if that day is not a business day, to the next business day) and the same time and place, as the original meeting, or to such later business day, and at such other time and place outside the UK, as the Board may decide and in the latter case not less than seven clear days' notice of the adjourned meeting shall be given in any manner in which notice of a meeting may lawfully be given for the time being. If at an adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting, the meeting shall be dissolved.

(d) ***Chairman***

At each general meeting, the chairman of the Board or, if he is absent or unwilling, the deputy chairman (if any) of the Board or (if more than one deputy chairman is present and willing) the deputy chairman who has been longest in such office or, if no deputy chairman is present and willing, then one of the other Directors who is appointed for the purpose by the Board or (failing appointment by the Board), by the Shareholders present, shall preside as chairman of the meeting, but if no Director is present within 15 minutes after the time fixed for holding the meeting or, if none of the Directors present is willing to preside, the Shareholders present and entitled to vote shall choose one of their number to preside as chairman of the meeting.

(e) ***Directors entitled to attend and speak***

Whether or not he is a Shareholder, a Director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares of the Company.

(f) ***Adjournment***

With the consent of any meeting at which a quorum is present, the chairman of the meeting may (and if so directed by the meeting shall) adjourn the meeting from time-to-time or sine die and from place to place outside the UK.

In addition, the chairman of the meeting may at any time, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place outside the UK if, in his opinion, it would facilitate the conduct of the business of the meeting to do so, notwithstanding that by reason of such adjournment some Shareholders may be unable to be present at the adjourned meeting.

(g) ***Method of voting and demand for poll***

At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

(i) the chairman of the meeting;

(ii) not less than five Shareholders having the right to vote on the resolution; or

(iii) a Shareholder or Shareholders representing in aggregate not less than 10 per cent. of the total voting rights of all the Shareholders having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares), and a demand for a poll by a person as proxy for a Shareholder shall be as valid as if the demand were made by the Shareholder himself.

(h) ***Taking a poll***

If a poll is demanded (and the demand is not withdrawn), it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days after the meeting), at such place outside the UK and in such manner as the chairman of the meeting shall direct and he may appoint scrutineers (who need not be Shareholders).

(i) ***Proxies***

A proxy need not be a Shareholder of the Company and a Shareholder may appoint more than one proxy in relation to a meeting to attend and to speak and vote on the same occasion **provided that** each proxy is appointed to exercise the rights attached to a different share or shares held by a Shareholder.

6.10 **Directors**

(a) ***Number***

Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall be not less than two but there shall be no maximum number of Directors.

(b) ***Remuneration***

The Directors (other than any Director who for the time being holds an executive office of employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as Directors. The aggregate of such fees shall not exceed £150,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine) as the Directors may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable to the Directors under the Articles shall be distinct from any remuneration or other amounts payable to a Director under other provisions of the Articles and shall accrue from day to day.

The Directors shall be paid out of the funds of the Company all reasonable travelling, hotel and other expenses properly incurred in connection with the exercise of their powers and discharge of their duties, including expenses incurred in travelling to and from meetings of the Board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company.

(c) ***Retirement of Directors***

At each annual general meeting, any Director who has been appointed by the Board since the previous annual meeting and any Director selected to retire by rotation pursuant to the Articles shall retire from office.

(d) ***Retirement of Directors by rotation***

With effect from any admission to trading of a class of Shares in the Company on a stock exchange, at every subsequent annual general meeting of the Company, any Director who was appointed by the Directors since the last annual general meeting; or is not independent of the Manager must retire.

In addition, with effect from any admission to trading of a class of Shares in the Company on a stock exchange, one third of the current Directors must retire at each subsequent annual general meeting of the Company and shall be selected as follows:

(i) any Director who was last appointed (or re-appointed) three or more years prior to the meeting;

(ii) any Director who was not last appointed (or re-appointed) at one of the preceding two annual general meetings; or

(iii) any Director who at the time of the meeting will have served more than eight years as a non- executive Director of the Company (excluding as Chairman);

and thereafter, as necessary to obtain the required number:

(iv) *first*, any Director who wants to retire and who does not want to be re-appointed;

(v) *second*, those Directors who have been longest in office since their last appointment or re-appointment. If there are Directors who became or were last appointed or reappointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The number and identity of Directors to retire will be determined based on the composition of the board of Directors at the start of business on the date of notice calling the annual general meeting, disregarding a change in the number or identity of the Directors after that time but before the end of the meeting.

A Director who retires at an annual general meeting shall be eligible for re-appointment and (unless he is removed from office or his office is vacated in accordance with the Articles) shall retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the resolution to re-appoint him is put to the meeting and lost.

If at any meeting at which the appointment of a Director ought to take place the office vacated by a retiring Director is not filled, the retiring Director, if willing to act, shall be deemed to be re-appointed, unless at the meeting a resolution is passed not to fill the vacancy or to appoint another person in his place or unless the resolution to re-appoint him is put to the meeting and lost.

(e) ***Executive Directors***

The Board may appoint one or more Directors to hold any executive office or employment under the Company for such period (subject to the provisions of the Statutes) and on such terms as the Board may decide.

A Director appointed to any executive office or employment shall automatically cease to hold that office if he ceases to be a Director.

(f) ***Directors' interests***

A Director shall not be entitled to vote on a resolution (or attend or count in the quorum at those parts of a meeting regarding such resolution) relating to a transaction or arrangement with the Company in which he is interested, save where the other Directors resolve that the Director concerned should be entitled to do so where they are satisfied that the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest or save in any of the following circumstances:

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

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

(iii) any contract concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer such Director is or may be entitled to participate as a holder of securities or such Director is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(iv) any contract in which such Director is interested by virtue of his interest in shares, debentures or other securities of the Company or otherwise in or through the Company;

(v) any contract concerning any other company in which such Director is interested, directly or indirectly and whether as an officer, Shareholder, creditor or otherwise, unless the Director's interest in such company represents one per cent. or more either of its equity share capital or of its voting rights, and the Director shall be deemed to be materially interested in a contract if the company in which the Director holds such interest is materially interested in a contract;

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

(vii) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to both Directors and employees of the Company and/or any of its subsidiary undertakings and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;

(viii)any contract concerning the adoption, modification or operation of an employees' share scheme; and

(ix) any proposal concerning the purchase or maintenance of insurance for the benefit of persons including Directors.

Subject to the interest of a Director being duly declared, a contract entered into by or on behalf of the Company in which any Director is in any way interested shall not be liable to be avoided nor shall any Director so interested be liable to account to the Company for any benefit resulting from the contract by reason of him holding that office or of the fiduciary relationship established by his holding that office.

A Director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

Where proposals are under consideration concerning the appointment (including fixing or varying its terms) or the termination of the appointment of two or more Directors to offices or places of profit with the Company or any other company which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each Director and, in that case, each Director concerned (if not otherwise debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.

(g) ***Authorisation of conflicts of interest***

Where a situation occurs or is anticipated to occur which gives rise or may give rise to a conflict of interest on the part of any Director ("**Conflicted Director**") (other than a situation which cannot reasonably be regarded as likely to give rise to a conflict of interest), the matter shall be referred to the Directors other than the Conflicted Director (the "**Non-Conflicted Directors**").

The Non-Conflicted Directors shall meet to consider the matter as soon as practicable after the matter is referred to them and they have received all relevant particulars relating to the situation. The quorum for a meeting of the Non-Conflicted Directors shall be the same as for a meeting of the Board. The Non- Conflicted Directors shall have authority to authorise any matter which gives rise to the conflict of interest concerned on such terms as they think fit.

(h) ***Benefits***

The Board may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or who has at any time been a Director of the Company or of any Associated Company (meaning a company or other body corporate which is (or, where the context admits, was at any relevant time) associated with the Company. For the purposes of this definition (a) bodies corporate are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and (b) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate) or in the employment or service of the Company or any Associated Company or of the predecessors in business of the Company or any Associated Company or the relatives or dependants of any such person.

(i) ***Powers of the Board***

The business of the Company shall be managed by the Board which may exercise all the powers of the Company, subject to the provisions of the Statutes, the Memorandum and the Articles. No special resolution or alteration of the Memorandum or of the Articles shall invalidate any prior act of the Board which would have been valid if the resolution had not been passed or alteration had not been made.

(j) ***Borrowing powers***

Subject to the provisions of the Statutes, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and 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.

(k) ***Indemnity of officers***

Insofar as the Statutes allow, every present or former officer (other than an auditor) of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been such an officer.

The Directors may, without sanction of the Company in general meeting, authorise the purchase or maintenance by the Company for any officer or former officer of the Company of any such insurance as is permitted by the Statutes in respect of any liability which would otherwise attach to such officer (other than the auditors) or former officer (other than the auditors).

(l) ***Board meetings***

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. No meetings of Directors shall be held in the UK. Any decision reached or resolution passed by the Directors at any meeting which is held in the UK shall be invalid and of no effect.

(m) ***Quorum***

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Subject to the provisions of the Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

(n) ***Voting***

Questions arising at any meeting shall be determined 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, unless he is not, in accordance with the Articles, to be counted as participating in the decision-making process for quorum, voting or agreement purposes.

6.11 **C Shares**

The Articles contain provisions enabling the issue of C Shares. For the avoidance of doubt, it is anticipated that C Shares would only be issued (i) following the admission to trading on a stock exchange of Ordinary Shares and (ii) to facilitate further fundraising in a manner which would reduce any negative economic impact of such fundraising on the holders of Ordinary Shares.

(a) The following definitions apply for the purposes of this paragraph 6.11:

"**Calculation Date**" means, in relation to a class of C Shares, the earliest of the:

(i) close of business on the date to be determined by the Directors after the day on which the Manager shall have given notice to the Directors that at least 90 per cent. of the net proceeds attributable to such C Shares (or such other percentage as the Directors and Manager shall agree) shall have been invested;

(ii) close of business on the date falling nine calendar months after the allotment of such C Shares or, if such a date is not a business day, the next following business day;

(iii) close of business on the last business day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or

(iv) close of business on such date as the Directors may determine;

"**Conversion**" means, in relation to a class of C Shares, the conversion of that class of C Shares into New Ordinary Shares in accordance with paragraph 6.11(j) below;

"**Conversion Date**" means a date which falls after the Calculation Date and is the date on which the admission of the New Ordinary Shares arising on Conversion to trading on any stock exchange on which the Shares are admitted to trading becomes effective and which is the earlier of:

(i) the opening of business on such business day as may be selected by the Directors, **provided that** such day shall not be more than 20 business days after the Calculation Date; and

(ii) such earlier date as the Directors may resolve should a Force Majeure Circumstance have arisen or the Directors resolve that such circumstance has arisen or is imminent;

"**Conversion Ratio**" for the C Shares of the relevant class is A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C - D}{E}$$

$$B = \frac{F - G}{H}$$

where:

"**C**" is the aggregate value of all assets and investments of the Company attributable to the relevant class of C Shares (as determined by the Directors) at the relevant Calculation Date calculated in accordance with the valuation policy adopted by the Directors from time to time;

"**D**" is the amount which (to the extent not otherwise deducted in the calculation of C) in the Directors' opinion fairly reflects at the relevant Calculation Date the amount of the liabilities and expenses of the Company attributable to the C Shares of the relevant class (as determined by the Directors);

"**E**" is the number of C Shares of the relevant class in issue as at the relevant Calculation Date;

"**F**" is the aggregate value of all assets and investments attributable to the Ordinary Shares (as determined by the Directors) at the relevant Calculation Date calculated in accordance with the valuation policy adopted by the Directors from time to time;

"**G**" is the amount which (to the extent not otherwise deducted in the calculation of F) in the Directors' opinion, fairly reflects at the relevant Calculation Date the amount of the liabilities and expenses of the Company attributable to the Ordinary Shares; and

"**H**" is the number of Ordinary Shares in issue as at the relevant Calculation Date (excluding any Ordinary Shares of the relevant class held in treasury);

provided that:

(i) the Directors shall make such adjustments to the value or amount of A and B as (A) the auditors may (having been requested by the Directors) report to be appropriate, having regard, among other things, to the assets of the Company immediately prior to the date on which the Company first receives the net proceeds relating to the C Shares of the relevant class and/or to the reasons for the issue of the C Shares of the relevant class or (B) the Directors deem appropriate;

(ii) in relation to any class of C Shares, the Directors may, as part of the terms of issue of such class, amend the definition of Conversion Ratio in relation to that class; and

(iii) where valuations are to be made as at the Calculation Date and the Calculation Date is not a business day, the Directors shall apply the provisions of this definition as if the Calculation Date were the preceding business day.

"**Force Majeure Circumstances**" means in relation to a class of C Shares: (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of the relevant class with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are, proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; and

"**New Ordinary Shares**" means the Ordinary Shares of the relevant class arising on conversion of the C Shares.

(b) References to "**Shareholders**" and "**C Shareholders**" in this paragraph 6.11 should be construed as references to holders for the time being of Ordinary Shares of the relevant class and C Shares of the relevant class respectively.

(c) The holders of each class of C Shares shall, subject to the rights of any C Shares which may be issued with special rights or privileges, have the following rights as to income:

(i) the C Shares of each class carry the right to receive all income of the Company attributable to the C Shares, and to participate in any distribution of such income by the Company *pro rata* to the relevant Net Asset Values attributable to each of the classes of C Shares and within each such class income shall be divided *pari passu* amongst the holders of C Shares of that class in proportion to the number of C Shares of such class held by them;

(ii) the New Ordinary Shares of the relevant class shall rank in full for all dividends and other distributions declared, made or paid by reference to a record date falling after the Calculation Date and otherwise *pari passu* with Ordinary Shares of the relevant class in issue at the Calculation Date; and

(iii) no dividend or other distribution shall be made or paid by the Company on any of its Shares between the Calculation Date and the Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).

(d) At a time when any C Shares are for the time being in issue and prior to the Conversion Date, on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of C Shares in accordance with the provisions of the Articles and the Statutes), the surplus capital and assets of the Company attributable to the C Shares remaining after payment of all creditors shall, subject to the rights of any C Shares that may be issued with any special rights and privileges, be divided amongst the holders of C Shares of each class *pro rata* to the relative Net Asset Values of each of the classes of C Shares, and within each such class, such assets shall be distributed *pari passu* amongst the holders of C Shares of that class in proportion to the number of C Shares of such class held by them.

(e) As regards voting, each class of C Shares shall carry the right to receive notice of and to attend, speak and vote (in accordance with Article 56 of the Articles) at general meetings of the Company. The voting rights of holders of C Shares will be the same as that applying to other holders of Ordinary Shares as set out in the Articles.

(f) Without prejudice to the generality of the Articles, for as long as there are C Shares in issue, the consent of the holders of the Ordinary Shares and the holders of the C Shares as a class shall be required for, and accordingly the special rights attached to the Ordinary Shares and the C Shares shall be deemed to be varied, *inter alia*, by:

(i) any alteration to the Memorandum or the Articles which directly or indirectly affects the rights attaching to the C Shares as set out in the Articles;

(ii) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares;

(iii) (except in connection with a Continuance Resolution) the passing of any resolution to wind-up the Company; and

(iv) any change being made to the accounting reference date.

For the avoidance of doubt, but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Ordinary Shares and C Shares, as described above, shall not be required in respect of:

(v) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Ordinary Shares of the relevant class by the issue of such further Ordinary Shares); or

(vi) the sale of any shares held as treasury shares or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).

(g) For so long as one or more classes of C Shares are in issue and until Conversion, and without prejudice to its obligations under the Companies Law, the Company shall in relation to each class or classes of Ordinary Shares and C Shares (as appropriate):

(i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the Ordinary Shares and the C Shares of the relevant class or classes (as appropriate) can, at all times, be separately identified and separate class accounts shall be created and maintained in the books of the Company for the assets attributable to the Ordinary Shares and the C Shares of the relevant class or classes (as appropriate);

(ii) allocate to the assets attributable to the Ordinary Shares and the C Shares of the relevant class or classes (as appropriate) such proportion of the expenses and liabilities of the Company as the Directors fairly consider to be attributable to the Ordinary Shares and C Shares of the relevant class or classes (as appropriate); and

(iii) the Company shall give appropriate instructions to the Manager and the Administrator to manage the Company's assets so that such undertaking can be complied with by the Company.

(h) The C Shares are issued on such terms that they shall convert in accordance with the terms set out in the Articles. At any time prior to Conversion, the Company may, subject to the provisions of the Statutes, at its discretion, repurchase all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject, where applicable, to the facilities and procedures of CREST) and in consideration of the payment of such price as may be agreed between the Company and the relevant holders of C Shares.

(i) The C Shares of the relevant class shall be converted into New Ordinary Shares of the corresponding class on the Conversion Date in accordance with the following provisions of this paragraph 6.11(i), whereby:

(i) the Directors shall procure that:

(A) the Company (or its delegate) calculates, within ten business days after the Calculation Date, the Conversion Ratio as at the Calculation Date and the numbers of New Ordinary Shares of the relevant class to which each holder of C Shares shall be entitled on Conversion; and

(B) the auditors (or some other appropriately qualified person) shall be requested to certify, within three business days of the Calculation Date, that such calculations have been performed in accordance with the Articles and are arithmetically accurate, whereupon such calculations shall become final and binding on and all Shareholders, subject to the proviso immediately after the definition of "H" in paragraph 6.11(a); and

(ii) the Directors shall procure that, as soon as practicable following such certification, an announcement is made to a Regulatory Information Service, advising holders of C Shares of the relevant class of the Conversion Date, the Conversion Ratio and the aggregate number of New Ordinary Shares of the relevant class to which holders of C Shares of the relevant class are entitled on Conversion.

(j) Conversion shall take place at the Conversion Date. On Conversion:

(i) each issued C Share of the relevant class shall automatically convert and be redesignated into such number of New Ordinary Shares of the corresponding class as shall be necessary to ensure that, upon Conversion being completed, the number of New Ordinary Shares of the relevant class equals the number of C Shares of the relevant class in issue at the Calculation Date multiplied by the

Conversion Ratio (rounded down to the nearest whole New Ordinary Share of the relevant class) (**provided always that** fractional entitlements to New Ordinary Shares of the relevant class shall be disregarded) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Shares of the relevant class, in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares of the relevant class who shall be bound by them;

(ii) forthwith upon Conversion, any certificates relating to the C Shares of the relevant class shall be cancelled and the Company shall issue to each such former holder of C Shares of the relevant class new certificates in respect of the New Ordinary Shares of the relevant class which have arisen upon Conversion unless such former holder of any C Shares of the relevant class elects to hold their New Ordinary Shares of the relevant class in uncertificated form;

(iii) the Company will use its reasonable endeavours to procure that, upon Conversion, the New Ordinary Shares are admitted to trading on the same stock exchange as the Ordinary Shares which are already admitted at the time of Conversion; and

(iv) the Directors are authorised to effect such and any conversions and/or consolidations and/or subdivisions and/or combinations of the foregoing (or otherwise as appropriate) as may have been or may be necessary from time to time to implement the conversion mechanics for C Shares set out in the Articles or as they, in their discretion, consider fair and reasonable having regard to the interest of all Shareholders.

6.12 **Uncertificated Shares**

The Articles contain provisions permitting and providing for the use of uncertificated shares and in particular any share in the Company may be issued, held, registered, converted to or transferred in uncertificated form and may be converted from uncertificated form to certificated form in accordance with the Statutes and the requirements and practices of the operator of the relevant system.

6.13 **Untraced Shareholders**

The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavors to ensure is the best obtainable) the shares of a Shareholder or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and **provided that**:

(a) during the period of not less than 12 years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed;

(b) the Company shall, following the expiry of such period of 12 years, have inserted advertisements in a national newspaper and/or in a newspaper circulating in the area in which the last known address of the Shareholder or the address at which service of notices may be effected under the Articles is located giving notice of its intention to sell the said shares;

(c) during the period of three months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such Shareholder or person; and

(d) notice shall have been given to the stock exchanges on which the Company is listed or traded, if any. The foregoing provisions are subject to any restrictions applicable under any regulations relating to the holding and/or transferring of securities in any paperless system as may be introduced from time to time in respect of the shares of the Company or any class thereof.

7. NEW ARTICLES OF ASSOCIATION

Subject to approval at the EGM, the Articles will also contain provisions to the following effect:

7.1 **Return on Capital**

In relation to capital on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Ordinary Shares, C Shares or ZDP Shares in accordance with the provision of the

Articles and the Statutes), the surplus assets of the Company remaining after payment of all creditors, shall be distributed as follows:

(a) first, there shall be paid to each Class of ZDP Shareholder in respect of each ZDP Share held by them (regardless of the date on which such winding up or return of capital occurs), the applicable ZDP Final Capital Entitlement. For the purposes of the provisions described in this paragraph 7.1(a), where there is more than one Class of ZDP Shares, the ZDP Shareholders shall be ranked in priority according to the applicable ZDP Repayment Dates from the nearest ZDP Repayment Date ranking highest to the furthest ZDP Repayment Date ranking lowest, with the available assets to be distributed *pari passu* amongst the relevant Class of ZDP Shareholders; and

(b) second, there shall be paid to:

   (i) Ordinary Shareholders (subject to the rights of any Ordinary Shares that may be issued with any special rights and privileges) the surplus capital and assets of the Company attributable to the Ordinary Shares, to be divided amongst the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them; and

   (ii) C Shareholders (subject to the rights of any C Shares that may be issued with any special rights and privileges), the surplus capital and assets of the Company attributable to the relevant class of C Shares to be divided amongst the holders of C Shares of each class *pro-rata* to the relative Net Asset Values of each of the classes of C Share, and within each such class, such assets shall be distributed *pari passu* amongst the holders of C Shares of that class in proportion to the number of C Shares of such class held by them).

7.2 **Issues of ZDP Shares**

The ZDP Shares will be divided into different Classes of ZDP Shares, with each Class of ZDP Shares being denoted according to the year in which those ZDP Shares will be redeemed. Unless expressly provided to the contrary in the Articles, each Class of ZDP Shares will be issued on the same terms and (save in respect of the ZDP Repayment Date and the ZDP Gross Redemption Yield) will have the same rights.

7.3 **Rights attaching to ZDP Shares**

The rights attaching to the ZDP Shares shall be as follows:

(a) without prejudice to the ZDP Shareholders' rights described in paragraphs 7.1(a), 7.5 and 7.6 of this Part XIII: "*Additional Information*", the ZDP Shares have no right to receive income from the Company, whether by dividend or otherwise, and references to "Shareholders" in the provisions of the Articles which relate to dividends shall exclude ZDP Shareholders;

(b) as to capital on a winding up of the Company, or any other return of capital, the provisions described in paragraph 7.1. this Part XIII: "*Additional Information*" shall apply; and

(c) as to voting, ZDP Shareholders shall not have the right to receive notice of, nor to attend or vote at, any general meeting of the Company and references to "Shareholders" in the provisions of the Articles relating to general meetings and voting shall exclude ZDP Shareholders (save in respect of a general meeting of the Company held pursuant to the provisions described in paragraph 7.6 of this Part XIII: "*Additional Information*" or as otherwise required by the Statutes, whereupon "Shareholders" shall include ZDP Shareholders).

7.4 **Voting at a class meeting of ZDP Shareholders**

Subject to the provisions described in paragraphs 7.5 and 7.6 of this Part XIII: "*Additional Information*", the Company shall not, without the prior approval of each Class of ZDP Shareholders (save where a Class of ZDP Shareholders is not affected by the relevant event described in paragraphs 7.4(c), 7.4(e), 7.4(f)(i), 7.4(h), 7.4(i) and 7.4(j) of this Part XIII: "*Additional Information*", in which case that Class of ZDP Shareholders shall not be required to consent) by Special Resolution at a class meeting of the relevant Class of ZDP Shareholders (and where more than one Class of ZDP Shareholders is required to provide approval by Special Resolution, a separate class meeting shall be held in respect of each such Class of ZDP Shareholders):

(a) pass a resolution (other than a ZDP Exempted Resolution) for the voluntary liquidation or winding-up of the Company where such winding-up would take effect prior to a ZDP Repayment Date;

(b) change the rights conferred upon a Class of ZDP Shareholders in a manner adverse to the relevant Class of ZDP Shareholders;

(c) issue further Shares or securities, or rights to subscribe for or to convert or exchange any securities into Shares or securities, or reclassify any Shares or securities, unless the Cover Test relating to each Class of ZDP Shares is satisfied;

(d) pass a resolution (other than a ZDP Exempted Resolution) either:

(i) amending the provisions described in paragraphs 7.5(a) or 7.6 of this Part XIII: "*Additional Information*"; or

(ii) releasing the board from its obligation to: (i) convene a general meeting of the Company at which a ZDP Liquidation Resolution is to be proposed; or (ii) to redeem compulsorily a Class of ZDP Shares on the applicable ZDP Repayment Date;

(e) (other than pursuant to a ZDP Exempted Resolution) reduce the share capital of the Company in any manner, unless the Cover Test relating to each Class of ZDP Shares is satisfied;

(f) redeem or repurchase any Shares in the Company unless:

(i) the Cover Test for each Class of ZDP Shares is satisfied; or

(ii) at the same time as the redemption or repurchase of such Shares, the Company also offers to redeem or repurchase ZDP Shares in each Class of ZDP Shares *pro rata* with such Shares that have been redeemed or repurchased, such that the Cover for any remaining ZDP Shares in each Class of ZDP Shares after such redemption or repurchase would be equal to or greater than the Cover for each applicable Class of ZDP Shares excluding adjustments made to take account of the redemption or repurchase of the Ordinary Shares;

(g) make any material change to the Company's investment policy in effect from time to time which, at the time of making such change, appears likely, in the reasonable opinion of the Directors, to be materially prejudicial to a Class of ZDP Shareholders;

(h) to pay any dividend or other distribution (save for (i) any dividend or other distribution or payment in cash or kind out of the capital reserves of the Company or (ii) a redemption or repurchase of Shares pursuant to the rights described in paragraph 7.4(f) of this Part XIII: "*Additional Information*" above), unless the Dividends Cover Test is satisfied;

(i) pay any dividend or other distribution or otherwise make a payment in cash or kind out of the capital reserves of the Company, save for a redemption or repurchase of Shares pursuant to the rights described in paragraph 7.4(f) of this Part XIII: "*Additional Information*" above, unless the Cover Test for each Class of ZDP Shares is satisfied;

(j) incur any new borrowings for long term investment purposes after the date of the general meeting of the Company approving the creation and issue of the applicable Class of ZDP Shares unless the Cover Test for the applicable Class of ZDP Shares would continue to be satisfied (where, for the purposes of the provisions described in this paragraph 7.4(j), the Net Asset Value to be used to calculate the Cover will be calculated in accordance with the Articles and published by the Company in the month immediately preceding the month in which such new borrowings are to be incurred); or

(k) alter any objects set out in the Memorandum of Association of the Company.

7.5 **Redemption of ZDP Shares**

(a) Subject to the provisions of the Companies Law, the Company will redeem all of the outstanding ZDP Shares of a relevant class on the applicable ZDP Repayment Date, with payment of the applicable ZDP Final Capital Entitlement being made by the ZDP Payment Date. The price per ZDP Share at which the relevant Class of ZDP Shares will be redeemed will be that which results in the applicable ZDP Final Capital Entitlement being paid to the relevant Class of ZDP Shareholders.

(b) The Company will serve a redemption notice on each applicable Class of ZDP Shareholder in respect of those ZDP Shares to be redeemed in accordance with the provisions described in paragraph 7.5(a) of this Part XIII: "*Additional Information*" containing certain specified information. A redemption notice may not be withdrawn without the prior consent of all the holders of the relevant Class of ZDP Shares. There are also provisions relating to (a) the method of payment of the sums due on redemption of a Class of ZDP Shares and (b) surrender of the relevant share certificate(s).

7.6 **Voluntary liquidation and early redemption of ZDP Shares in other circumstances**

(a) If the Company is unable or fails to redeem all of a Class of ZDP Shares on the applicable ZDP Repayment Date and/or fails to make payment of the aggregate applicable ZDP Final Capital Entitlement by the applicable ZDP Payment Date then, subject to the provisions described in paragraphs 7.6(b) and 7.6(c):

(i) the Directors shall convene an extraordinary general meeting of the Company at which a Special Resolution (a "**ZDP Liquidation Resolution**") will be proposed (and recommended by the Directors) requiring the Company to be wound up summarily, and in the manner described in paragraph 7.1 of this Part XIII: "*Additional Information*"; and

(ii) the provisions described in paragraph 7.6(d) of this Part XIII: "*Additional Information*" shall apply in relation to such ZDP Liquidation Resolution.

(b) If any offer is made (whether by the Company or any other person) to all of a Class of ZDP Shareholders (other than the offeror and/or persons controlled by or acting in concert with the offeror) which becomes or is declared unconditional in all respects prior to the applicable ZDP Repayment Date, and which enables the relevant Class of ZDP Shareholders to receive, no later than the applicable ZDP Payment Date, an amount in cash not less than that which the Directors estimate (so far as practicable at the time) would be equal to or greater than the applicable ZDP Final Capital Entitlement (whether or not such offer is accepted in any particular case and ignoring any option to receive alternative consideration) and such offer is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable, then unless the board considers that the offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer:

(i) the provisions described in paragraphs 7.5(a) and 7.6(a) of this Part XIII: "*Additional Information*" shall not apply; and

(ii) the provisions described in paragraph 7.6(d) of this Part XIII: "*Additional Information*" shall apply to the relevant Class of ZDP Shareholders in relation to any resolution or resolutions proposed at any separate class meeting of the relevant Class of ZDP Shareholders relating to such offer (a "**ZDP Recommended Resolution**").

(c) If at any time on or before the applicable ZDP Repayment Date, a resolution (or resolutions) (a "**ZDP Reconstruction Resolution**") is proposed at any general meeting of the Company or at any separate class meeting of the applicable Class of ZDP Shareholders (including any meeting to be convened to consider the winding up of the Company) to approve any form of arrangement which enables the relevant Class of ZDP Shareholders to receive, no later than the applicable ZDP Payment Date, an amount in cash not less than that which the Directors' estimate (so far as practicable at the time) would be equal to or greater than the applicable ZDP Final Capital Entitlement (ignoring any option to receive their entitlements otherwise than in cash) and such arrangement is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable then, unless the arrangement is not implemented in accordance with its terms:

(i) the provisions described in paragraphs 7.5(a) and 7.6(a) of this Part XIII: "*Additional Information*" shall not apply; and

(ii) the provisions described in paragraph 7.6(d) of this Part XIII: "*Additional Information*" shall apply to the applicable Class of ZDP Shareholders in relation to such ZDP Reconstruction Resolution.

(d) Where the provisions described in this paragraph 7.6(d) apply in respect of any ZDP Exempted Resolution proposed at either a general meeting of the Company or a class meeting of ZDP Shareholders, each Shareholder present in person, by a duly authorised representative (if a corporation) or by proxy and entitled to vote shall (in respect of the votes attached to all such Shares) vote in favour of any resolution or resolutions so recommended by the Directors and, where any vote is not cast or is cast against any such resolution or resolutions, it shall be deemed to have been cast in favour by virtue of the provisions described in this paragraph 7.6(d). The vote on any ZDP Exempted Resolution shall be taken on a poll.

(e) Notwithstanding anything to the contrary in the Articles, the passing and implementation of any ZDP Exempted Resolution shall be deemed to be in accordance with the rights attached to the Ordinary Shares, the C Shares and all ZDP Shares (in each case of whatever class), with the result that neither the passing nor the implementation of any such resolution shall be treated as varying, modifying or abrogating such rights and so that the consent or sanction of any such class of Ordinary Shares, C Shares or ZDP Shares, each as a separate class, shall not be required.

7.7 **Conversion of ZDP Shares**

(a) Subject to the Companies Law and the Articles, the Directors may, at their absolute discretion, permit a ZDP Shareholder of one Class of ZDP Shares to convert (by way of re-designation) some or all of the ZDP Shares of that class into ZDP Shares of another class upon such ZDP Shareholder giving notice to the Company in the form and manner requested by the Directors in their absolute discretion. The conversion (by way of re-designation) shall take effect at such time and on such terms as the Directors may determine in their absolute discretion.

(b) The number of ZDP Shares of the other class which the ZDP Shareholder shall receive by way of conversion will be rounded down to the nearest whole number and any fractional entitlements may, subject to the Companies Law and the Articles, be dealt with by the Directors in such manner as they think fit including, without limitation, selling or redeeming any ZDP Shares of the other class representing such fractional entitlements and retaining the proceeds for the benefit of the Company.

7.8 **Other Changes**

In addition to the additional provisions set out above (and the definitions relating to all defined terms used above being included and certain formatting or immaterial changes being made), the following consequential changes will be made to the Articles:

(i) a new definition of "Shareholders" will be added, which will be a collective term referring to any Ordinary Shareholders, any C Shareholders and any ZDP Shareholders;

(ii) a new definition of "Shares" will be added, which will be a collective term referring to any Ordinary Shares, C Shares and any ZDP Shares;

(iii) "Calculation Date" (see paragraph 6.11(a) of this Part XIII: "*Additional Information*") will be amended to "C Share Calculation Date", and references to "Calculation Date" amended accordingly;

(iv) the definition of "Net Asset Value" will be amended to include reference to the calculation in the context of a Class of ZDP Shares being the value of the Accrued Capital Entitlement;

(v) a definition of "Net Asset Value per ZDP Share" will be added to state that this shall refer to the value of the Accrued Capital Entitlement attributable to the ZDP Shares of the relevant class divided by the number of ZDP Shares of such class in issue at the date of calculation;

(vi) the provision summarised at paragraph 6.11(f)(iii) will be amended to include reference to a ZDP Exempted Resolution as follows "(except in connection with a Continuance Resolution or a ZDP Exempted Resolution) the passing of any resolution to wind up the Company"; and

(vii) provisions in the Articles concerning voting have been amended to add references to the provision summarised at paragraph 7.6(d) to make it clear that, where applicable, the provision summarised at paragraph 7.6(d) shall prevail.

8. OTHER DIRECTORSHIPS

8.1 The companies and partnerships of which the Directors are, or have been, within the past five years, members of the administrative, management or supervisory bodies or partners (excluding the Company and its subsidiaries and also excluding the subsidiaries of the companies listed below) are as follows:

Name	Current directorships/ partnerships	Previous directorships/ partnerships
Directors		
Joanna Dentskevich	Euphorix Investments Ltd. GCP Asset Backed Income Fund Ltd. Henderson Gartmore Fund Henderson Horizon Fund Moore Management Ltd. Royal Bank of Scotland International Limited Royal Bank of Scotland International (Holdings) Limited Somerston Funds ICC Somerston Multi Asset Fund IC Triskelion Advisors Ltd.	AEP 2003 Ltd. AEP 2008 Ltd. AEP 2012 Ltd. Blackstone / GSO Loan Financing Ltd. Blackstone / GSO Loan Financing 2 Ltd. (dissolved) Moore Fund Administration (Jersey) Ltd. (dissolved) Signal Credit GP Ltd.
Alan Dunphy	Anmalou Investments S.A. Atnahs Capital Holdings Limited BAM Distributor Limited Bennelong Asset Management HK Limited Bennelong Asset Management Limited Bennelong General Partner Limited Bennelong Holdings GP Limited Berkeley Global Opportunities Advisor Limited Berkeley J2 Opportunities Limited Berkeley OT Opportunities Limited Berkeley Real Estate Opportunities Limited Berkeley TR Limited Berkeley V Opportunities Limited Bonsai Limited Craig Millar Castle (Holdings) Limited Diploria Investments Limited Dockside Investments Limited Ermefeli Investments Limited Esplanade Financial Centre Limited Favia Investments Limited Fourtower Investments Limited George Capital 2 (Glasgow) Limited George Capital 2 (Southend) Limited George Capital (Cardiff) Limited George Capital (Glasgow) Limited George Capital Holdco 1 Limited George Capital Holdco 2 Limited George Capital (Mercia) Limited George Capital (Newcastle) Limited George Capital (Nottingham) Limited George Capital Real Estate Fund GP Limited George Capital Real Estate Fund 2 GP Limited Gujju Investments Limited Harcourt Developments (Jersey) Limited Intertek Global Limited Kaleview Investments Limited Kinnerton Investments Limited Les Jardins Leisure Limited	Angel Point Limited APD Pension Plan Limited Bennelong Agricultural Investments Limited Bennelong Asset Management S.A. Bennelong Asset Management (Singapore) Pte Limited Bennelong Tempest Fund Limited Bennelong Tempest Master Fund Limited Dallus Global Holdings Limited Synergy Capital Holdings Limited Synergy Capital Ventures Limited Synergy Health Ventures Limited

Name	Current directorships/ partnerships	Previous directorships/ partnerships
	Les Jardins Residential Limited LGL Fiduciary Limited LGL Holdings Limited LGL Secretaries Limited LGL Trustees Limited Liberty Wharf 3 Limited LIV Birmingham Partners Limited Liv Chester Partners Limited Liv Dublin Parties Limited LIV Sheffield Partners Limited Longcrest Investment Holdings Limited Ludlow Limited Osterland Investments Limited Otley Seas Limited REEIF II Jersey GP Limited Revya I Limited Sunrise Investment Holdings Limited Synvest Capital Holdings Limited Tavis Investments Limited UE Finance Holdings Limited Urban Capital Holdings Ltd Urban Exposure Finance Limited US Cold Storage GP Limited VSA Jersey Limited Watervale Sheffield Limited Weisshorn Invest Limited Wrack Investments Limited Z-Fox Ltd Zouk Holdings Limited Zouk Investments Limited Zouk Solar Opportunties Limited	
Nick Watkins	Altair Partners Limited Altair Guernsey Limited Asia Memorial Group Limited Asia Memorial Holdings Limited Coller International Partners VI Luxembourg Sarl DG Systematic General Partner Limited DG Systematic Holdings Limited DG Systematic IP Holdings Limited Falko RAOF GP Limited ICG Global Investment Jersey Limited ICG Recovery 2008 B (Jersey) Limited ICG Recovery Fund 2008 B GP Limited Innova/5 GP Limited Innova Capital Limited Invision Capital Partners Hospitality Limited Invision Capital Partners IV Limited Invision Capital Partners V Limited Invision IV Co-Invest General Partner Limited Kynance Limited Limpopo Gate Limited LumX Beach Point Total Return Fund Limited LumX DCI Short Credit Fund Limited LumX Ellington Segregated Portfolio Fund Limited LumX GSB Podium Fund Limited	Battersea Project Holding Company Limited Battersea Project Land Company Limited Battersea Project Phase 1 Company Limited Battersea Phase 1 Holding Company Limited Battersea Project Phase 1 Management Company Limited Battersea Project Phase 1 Retail, Leisure, F&B GP Limited Battersea Project Phase 1 Retail, Leisure, F&B LP Limited Battersea Project Phase 1 Retail, Leisure, F&B Nominee Limited Battersea Project Phase 2 Company Limited Battersea Project Phase 2 Development Company Limited Battersea Project Phase 2 GP Limited Battersea Project Phase 2 LP Limited Battersea Phase 2 Holding Company Limited

Name	Current directorships/ partnerships	Previous directorships/ partnerships
	LumX Horseman European Select Fund Limited LumX Jet Fund Limited LumX Lancaster Fund Limited LumX Lynx Fund Limited LumX MW Core Fund Limited LumX Oceanic Fund Limited LumX Octagon High Income Fund Limited LumX Systematic Trend Fund Limited LumX Turiya Fund Limited LumX Visium Credit Fund Limited LumX WSA Rising Rates Fund Limited Mayan Limited Molokai Limited Neuron Macro Opportunities Fund Limited Northzone Ventures IV (SLP) Limited Northzone VIII Co-invest Limited NZ V GP Limited NZ V SLP Limited NZVI (GP) Limited NZVI (SLP) Limited NZVII (GP) Limited NZVII (SLP) Limited NZ VIII (GP) Limited Orange Gate Limited Sabi Gate Limited Segulah L.P. Limited Segulah Management II Limited Tronox Sands UK Holdings Limited Tugela Gate Limited Tulipier Limited Vaal Gate Limited	Battersea Project Phase 2 Management Company Limited Battersea Project Phase 2 Nominee Company Limited Battersea Project Phase 2 Refurbishment Company Limited Battersea Project Phase 2 Residential Company Limited Battersea Project Phase 3 Company Limited Battersea Project Phase 3 Development Company Limited Battersea Project Phase 3 GP Limited Battersea Phase 3 Holding Company Limited Battersea Project Phase 3 LP Limited Battersea Project Phase 3 Management Company Limited Battersea Project Phase 3 Nominee Company Limited Battersea Project Phase 3 Residential Company Limited Battersea Project Phase 4 Company Limited Battersea Project Phase 4 Development Company Limited Battersea Project Phase 4 GP Limited Battersea Phase 4 Holding Company Limited Battersea Project Phase 4 LP Limited Battersea Project Phase 4 Management Company Limited Battersea Project Phase 4 Nominee Company Limited Battersea Project Phase 4 Residential Company Limited Battersea Project Phase 4A Company Limited Battersea Project Phase 5 Company Limited Battersea Project Phase 5 Development Company Limited

Name	Current directorships/ partnerships	Previous directorships/ partnerships
		Battersea Phase 5 Holding Company Limited Battersea Project Phase 6 Company Limited Battersea Project Phase 6 Development Company Limited Battersea Project Phase 6 GP Limited Battersea Phase 6 Holding Company Limited Battersea Project Phase 6 LP Limited Battersea Project Phase 6 Management Company Limited Battersea Project Phase 6 Nominee Company Limited Battersea Project Phase 6 Residential Company Limited Battersea Project Phase 7 Company Limited Battersea Project Phase 7 Development Company Limited Battersea Project Phase 7 GP Limited Battersea Phase 7 Holding Company Limited Battersea Project Phase 7 LP Limited Battersea Project Phase 7 Management Company Limited Battersea Project Phase 7 Nominee Company Limited Battersea Project Phase 7 Residential Company Limited Battersea Project Residual Land Company Limited Battersea Power Station Energy Company Limited Casatoro Limited DB Dynamic Europe Fund Limited Deutsche International Custodial Services Limited Links Holdings (GP) Limited LumX Castlerigg Merger Arbitrage Fund Limited NZ IV SPV Limited Seymour Street GP Limited TIA Unlevered Growth Fund 1 (HC) Limited TIA Unlevered Growth Fund 1 (SPV 2) Limited
Neal J. Wilson	AFP Investments GP I LLC Armadillo Financial GP II LLC Armadillo Financial GP II-A LLC Armadillo Financial GP LLC Beltway Direct Opportunities Fund Ltd.	EJF Concentrated Financial Opportunities Offshore EJF TruPS Offshore Fund Ltd. Fund Ltd. EJF Crossover Offshore Fund Ltd. EJF Energy Opportunities Offshore

Name	Current directorships/ partnerships	Previous directorships/ partnerships
	Beltway Strategic Opportunities Fund Ltd. EJF Debt Opportunities Fund II Ltd. EJF Debt Opportunities Offshore Fund Ltd. EJF Financial Services Offshore Fund Ltd. EJF Income Fund Offshore Ltd. EJF Investments GP Inc. EJF Select Master Fund, SPC EJF Sidecar Fund Offshore (D) Ltd. EJF Sidecar Fund Offshore (E) Ltd. EJF Sidecar Fund Small Financial Equities Series Ltd EJF Trust Preferred Fund Ltd Hood College Sidwell Friends School Urban Exposure Finance Limited	Fund Ltd EJF Financial Opportunities Offshore Fund Ltd. EJF Greater China Fund Ltd. EJF Greater China Master Fund Ltd. EJF Health Care Offshore Fund Ltd. EJF Investments Ltd EJF Long/Short Equity Offshore Fund Ltd. EJF Opportunity Offshore Fund Ltd. EJF Select Offshore Fund Ltd. Montgomery County Public Schools The 144A Offshore Fund Ltd.

8.2 Within the period of five years preceding the date of this Prospectus none of the Directors:

(a) has had any convictions in relation to fraudulent offences;

(b) has been associated with any bankruptcy, receivership or liquidation when acting in his capacity as a member of the administrative, management or supervisory body or a director or senior manager (who is relevant to establishing that a company has the appropriate expertise and experience for the management of that company) of any company; or

(c) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a director or member of an administrative, management or supervisory body of a company or from acting in the management or conduct of the affairs of a company.

8.3 The Directors are, in addition to the Company, directors or partners of the companies listed in paragraph 8.1 of this Part XIII: "*Additional Information*". The Articles contain provisions whereby a Director shall not vote, *inter alia*, in respect of any matter in which he has, directly or indirectly, any material interest.

8.4 None of the Directors has any potential conflicts of interests between their duties to the Company and their private interests or other duties.

9. DIRECTORS' AND OTHER INTERESTS

9.1 The table below sets out the interests of the Directors in respect of the share capital of the Company as at 8 November 2017 (being the latest practicable date prior to the publication of this Prospectus):

Name	Number of Ordinary Shares	% of issued share capital
Directors		
Joanna Dentskevich	20,548	0.04
Alan Dunphy	—	—
Nick Watkins	—	—
Neal J. Wilson	1,131,184	2.10

9.2 The Companies Law imposes no requirement on Shareholders to disclose holdings of five per cent. (or any greater limit) or more of any class of the share capital of the Company. However, the Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) will be obliged to notify the Company if the proportion of the Company's voting rights which they own reaches, exceeds of falls below specific thresholds (the lowest of which is currently five per cent.).

9.3 None of the Company's Shareholders have voting rights attached to the Shares they hold which are different from the voting rights attached to any other Shares in the same class in the Company and the Shares held by them will rank *pari passu* in all respects with the other Shares.

9.4 The Company is not aware of any person who immediately following Admission directly or indirectly, jointly or severally, will own or could exercise control over the Company.

9.5 As at the date of this Prospectus, there are no arrangements known to the Company, the operation of which may result in a change of control of the Company.

9.6 Certain investors are expected to acquire interests of more than five per cent. of the 2022 ZDP Shares available on the First ZDP Placing through one or more funds.

10. DIRECTORS' LETTERS OF APPOINTMENT AND REMUNERATION

10.1 The Non-Executive Directors are all engaged on the same terms pursuant to appointment letters effective as of 17 March 2017, save that two of the Non-Executive Directors are employed via service companies and will receive their fees via their employing entities.

10.2 The appointment letters do not contain any contractual provisions relating to notice. Each appointment is subject to retirement provisions contained in the Articles of Association which (amongst other things) allow for retirement by rotation. The appointment letters do not contain any post-termination restrictions save that the Directors are subject to confidentiality undertakings without limit in time.

10.3 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 Chair, the fee is £40,000 for each Director per annum, plus an additional annual fee of £10,000 for the Chair and £5,000 for the chair of the audit committee. Neal J. Wilson has agreed to waive his fee.

10.4 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits. The aggregate remuneration and benefits in kind of the Directors in respect of the accounting period ending on 31 December 2017 which will be payable out of the assets of the Company are not expected to exceed £135,000.

10.5 There are no existing or proposed agreement(s) between any Director and any member of the Group providing for benefits upon termination.

11. MATERIAL CONTRACTS

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company or any member of the Group and are, or may be, material or that contain any provision under which the Company or any member of the Group has any obligation or entitlement which is or may be material to it as at the date of this Prospectus.

11.1 Placing Agreement

On 9 November 2017, the Company, each of the Directors, the Manager, EJF and Liberum entered into a placing agreement (the "**Placing Agreement**") (which superseded the placing agreement entered into on 4 April 2017 in relation to the Original Admission) pursuant to which, subject to certain conditions, Liberum has agreed to act as sole bookrunner in respect of the First ZDP Placing and to act as sole bookrunner in relation to any Subsequent Placing (subject to certain conditions). Liberum has agreed to use its reasonable endeavours to procure subscribers for 2022 ZDP Shares at the First ZDP Placing Price pursuant to the First ZDP Placing and Shares at the relevant Subsequent Placing Price pursuant to each Subsequent Placing (in respect of which it is acting).

The Placing Agreement is conditional on, among other things, First ZDP Admission occurring by 8.00 a.m. on 1 December 2017 (and in any event by no later than 31 December 2017) (the "**Initial Conditions**"). Each Subsequent Placing under the Placing Programme is also conditional on, among other things, the agreement between the Company and Liberum (and/or, if applicable, such other bookrunner acting in relation to a Subsequent Placing) of the relevant placing price.

In the event that any Initial Condition in the Placing Agreement is not met in respect of First ZDP Admission or in the event that any Placing Condition is not met in respect of each Placing, Liberum shall, amongst other things, not be under any obligation to complete the relevant Placing, the Company shall withdraw its application for First ZDP Admission or the relevant Subsequent Admission (as applicable) (making such announcement as reasonably required by Liberum and/or, if applicable, such other bookrunner acting in relation to a Subsequent Placing) and appropriate arrangements for the return of monies received shall be made (if applicable).

In consideration for its services in relation to the First ZDP Placing and each Subsequent Placing (in respect of which it is acting), and conditional upon completion of the First ZDP Placing and each Subsequent Placing, Liberum will be paid a customary corporate finance fee (subject to certain conditions) and a placing commission by the Company up to a maximum of 2.25 per cent. of the value of the Shares in respect of which it has procured Placees under each Placing (excluding any Shares subscribed for by EJF or its directors, employees or affiliates or any investors introduced by EJF or its affiliates), subject to minimum gross proceeds being raised from Placees procured by Liberum and including a discretionary element.

Liberum will also receive a reimbursement for all out-of-pocket expenses incurred by it in connection with First ZDP Admission and the Placing Programme.

The Company, the Manager and the Directors have in the Placing Agreement given certain customary warranties (although the Directors' individual liability for any breach of the warranties given by them will be subject to certain agreed caps). The Company and the Manager have also agreed to provide customary indemnities to Liberum.

11.2 **Management Agreement**

EJF Investments Manager LLC was appointed as manager of the Company, the Partnership, the General Partner and each of their subsidiaries under a management agreement dated 30 March 2017 (the "**Management Agreement**"). Pursuant to the Management Agreement, the Manager manages the Group's assets and its day-to-day operations including (amongst other duties):

(a) reviewing of compliance with the Investment Policy (as modified from time to time);

(b) investigation, analysis and selection of investment opportunities;

(c) conducting negotiations with respect to prospective investments by the Group and the engagement of services required for the purposes of making the Group's investments;

(d) collection of the Group's revenues and payment of its debts and obligations;

(e) communicating on behalf of the Group with the holders of its equity or debt securities;

(f) advising and assisting the Group in connection with its policy and other decisions and compliance with regulatory and legal requirements (including, in each case, those relating to securities laws, taxation and litigation);

(g) taking all necessary actions to make any required filings, registrations or reports under AIFMD and the Alternative Investment Funds (Jersey) Regulations 2012 of Jersey and the Code of Practice promulgated thereunder by the JFSC;

(h) evaluating and recommending to the Board hedging strategies and engaging in hedging activities on behalf of the Group;

(i) monitoring the performance of investments;

(j) portfolio management and monitoring with respect to the Group's investments and exercising the rights of each member of the Group as shareholder, member or partner; and

(k) provision of management and other personnel,

in each case to the extent that such services or activities are not provided or fulfilled by the Administrator. Although the exercise of the Manager's duties is subject to the supervision of the Board and/or the board of directors of the General Partner (as applicable), the Manager is able to enter into agreements with other parties, including its affiliates, for the purpose of fulfilling its duties and servicing obligations under the Management Agreement (including retaining services of accountants, legal counsel, appraisers, insurers, brokers, transfer agents, registrars, developers, investment banks, financial advisors, banks and other lenders and others as the Manager deems necessary or advisable). In addition, the Manager will act as the Group's agent in making, acquiring, financing, structuring, managing and disposing of their investments.

Pursuant to the Management Agreement, the Manager is paid an annual Management Fee and Incentive Fee and is entitled to be reimbursed for its reasonably and properly incurred expenses, further details of which are set out in paragraph 9.2 in the section entitled "*Fees and Expenses*" in Part IV: "*Directors, the Manager and Administration*" of this Prospectus. Prior to a Termination Event (as defined below), the Manager is not entitled to be paid a fee based on the value of the assets held in the Partnership, except as represented by the value of the Company's interest in the Partnership.

Unless the Management Agreement is otherwise terminated earlier in accordance with its terms, the Manager shall cease to provide all Non-Retained Services (as defined below) if either the Company (pursuant to a resolution of a majority of its independent Directors) or the Manager delivers to the other a written notice (a "**Termination Notice**") electing to terminate the provision of the Non-Retained Services (as defined below). A Termination Notice must be delivered not less than 12 months prior to the intended date (the "**Termination Date**") that the Manager shall cease to provide services (except the Retained Services (as defined below)) under the Management Agreement (the "**Non-Retained Services**") (such notice period being the "**Termination Notice Period**") (save that such notice shall not be served earlier than the second anniversary of the Original Admission). In such circumstances, the Manager shall continue to provide the Non-Retained Services until the expiration of the Termination Date, save that the Company may, at any time during the Termination Notice Period, designate an earlier date (the "**Early Termination Date**") that must be (a) the last day of a calendar month and (b) no earlier than the date that is six months after the date of the Termination Notice, on which the Manager shall cease to provide the Non-Retained Services (the effectiveness of any such termination of the provision of Non-Retained Services by the Manager is a "**Termination Event**"). If the Company elects to designate an Early Termination Date, it is liable to pay to the Manager the Management Fee in respect of the period from the Early Termination Date to the Termination Date.

In addition, the Management Agreement is also, subject to the provisions described below, terminable by the Company at any time, effective upon 30 days' prior written notice of termination, if (among other matters) the Manager: (a) materially breaches any provision of the Management Agreement without remedying such breach; (b) engages in any act of fraud, misappropriation of funds or embezzlement; (c) is grossly negligent in its performance of its duties under the Management Agreement; (d) is the subject of any proceeding relating to its bankruptcy or insolvency; (e) is dissolved; or (f) suffers a change of control (unless approved by a majority of the Company's independent Directors) (each, a "**Manager Event of Default**"). The Manager is able to terminate the Management Agreement in the event that the Company: (x) effective upon 60 days' prior written notice of termination, defaults in the performance or observance of any material term, condition or covenant contained in the Management Agreement without remedying such default; or (y) becomes regulated as an "investment company" under the US Investment Company Act, with such termination deemed to have occurred immediately prior to such event (each, a "**Company Event of Default**" and together with each Manager Event of Default, each a "**Management Agreement Event of Default**").

As a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LLC is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitizations, in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Risk Retention Regulations) is required to retain. If the Partnership elects, subject to the consent of a majority of its limited partners, to exercise such rights to purchase EJF Risk Retention Securities, it must agree to comply with all laws and regulations regarding the required holding period of such EJF Risk Retention Securities, as prescribed by the relevant Risk Retention Regulations. In connection with the foregoing:

(a) following a Termination Event, the Manager will continue to provide limited management services to the Partnership and its applicable subsidiaries which own EJF Risk Retention Securities (each, a "**Risk Retention Securities Holding Entity**"), based on the scope of services described above which includes, but is not limited to, investing, reinvesting and/or selling (in whole or in part) the interests held by any Risk Retention Securities Holding Entity in any EJF Risk Retention Securities solely for the purposes of complying with the Risk Retention Regulations (the "**Retained Services**") and the Manager will be entitled to receive a management fee, calculated monthly and paid quarterly in arrears, in a monthly amount equal to the product of (i) 1/12 of the total value of the Risk Retention Securities Holding Entities' holding of EJF Risk Retention Securities less an amount equal to the total liabilities in respect of such EJF Risk Retention Securities (in each case as determined in accordance with the valuation policy adopted for the time being by the Partnership) multiplied by (ii) one per cent. The provision of the Retained Services by the Manager to the Risk Retention Securities Holding Entities shall automatically terminate once the Partnership has appointed a replacement manager to provide the Retained Services in place of the Manager, **provided that** this may only occur on or after the relevant holding period for EJF Risk Retention Securities, as prescribed by the relevant Risk Retention Regulations, has been satisfied with respect to each EJF Risk Retention Security held by each Risk Retention Securities Holding Entity; and

(b) upon the occurrence of a Management Agreement Event of Default, the Company and the Manager shall each use commercially reasonable endeavours to implement, within 90 days after the occurrence of that Management Agreement Event of Default, a transition programme in order to allow the Retained Services to be provided by a replacement manager appointed by the Company and, if necessary, to effect the transfer of any EJF Risk Retention Securities, in each case in order to ensure that each party, EJF and any of its affiliates continues to comply with all applicable Risk Retention Regulations.

The Manager will not be liable for any action of the Board and/or the board of directors of the General Partner (as the case may be) in following or declining to follow any of its advice or recommendations. In addition, the Manager will not be liable for any of its acts or omissions, except by reason of acts constituting bad faith, wilful misconduct, gross negligence or reckless disregard of its duties under the Management Agreement. Each of the Company and the Partnership have agreed to indemnify the Manager and its members, managers, officers and employees and each person controlling the Manager with respect to all expenses, losses, damages, liabilities, demands, charges and claims arising from acts of such indemnified party made in good faith in the performance of the Manager's duties under the Management Agreement and not constituting bad faith, wilful misconduct, gross negligence, or reckless disregard of the Manager's duties under the Management Agreement.

The Management Agreement is governed by the laws of the State of Delaware, United States.

11.3 **Administration Agreement**

Crestbridge Fund Administrators Limited acts as Administrator and Company Secretary to the Company pursuant to the Administration Agreement. In such capacity, the Administrator provides the day-to-day administration of the Company and is also responsible for the Company's general administrative and secretarial functions, such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records.

Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee comprising a fixed fee of £85,000 per annum (expected to increase to £90,000 per annum) and variable fees which are charged at market rates, depending on the nature of the services provided. Total fees payable to Crestbridge are not expected to exceed £250,000 per annum.

The Administrator will not, in the absence of fraud, gross negligence or wilful misconduct, bad faith or reckless disregard for its obligations under the Administration Agreement, be liable for any loss or damage suffered by the Company arising directly or indirectly out of any act or omission on the part of the Administrator or any of its directors, officers, employees, agents, delegates and nominees (including any persons acting as Directors) in connection with its or their duties under the Administration Agreement.

In addition, the Company has agreed to indemnify the Administrator and any of its directors, officers, employees, agents, delegates and nominees (including any persons acting as Directors) from and against all actions, proceedings, claims, demands, damages, costs and other liabilities in respect of any act or omission in connection with the proper performance of its duties under the Administration Agreement, except where arising as a consequence of fraud, gross negligence, wilful misconduct, bad faith or reckless disregard for its obligations under the Administration Agreement.

The Administrator's liability is limited to the greater of (a) the aggregated fees received by it under the Administration Agreement; and (b) £2,000,000.

The Administration Agreement may be terminated on six months' written notice or immediately in specified insolvency and material breach circumstances.

The Administration Agreement is governed by Jersey law and is subject to the non-exclusive jurisdiction of the Jersey courts.

11.4 **Registrar Services Agreement**

Capita Registrars (Jersey) Limited acts as Registrar to the Company pursuant to the Registrar Services Agreement to provide share registration services.

Under the terms of the Registrar Services Agreement, the Registrar is entitled to an annual fee of £9,500. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.

The Registrar Services Agreement may be terminated by either the Company or the Registrar by giving to the other not less than three months' written notice.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on it responsibilities under the Registrar Services Agreement. The

Registrar's liability under the Registrar Services Agreement is subject to a cap of £500,000 or an amount equal to five times the annual fee payable to the Registrar under the Registrar Services Agreement.

The Registrar Services Agreement is governed by the laws of Jersey.

11.5 Custody Agreement

On 22 April 2015, Citigroup Global Markets Inc., Citigroup Global Markets Limited, Citibank, N.A., and Citicorp Securities Services Inc. (together, the "**Citi Entities**"), and EJF (in its capacity as investment advisor on behalf of a number of entities in the EJF Group) entered into an Institutional Client Account Agreement (the "**ICAA**") in relation to the provision of prime brokerage and custodial services. On 3 February 2017, a supplemental letter to the ICAA was entered into between the Citi Entities and EJF (in its capacity as investment advisor on behalf of a number of entities in the EJF Group) to, amongst other things, enable the Company to access business banking, prime brokerage and custody services provided by the Citi Entities (the ICAA and the supplemental letter together being referred to as the "**Custody Agreement**").

Under the terms of the Custody Agreement, the Citi Entities are authorised, amongst other things, to provide for (i) the safe keeping of certificates of deposit, shares, notes and any instrument evidencing the ownership of securities, (ii) the receipt and collection of income, dividends, distributions, cash equivalent payments and principal and the credit thereof to any account held by the Company, (iii) the registration of any security, commodity or other financial asset in the name of a Citi Entity, its nominee or agent, and (iv) the making of payments from any account of the Company.

Citigroup Global Markets Inc. and Citibank, N.A. (together, the "**Custodians**") are responsible for the provision of prime brokerage and/or custody services to the Company. For the provision of prime brokerage and custody services in relation to the Company's interest in the Discounted CDO Securities Portfolio and indirect interest in the TFINS 2017-1 preferred shares, Citigroup Global Markets Inc. is entitled to a monthly fee of US$10,000. For the provision of custody services in relation to the Company's interest in the Armadillo Portfolio, Citibank, N.A. is entitled to a monthly servicing fee of approximately US$208. The monthly servicing fee is calculated by reference to the month end valuation of the Armadillo Portfolio and any other assets which may be transferred to such custody account from time to time, subject to a minimum annual servicing fee of US$2,500.

The Custody Agreement is terminable by (i) the Company on written notice, but such notice will only be effective if it is accompanied by instructions as to the transfer of all property held on its behalf and shall not be effective for so long as the Company has any outstanding obligations to any Citi Entities (such obligations including, but not limited to, the payment by the Company of legal and other expenses incurred in the performance of or in connection with the enforcement of the Custody Agreement (or any agreement made pursuant to or in connection with the Custody Agreement)), and (ii) Citigroup Global Markets Inc. on thirty days written notice to the Company.

The Company indemnifies the Citi Entities for any loss, claim, damage, liability, cost, obligation, penalty, fine or exercise tax (including any reasonable legal fees and expenses) arising from or in relation to or connection with, amongst other things, (i) any Citi Entity acting to enforce its rights under the Custody Agreement, (ii) a breach by the Company of a representation or warranty under the Custody Agreement (or any agreement made pursuant to or in connection with the Custody Agreement), or (iii) any settlement of any claim or litigation relating to a City Entity acting in any capacity for the Company or in connection with any investigation, claim, action or proceeding relating to the Company, the Company's account or the Custody Agreement (or any agreement made pursuant to or in connection with the Custody Agreement).

The Custody Agreement is governed by the laws of the State of New York.

11.6 Lock Up Deeds

On 4 April 2017, the Company, Liberum and each of Neal J. Wilson, Emanuel J. Friedman (through Cheetah Holdings Ltd.), certain employees of EJF and the Manager entered into lock-up deeds pursuant to which the ability of such persons or entities and each of their connected persons, to transfer, sell or otherwise dispose of any Shares owned by them on the date of the Original Admission is restricted (the "**Restricted Shares**") (the "**Lock-Up Deeds**").

Each of Neal J. Wilson, Emanuel J. Friedman (through Cheetah Holdings Ltd.), certain employees of EJF and the Manager undertook to Liberum that for a period of six months following the date of the Original Admission, he or it will not, and will use all reasonable endeavours to procure that no person who is a connected person to him or it will, transfer any Restricted Shares, subject to certain limited exceptions (for example, any transfers as a result of an offer for the purposes of Rule 9 of the Takeover Code). In addition, the Manager undertook to Liberum that for a period of six months following the date on which the Manager receives any Shares pursuant to the Management Agreement or otherwise (for example, any Incentive Shares) such Shares also comprising Restricted Shares) (each, an "**Acquisition Date**"), it will not, and will use all reasonable endeavours to procure that no person who is a connected person to it will, transfer any such Shares, subject to certain limited restrictions (for example, any transfers as a result of an offer for the purposes of Rule 9 of the Takeover Code).

Furthermore, each of Neal J. Wilson, Emanuel J. Friedman (through Cheetah Holdings Ltd.), certain employees of EJF and the Manager undertook to Liberum that during the period commencing the day after the date which is six months after the date of the Original Admission (and, in the case of the Manager, the relevant Acquisition Date) and ending on the date which is 12 months after the date of the Original Admission, he or it will not, and will use all reasonable endeavours to procure that no person who is a connected person to him or it will, transfer any Restricted Shares unless Liberum has consented to such transfer. Each of Neal J. Wilson, Emanuel J. Friedman (through Cheetah Holdings Ltd.), certain employees of EJF and the Manager have further undertook that he or it will not, for a period of 18 months from the date of the Original Admission (and, in the case of the Manager, the relevant Acquisition Date), transfer any Restricted Shares except through Liberum and in accordance with Liberum's reasonable requirements save in certain limited circumstances, for example, where Liberum's terms are not competitive.

11.7 **Debt Repayment Agreement**

In the context of implementation of the First Restructuring, on 22 December 2016, the CDO Manager and the Partnership entered into a debt repayment agreement ("**Debt Repayment Agreement**") pursuant to which the CDO Manager agreed to repay an advance in the amount of US$15,087,500 (inclusive of interest) made to it by the Partnership under a promissory note (the "**Promissory Note**") entered into between the CDO Manager and the Partnership dated 1 March 2012. Pursuant to the Debt Repayment Agreement, with effect from 22 December 2016, the advance was repaid by way of a transfer by the CDO Manager to the Partnership of (i) an amount of cash equal to approximately US$5,000,000 and (ii) certain of the securities comprising the Discounted CDO Securities Portfolio then held by the CDO Manager, which had a value, when combined with the amount of cash, equal to the value of the advance. The CDO Manager and the Partnership also agreed that the Promissory Note be terminated with effect from 22 December 2016.

11.8 **Distribution Implementation Agreement**

In the context of implementation of the First Restructuring, on 31 January 2017, the CDO Manager and the Partnership entered into a distribution implementation agreement ("**Distribution Implementation Agreement**") containing the terms upon which a distribution declared by the Partnership, as the sole member of the CDO Manager, and to be paid by the CDO Manager to the Partnership, be implemented. The distribution, which was deemed to have occurred on 3 January 2017, comprised (i) an amount of cash equal to approximately US$22,000,000, (ii) the CDO Manager's holding of the Armadillo Portfolio, and (iii) the remainder of the Discounted CDO Securities Portfolio then held by the CDO Manager and which were not transferred to the Partnership under the Debt Repayment Agreement. Under the Distribution Implementation Agreement, the CDO Manager gave representations and warranties to the Partnership in relation to title, capacity and authority.

11.9 **CDO Manager Partial Sale SPA**

On 31 January 2017, the Partnership entered into an agreement (the "**CDO Manager Partial Sale SPA**") for the sale and purchase of 51 per cent. of the total issued limited liability company interests of the CDO Manager (the "**CDO Manager Interests**") with the Manager for an aggregate consideration of US$10,000,000 (the "**CDO Manager Partial Sale Consideration**"), payable in cash and which was deemed to have occurred on 3 January 2017. Pursuant to this transfer, the CDO Manager Interests were transferred to the Manager. The Partnership, as seller, has agreed to indemnify the CDO Manager against all liability for, *inter alia*, taxes imposed on or payable by or with respect to the CDO Manager for any tax period (or part thereof) ending on or before this transfer.

The CDO Manager Partial Sale SPA includes representations and warranties given by the Partnership, as seller, on an indemnity basis, in relation to title of the Partnership to the CDO Manager Interests and capacity and authority of the Partnership to perform its obligations under the CDO Manager Partial Sale SPA.

Liability of the Partnership is limited to claims made pursuant only to certain key terms of the CDO Manager Partial Sale SPA, including those relating to the sale and purchase of the CDO Manager Interests, completion, the representations and warranties given by the Partnership and the indemnity given by the Partnership in respect of taxes imposed on or payable by or with respect to the CDO Manager. The aggregate liability of the Partnership, as seller, must exceed 50 per cent. of the CDO Manager Partial Sale Consideration before the Manager can make a warranty claim, although the Manager is entitled to the whole amount and not just the excess over this threshold. The maximum liability of the Partnership in respect of the warranties and tax claims under the CDO Manager Partial Sale SPA are capped at 30 per cent. of the CDO Manager Partial Sale Consideration, except warranty claims in relation to title to the CDO Manager Interests and interests in the CDO Manager's subsidiaries, whereby the Partnership's maximum liability in respect of such warranties are capped at 100 per cent. of the CDO Manager Partial Sale Consideration. The Partnership will remain liable for all claims (except those in relation to tax) for a period of 18 months following completion of the transfer of the CDO Manager Interests. With respect to claims in relation to tax, the Partnership will remain liable for 60 days after the expiration of all applicable statutes of limitation. In addition, the Manager has provided standard warranties, including in relation to its authority and capacity to perform the obligations under the CDO Manager Partial Sale SPA.

11.10 **Partnership Units Buy-back Agreement**

In the context of implementation of the First Restructuring, on 10 February 2017, the Company and the Partnership (among others) entered into a partnership units buy-back agreement (the "**Partnership Units Buy-back Agreement**") pursuant to which the Partnership repurchased 41,281,222 Partnership Units held by the Company in consideration for US$70,178,077.40, such amount being satisfied by way of the Partnership transferring substantially all of its assets (other than an amount of cash equal to approximately US$18,000,000, that was retained by the Partnership for the purposes of funding future Risk Retention Investments), comprising (i) its entire holding (representing 49 per cent. of the total) of limited liability company interests in the CDO Manager, (ii) its holding of the Armadillo Portfolio, (iii) the Discounted CDO Securities Portfolio, (iv) the Bridge Loan and (v) an amount of cash equal to approximately US$5,000,000. These transactions were deemed to have occurred on 31 January 2017. Under the Partnership Units Buy-back Agreement, the Partnership gave representations and warranties to the Company in relation to title, capacity and authority.

11.11 **Second Partnership Units Buy-back Agreement**

In the context of implementation of the First Restructuring, on 29 March 2017, the Company and the Partnership (among others) entered into a partnership units buy-back agreement (the "**Second Partnership Units Buy-back Agreement**") pursuant to which the Partnership repurchased 1,176,471 Partnership Units held by the Company in consideration for US$2,000,000, such amount being satisfied by way of a payment in cash by the Partnership. These transactions were deemed to have occurred on 22 February 2017. Under the Second Partnership Units Buy-back Agreement, the Partnership gave representations and warranties to the Company in relation to title, capacity and authority.

11.12 **Warrants**

On 28 February 2017, the Company issued warrants to Wolfson Equities LLC and CNF Investments II, LLC (together, the "**Warrant Holders**", each a "**Warrant Holder**"), each on identical terms and each for the issue of 624,000 Ordinary Shares (the "**Warrant Shares**") to the holder thereof (together the "**Warrants**", and individually a "**Warrant**"). None of the Warrants have been exercised as at the date of this Prospectus.

Each Warrant may be exercised by the Warrant Holder in whole or in part on or before 3 December 2017 by the Warrant Holder (i) delivering an exercise notice; (ii) making the required cash payment of the Exercise Price (as defined below) per Warrant Share or through a cashless exercise of the Net Number (as defined below) of Warrant Shares, and (iii) surrendering the Warrant to the Company. In the event that a Warrant Holder only exercises the Warrant in part then the Company shall issue a new warrant for the balance of any Warrant Shares.

The "**Exercise Price**" is US$1.00 multiplied by the Exchange Factor (where the "**Exchange Factor**" is determined by dividing (a) the mid-price of the relevant WM/Reuters Intraday USD/GBP spot rate at 4pm (UK time) on the Business Day prior to the date of the exercise notice by (b) the mid-price of the relevant WM/Reuters Intraday USD/GBP spot rate at 4pm (UK time) on the date the Warrants are issued.

The "Net Number" of Warrant Shares is calculated in accordance with the below formula:

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

Where:

A = the total number of Warrant Shares with respect to which the Warrant is then being exercised.

B = the market price of the Ordinary Shares on the date immediately preceding the date of the exercise notice. C = the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

In the event of any reclassification, change or conversion of Ordinary Shares (other than a change from no par value to par value, or as a result of subdivision or combination) the Warrant Holders are entitled to receive a new warrant in terms which are as nearly as equivalent as may be practicable.

In the event of (a) a scrip dividend being paid to Shareholders; or (b) a subdivision or combination of Ordinary Shares into a larger or smaller number of Ordinary Shares (as applicable) the Warrants provide that the number of Warrant Shares and the exercise price to which the Warrant Holder is entitled will be revised (either up or down, as applicable) to reflect the change as if the Warrant Holder had been a Shareholder at the time of the change.

In the event that Ordinary Shares are issued at less than the Exercise Price then the Warrant contains provisions to adjust the exercise price.

In the event of any organic change (namely, recapitalization, reorganisation, reclassification, consolidation, merger, sale of all or substantially all of the Company's assets) then the Company is required to deliver to the Warrant Holder a written instrument from the acquiring entity in substantially similar form and substance as the Warrants.

Assuming issuance of all Warrant Shares at the Exercise Price pursuant to the terms of the Warrants, the NAV per Ordinary Share at the time of issue of the Warrant Shares would be diluted by approximately two pence compared to the NAV per Ordinary Share as at 28 February 2017.

The Warrant Holders agreed that, upon the issuance of their respective Warrants, the warrants issued to each of them by the Partnership on 3 December 2007, entitling each Warrant Holder to subscribe for 624,000 Partnership Units, would be terminated and that they would no longer have any rights thereunder to acquire any interests in the Partnership and the Partnership would no longer have any obligations thereunder.

11.13 Revolving Credit Facility

Effective 30 March 2017, the Company and Access National Bank ("**ANB**") entered into a financing and security agreement (the "**Revolving Credit Facility**") pursuant to which ANB agreed to provide a revolving credit facility of up to US$10 million (the "**Revolving Credit Committed Amount**"). The Revolving Credit Facility was amended on 29 June 2017 to add EJFIH as an additional borrower and on 16 October 2017 to extend the expiration date to 30 November 2019 (amongst other things). The Revolving Credit Facility shall be used for the purposes of supporting working capital needs and to fund the Group's general business requirements. Unless repaid earlier, the unpaid loan amount together with accrued interest shall be payable in full on 30 November 2019.

The Company and/or EJFIH may request advances of at least US$1 million each, **provided that** after giving effect to such request, the outstanding principal balance of the revolving loan would not exceed the lesser of (i) the Revolving Credit Committed Amount and (ii) the current borrowing base, which shall be calculated as an amount equal to 35 per cent. of the value of the Company's investments in the Armadillo Portfolio plus the margined value of any additional collateral ANB agrees to include in the borrowing base from time to time. ANB will maintain a loan account on its books and shall (a) debit the principal amount of each advance together with accrued interest and any other sums due and payable and (b) credit all payments made to ANB for any item of payment under the Revolving Credit Facility.

The rate of interest payable shall be calculated as set forth in a promissory note in the form attached to the Revolving Credit Facility (the "**Revolving Credit Note**"). Pursuant to the Revolving Credit Note, the unpaid Revolving Credit Committed Amount (or so much thereof as has been or may be advanced to the Company and/or EJFIH) shall bear interest at a rate equal to the greater of (i) five per cent. per annum or (ii) a fluctuating rate of four per cent. per annum above the daily one month LIBOR. Fees paid by the Company to ANB include a loan origination fee to ANB in the amount of US$175,000.

The Company's and EJFIH's obligations under the Revolving Credit Facility have been guaranteed by the Manager and the CDO Manager and secured by (i) a pledge and assignment of EJFIH's right, title and interest in Armadillo I, (ii) a pledge and assignment of EJFIH's right, title and interest in Armadillo II, (iii) an assignment granted by the Manager of fees received in relation to its management of the Company, (iv) an assignment granted by the Company, EJFIH and the Manager over RRP distributions made by the Partnership, and (v) an assignment granted by the Manager, the Company and EJFIH over dividends from the CDO Manager.

The Revolving Credit Facility contains customary representations, covenants and events of default, in each case subject to certain exceptions and qualifications, including:

(a) a financial covenant which requires the Company to maintain a NAV of at least US$50 million, tested as of the end of each of the Company's fiscal quarters;

(b) a representation that, except for the obligations set out in the Revolving Credit Facility, neither Armadillo I or Armadillo II shall have or incur any indebtedness;

(c) a covenant requiring the Company and EJFIH to maintain all domestic operating accounts and other deposit accounts (excluding custodial, prime brokerage and escrow accounts) with ANB; and

(d) events of default including non-payment, failure to comply with covenants, breaches of representations and warranties, insolvency, collateral inadequacy and material adverse effect.

11.14 **Hedging arrangements**

On 27 March 2017, the Company entered into a currency hedging arrangement with Citigroup (as prime broker for the Company) pursuant to which the Company bought £55,000,000 for US$69,641,000 at a rate of 1.2662 on a forward basis against a spot rate of 1.2525 (the "**First Hedge**"). On 18 May 2017, the Company entered into an additional currency hedging arrangement with Citigroup pursuant to which the Company bought £10,000,000 for US$13,060,400 at a rate of 1.30604 on a forward basis against a spot rate of 1.291 (the "**Second Hedge**" and together with the First Hedge, the "**Hedges**"). On 31 October 2017, Citibank, N.A., the Company as transferor and EJFIH as transferee entered into a novation confirmation, whereby the Company novated its rights and obligations under the Hedges to EJFIH.

The Hedges are subject to the terms and conditions of an ISDA 2002 master agreement entered into between Citibank N.A. and EJF, for and on behalf of certain affiliate funds of EJF originally dated 17 January 2014, as amended on 3 March 2017 to, amongst other things, identify the Company as an additional party and on 31 October 2017 to, amongst other things, identify EJFIH as an additional party (the "**ISDA Master Agreement**").

The First Hedge will terminate upon maturity on 27 March 2018 and the Second Hedge will terminate upon maturity on 18 May 2018, or in each case upon an event of default under the ISDA Master Agreement. The ISDA Master Agreement contains customary termination provisions, including an event of default triggered by any of the following percentage declines in the Company's NAV: (i) 35 per cent. or more measured at any month end compared to the month end 12 months prior, (ii) 25 per cent. or more (excluding redemptions, subscriptions and withdrawals) as measured at any month end compared to the month end three months prior, (iii) 15 per cent. or more (excluding redemptions, subscriptions and withdrawals) as measured at any month end compared to the immediately prior month end, or (iv) a drop to below the NAV floor, calculated annually as the greater of 50 per cent. of the Company's NAV on 31 December of the previous year or the NAV floor in effect for such previous year.

The ISDA Master Agreement shall also be terminated in the event that Emanuel Friedman and Neal Wilson cease to provide full-time investment management services to the Company or cease to direct the Company's investment decisions. Citibank, N.A. undertakes to review any information provided by the Company regarding the credentials, experience or other qualifications of a successor investment advisor but shall be under no obligation to refrain from exercising its rights under the ISDA Master Agreement.

The initial margins were posted when the Company entered into the Hedges, which are marked to market daily. The Company shall meet any margin call (i) where the margin call is issued prior to 10.00 a.m., by close of business on such day or (ii) where the margin call is issued after 10.00 a.m., by close of business on the following day.

12. CUSTODY ARRANGEMENTS

The Company's cash is held in bank or securities brokerage accounts in the name of the Company. All other assets are owned through companies and/or other holding vehicles and the Company's ownership of each vehicle will be recorded in the register of Shareholders/investors (as appropriate) maintained by the vehicle's administration services provider in the jurisdiction in which the vehicle is established. Voting rights in any investment held by such a vehicle is exercised by the vehicle and voting rights in any investment held directly by the Company is exercised by the Manager with the approval of a majority of the independent Directors. In respect of each underlying asset, safekeeping arrangements is made in accordance with market practice in the relevant jurisdiction (including but not limited to those arrangements set out at paragraph 11.5 of this Part XIII: "*Additional Information*").

13. LITIGATION

There are no, and have not been in the last 12 months, any governmental, legal or arbitration proceedings, nor, so far as the Company is aware, are any such proceedings pending or threatened, which may have, or have in the recent past had, a significant effect on the Group's financial position or profitability.

14. RELATED PARTY TRANSACTIONS

Save as disclosed in paragraph 10 and 11.2 of this Part XIII: "*Additional Information*" of this Prospectus in relation to the appointment letter entered into with Neal J. Wilson and the Management Agreement, the Company has not entered into any related party transactions since its incorporation.

15. GENERAL

15.1 The Company does not own any premises and does not lease any premises.

15.2 The Company does not have any employees.

16. THIRD PARTY SOURCES

Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company and the Manager each confirms that such information has been accurately reproduced and, as far as the Company and the Manager are aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

17. WORKING CAPITAL

The Company is of the opinion that, taking into account the Revolving Credit Facility, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

18. SIGNIFICANT CHANGE

Save for the Second Restructuring as described in paragraph 3.9 of Part XIII: "*Additional Information*", the July Placing as described in paragraph 3.10 Part XIII: "*Additional Information*", the Company's investment in TFINS 2017-2 as described in paragraph 7.1(b) of Part I: "*The Company*" and the Company's sale of four discounted CDOs in October 2017 as described in paragraph 7.1(d) of Part I: "*The Company*", there has been no significant change in the financial or trading position of the Group since 30 June 2017, being the end of the period for which the Group's last financial statements were published.

19. TAKEOVER CODE

19.1 The City Code on Takeovers and Mergers (the "**Takeover Code**") applies to the Company. There are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

19.2 Under Rule 9 of the Takeover Code ("**Rule 9**"), if any person acquires an interest in shares which, when taken together with shares in which he and persons acting in concert with him are already interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer in cash to all Shareholders in the company at the highest price paid by him or any person acting in concert with him for an interest in such shares within the preceding 12 months. Rule 9 also provides that if any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company which is subject to the Takeover Code but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in such company in which he is interested, that person is normally required to make a general offer in cash to all Shareholders in the company at the highest price paid by him or any person acting in concert with him for an interest in such shares within the preceding 12 months.

19.3 For the purposes of the Takeover Code, the Takeover Panel (the "**Panel**") presumes (i) Neal J. Wilson, (ii) service providers to, and employees, executive officers and directors of, EJF (and its affiliates and entities managed by them), and (iii) investment vehicles affiliated with employees of EJF, each of whom hold Shares, are acting in concert (together, the "**Concert Party**"). As at the date of this Prospectus, the Concert Party controls 22.52 per cent. of the voting rights of the Company and will continue to hold such amount following First ZDP Admission .

19.4 As at the date of this Prospectus, MP CDO Investments Ltd. holds approximately 28.21 per cent. of the voting rights in the Company and assuming neither of Wolfson Equities LLC or CNF Investments II, LLC exercise the Warrants, between 8 November 2017 (being the latest practicable date prior to the publication of this Prospectus) and the date of First ZDP Admission, will continue to hold such amount following First ZDP Admission.

19.5 Under Note 1 on the Notes on the Dispensations from Rule 9, the Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 if, *inter alia*, those Shareholders of the Company who are independent of the person who would otherwise be required to make an offer and any person acting in concert with it and do not have any interest in the proposed transaction which may compromise their independence (the "**Independent Shareholders**") pass an ordinary resolution on a poll at a general meeting (a "**Whitewash Resolution**") approving such a waiver. The Panel may waive the requirement for a Whitewash Resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the Takeover Code) if Independent Shareholders holding more than 50 per cent. of the Company's shares capable of being voted on such a resolution (i.e. more than 50 per cent. of the shares held by Independent Shareholders) confirm in writing that they would vote in favour of the Whitewash Resolution were one to be put to the Shareholders of the Company at a general meeting.

19.6 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.

19.7 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. Market purchases of Shares by the Company, if any, could have implications under Rule 9 of the Takeover Code for Shareholders with significant shareholdings. The market purchases of Shares by the Company, if any, and RIS announcements made by the Company should enable Shareholders and the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any market purchase of Shares, the Board will endeavour 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 2 of Rule 37. However, neither the Company, nor any of the Directors 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) fails to take appropriate action.

20. COMPANIES LAW

20.1 Under the Companies Law, if an offeror were to make an offer to acquire all of the shares in the Company not already owned by it and were to acquire 90 per cent, of the shares to which such offer related it could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their shares and then, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration to the Company which would hold the consideration on trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

20.2 The Companies Law also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent, of the shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his/her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his/her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

21. DISCLOSURE REQUIREMENTS AND NOTIFICATION OF INTEREST IN SHARES

21.1 Under Chapter 5 of the Disclosure Guidance and Transparency Rules, subject to certain limited exceptions, a person must notify the Company (and, at the same time, the FCA) of the percentage of voting rights he holds (within four trading days) if he acquires or disposes of shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he holds as a Shareholder (or, in certain cases, which he holds indirectly) or through his direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

(d) reaches, exceeds or falls below five per cent. and each five per cent. threshold thereafter up to 30 per cent., 50 per cent. and 75 per cent.; or

(e) reaches, exceeds or falls below an applicable threshold in paragraph 16 of this Part XIII "*Additional Information*" above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company.

21.2 Such notification must be made using the prescribed form TR1 available from the FCA's website at http://www.fca.gov.uk. Under the Disclosure and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the trading day following receipt of a notification in relation to voting rights.

21.3 The FCA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure and Transparency Rules.

22. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection, and may be obtained, by contacting the Company Secretary, at the Company's registered office during normal business hours on any weekday (bank and public holidays excepted) up to and including the date of First ZDP Admission:

(a) the Memorandum and Articles of Association of the Company;

(b) the Management Agreement referred to in paragraph 11.2 of this Part XIII "*Additional Information*";

(c) the Administration Agreement referred to in paragraph 11.3 of this Part XIII: "*Additional Information*";

(d) the Custody Agreement referred to in paragraph 11.5 of this Part XIII: "*Additional Information*";

(e) the 4 April Prospectus referred to in Part VII: "*Historical Financial Information of the Company and the Partnership*";

(f) the Company's Interim Results 2017 referred to in Part VII: "*Historical Financial Information of the Company and the Partnership*";

(g) the Register;

(h) this Prospectus.

A copy of this Prospectus has been submitted to the National Storage Mechanism and is available for inspection at www.morningstar.co.uk/uk/NSM. Copies of this Prospectus may be obtained, free of charge during normal business hours on any weekday (bank and public holidays excepted) at the Company's registered office up to and including the date of Admission.

23. RELATIONSHIP BETWEEN SHAREHOLDERS, THE COMPANY AND SERVICE PROVIDERS

23.1 The Company is a closed-ended investment company incorporated in Jersey with limited liability on 20 October 2016. While prospective investors will acquire an interest in the Company on subscribing for Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them.

23.2 Shareholders' rights in respect of their investment in the Company are governed by the Articles, the Companies Law and the investment terms set out in this Prospectus.

23.3 As a JFSC regulated fund, the Company is required to establish and maintain a complaints procedure. In the event that the Company's Shareholders have any complaints regarding the Company, a complaint should be made in writing and addressed to the compliance officer of the Company at the Administrator's registered office. Complaints against the Company may also be made to the JFSC. Unless expressly agreed with the complainant to the contrary, the Company will provide the complainant with a written acknowledgment within five working days of receipt of a complaint. The complaint will be investigated and the complainant kept informed about the progress of its complaint, including details of any actions being taken to resolve its complaint. The complainant will be advised in writing when the Company considers the complaint to be closed. If the complaint is not upheld, the Company will write to the complainant giving reasons for rejecting the complaint.

24. RIGHTS AGAINST THIRD PARTIES, INCLUDING THIRD PARTY SERVICE PROVIDERS

24.1 As the Company has no employees and the Directors have all been appointed on a non-executive basis, the Company is reliant on the performance of service providers listed in this Prospectus.

24.2 Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Therefore, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

25. APPLICABLE LAW

This Prospectus shall be governed by the laws of England and Wales.

PART XIV: TERMS AND CONDITIONS OF EACH PLACING

1. INTRODUCTION

Each investor which confirms its agreement to Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), to subscribe for Shares under the First ZDP Placing and/or the Placing Programme (as applicable) (for the purposes of this Part XIV: "*Terms and Conditions of each Placing*", a "**Placee**") will be bound by these terms and conditions and will be deemed to have accepted them.

Each of the Company and/or Liberum (and/or another bookrunner acting in relation to a Subsequent Placing), as applicable, may require a Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (for the purposes of this Part XIV: "*Terms and Conditions of each Placing*", a "**Placing Letter**"). The terms of this Part XIV: "*Terms and Conditions of each Placing*" will, where applicable, be deemed to be incorporated into that Placing Letter.

2. AGREEMENT TO SUBSCRIBE FOR ORDINARY SHARES AND/OR C SHARES AND ZDP SHARES

Conditional on, amongst other things: (i) in the case of the First ZDP Placing only, the New Articles, to permit issuances of 2022 ZDP Shares, being approved at the EGM; (ii) First ZDP Admission occurring and becoming effective by 8.00 a.m. on or prior to 1 December 2017 (or such later time and/or date, not being later than 8.00 a.m. on 31 December 2017, as the Company, the Manager and Liberum may agree) or the relevant Subsequent Admission occurring in respect of any Placing not later than 8.00 a.m. on such date as may be agreed between the Company, the Manager and Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) prior to the closing of any Placing, not being later than 8 November 2018; (iii) in the case of the First ZDP Placing only, the Minimum Gross Proceeds of £15 million being raised pursuant to the First ZDP Placing; (iv) to the extent required by the Prospectus Rules and the FSMA, a valid supplementary prospectus being published by the Company; (v) the Placing Agreement becoming otherwise unconditional in all respects (other than in respect of any condition regarding First ZDP Admission or any Subsequent Admission (as the case may be)) in relation to the relevant issue and not having been terminated in accordance with its terms on or before 8.00 a.m. on the date of the First ZDP Admission or the relevant Subsequent Admission, as applicable; (vi) in respect of a Subsequent Placing, that the Cover Test is met following completion of the Subsequent Placing; and (vii) Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) confirming to the Placees their allocation of Ordinary Shares, C Shares and/or 2022 ZDP Shares, as applicable, a Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) at the First ZDP Placing Price or the Subsequent Placing Price (as the case may be). To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

Multiple applications or suspected multiple applications on behalf of a single investor are liable to be rejected. Fractions of Shares will not be issued.

Restrictions due to lack of registration under the US Securities Act and US Investment Company Act restrictions

The Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of the US Investment Company Act.

The Shares are being offered and sold in the United States in a transaction not involving a "public offering" subject to an exemption from the registration requirements of Section 5 of the US Securities Act only to persons who are Entitled Qualified Purchasers. The Shares are being offered and sold outside the United States to non-US Persons (or to persons who are both US Persons and Entitled Qualified Purchasers) in reliance on Regulation S. Purchasers in the United States or who are US Persons will be required to execute and deliver a US Investor Representation Letter in the form set forth in Part XV: "*US Investor Representation Letter*" of this Prospectus. Prospective investors in the United States are hereby notified that the sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided for a transaction not involving a "public offering".

3. PAYMENT FOR ORDINARY SHARES AND/OR C SHARES AND/OR ZDP SHARES

Each Placee undertakes to pay in full the First ZDP Placing Price and/or the Subsequent Placing Price, as applicable, for the Shares issued to such Placee in the manner and by the time directed by Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), as applicable. In the event of any failure by a Placee to pay as so directed and/or by the time required by Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), as applicable, the relevant Placee shall be deemed hereby to have irrevocably and unconditionally appointed Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), or any nominee of Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Shares in respect of which payment shall not have been made as directed, and to indemnify Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) and its (or their) respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales.

A sale of all or any of such Shares shall not release the relevant Placee from the obligation to make such payment for relevant Shares to the extent that Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) or its nominee has failed to sell such Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, is equal to or exceeds the First ZDP Placing Price or the Subsequent Placing Price (as applicable).

4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

4.1 By agreeing to subscribe for Shares, each Placee which enters into a commitment to subscribe for Shares (for the purposes of this Part XIV: "*Terms and Conditions of each Placing*", a "**Placing Commitment**") will (for itself and for any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to acknowledge, understand, undertake, represent and warrant to each of the Company, the Manager, the Registrar and Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), that:

4.1.1 in agreeing to subscribe for Shares under any Placing, it is relying solely on this Prospectus and any supplementary prospectus issued by the Company prior to First ZDP Admission or the relevant Subsequent Admission (as applicable) and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Ordinary Shares, the C Shares, the 2022 ZDP Shares or any Placing. It agrees that none of the Company, the Manager, the Registrar or Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), nor any of their respective officers, agents, employees or affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have against any such persons in respect of any other information or representation;

4.1.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Shares under any Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any such territory or jurisdiction and that it has not taken any action or omitted to take any action which will or might reasonably be expected to result in the Company, the Manager, the Registrar or Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with any Placing;

4.1.3 it has carefully read and understands this Prospectus (and any supplementary prospectus issued by the Company prior to First ZDP Admission or the relevant Subsequent Admission (as applicable)) in its entirety and acknowledges that it is acquiring Ordinary Shares, C Shares and/or 2022 ZDP Shares on the terms and subject to the conditions set out in this Part XIV: "*Terms and Conditions of each Placing*" and, as applicable, in the contract note or placing oral or email confirmation, as applicable, referred to in paragraph 4.1.11 of this Part XIV: "*Terms and*

Conditions of each Placing" (for the purposes of this Part XIV: "*Terms and Conditions of each Placing*", the "**Contract Note**" or the "**Placing Confirmation**") and the Placing Letter (if any) and the Articles as in force at the date of First ZDP Admission or the relevant Subsequent Admission (as applicable);

4.1.4 it has not relied on Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), or any person affiliated with Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) in connection with any investigation of the accuracy of any information contained in this Prospectus or any supplementary prospectus issued by the Company;

4.1.5 the content of this Prospectus and any supplementary prospectus issued by the Company is exclusively the responsibility of the Company and its Directors and neither Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing), the Manager, the Registrar, nor any person acting on their behalf nor any of their affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus and any such supplementary prospectus issued by the Company or any information previously published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in any Placing based on any information, representation or statement contained in this Prospectus or any supplementary prospectus issued by the Company or otherwise;

4.1.6 no person is authorised in connection with any Placing to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus issued by the Company prior to the date of First ZDP Admission or the relevant Subsequent Admission and, if given or made, any information or representation must not be relied upon as having been authorised by Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), the Company, the Manager or the Registrar;

4.1.7 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67. 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;

4.1.8 the price per Share is fixed at the relevant First ZDP Placing Price or the Subsequent Placing Price (as applicable) and is payable to Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) on behalf of the Company in accordance with the terms of this Part XIV: "*Terms and Conditions of each Placing*" and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any);

4.1.9 it has the funds available to pay in full for the Shares for which it has agreed to subscribe pursuant to its Placing Commitment and that it will pay the total subscription in accordance with the terms set out in this Part XIV: "*Terms and Conditions of each Placing*" and, as applicable, as set out in the Contract Note or Placing Confirmation and the Placing Letter (if any) on the due time and date;

4.1.10 its commitment to acquire Shares under any Placing will be agreed orally or in writing (which shall include by email) with Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing) as agent for the Company and that a Contract Note or Placing confirmation will be issued by Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing) as soon as possible thereafter. That oral or written confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing) to subscribe for the number of Shares allocated to it and comprising its Placing Commitment at the First ZDP Placing Price or the Subsequent Placing Price (as applicable) on the terms and conditions set out in this Part XIV: "*Terms and Conditions of each Placing*" and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any) and in accordance with the Articles in force as at the date of First ZDP Admission or the relevant Subsequent Admission (as applicable). Except with the consent of Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing) such oral or written commitment will not be capable of variation or revocation after the time at which it is made;

4.1.11 its allocation of Shares under any Placing (as applicable) will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming: (i) the number of Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such Shares; and (ii) settlement instructions to pay Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing) as agent for the Company. The terms of this Part XIV: "*Terms and Conditions of each Placing*" will be deemed to be incorporated into that Contract Note or Placing Confirmation;

4.1.12 settlement of transactions in the Shares following First ZDP Admission or the relevant Subsequent Admission (as applicable) will take place in CREST but Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Contract Note or Placing Confirmation, in the Placing Letter or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction;

4.1.13 none of the Shares have been or will be registered under the laws of any member state of the EEA (other than the United Kingdom), the United States, Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction where the extension or availability of any Placing would breach any applicable law. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any member state of the EEA (other than the United Kingdom), the United States, Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction where the extension or availability of any Placing would breach any applicable law unless an exemption from any registration requirement is available;

4.1.14 it: (i) is entitled to subscribe for the Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;

4.1.15 if it is within the United Kingdom, it is (a) (i) a qualified investor within the meaning of Section 86(7) of the FSMA; and (ii) a person who falls within Articles 19(1) or 19(5) (Investment Professionals) or Articles 49(2)(A) to (D) (high net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the Shares may otherwise lawfully be offered whether under such Order or otherwise; or (b) if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Shares may be lawfully offered under that other jurisdiction's laws and regulations;

4.1.16 if it is a resident in a member state of the EEA (a "**Member State**"), it is a "qualified investor" within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (ii) of the Prospectus Directive and otherwise permitted to be marketed to in accordance with the provisions of the AIFM Directive as implemented in the relevant Member State in which it is located;

4.1.17 in the case of any Shares acquired by a Placee as a financial intermediary within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive: (i) the Shares acquired by it in any Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing) has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons;

4.1.18 if it is outside the United Kingdom, neither this Prospectus (and any supplementary prospectus issued by the Company) nor any other offering, marketing or other material in connection with any Placing of the Shares (for the purposes of this Part XIV: "*Terms and Conditions of each*

Placing", each a "**Placing Document**") constitutes an invitation, offer or promotion to, or arrangement with, it or any person for whom it is procuring to subscribe for Shares pursuant to any Placing unless, in the relevant territory, such offer, invitation, promotion or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

4.1.19 it has received this Prospectus outside the United States and has carefully read and understands this Prospectus and the Investor has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering material concerning the Placing or the Shares to any persons within the United States or to any US Person as defined in Regulation S under the US Securities Act or to any resident of the United States, nor will it do any of the foregoing;

4.1.20 either:

(a) it is outside the United States and is not, and is not acting for the account or benefit of, a US Person or a resident of the United States and is not acquiring any of the Shares as a result of any form of "directed selling efforts" as defined in Rule 902(c) under Regulation S; or

(b) it is an Entitled Qualified Purchaser purchasing for its own account or for the account of one or more Entitled Qualified Purchasers with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein and in the US Investor Representation Letter set out in Part XV: "*US Investor Representation Letter*" of this Prospectus, which it will deliver in connection with the Placing;

4.1.21 it acknowledges that (a) the Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or pursuant to an exemption from, or a transaction not subject to, registration under the US Securities Act; and (b) the Company has not registered under the US Investment Company Act and accordingly has put in place restrictions to ensure that the Company is not and will not be required to register under the US Investment Company Act;

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

4.1.23 it is purchasing the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;

4.1.24 it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws, or may result in the Company or the Manager failing to qualify for an exemption from the requirements to register as a "commodity pool operator" within the meaning of the Dodd-Frank Act to transfer such Shares or interests in accordance with the Articles;

4.1.25 it does not have a registered address in, and is not a citizen, resident or national of Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;

4.1.26 if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Shares under any Placing and will not be any such person on the date that such subscription is accepted;

4.1.27 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Shares only in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and you acknowledge and agree that no Placing Document is being issued by Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing), in its capacity as an authorised person under section 21 of the FSMA and they may not therefore be subject to the controls which would apply if they were made or approved as financial promotion by an authorised person;

4.1.28 it is aware of and acknowledges that it is required to comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the in, from or otherwise involving, the United Kingdom;

4.1.29 it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, the Market Abuse Regulation and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;

4.1.30 no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Shares or possession of this Prospectus (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;

4.1.31 neither Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing), nor any of its affiliates nor any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with any Placing or providing any advice in relation to any Placing and participation in any Placing is on the basis that it is not and will not be a client of Liberum (or, if applicable, such other bookrunner) and that Liberum (or, if applicable, such other bookrunner) has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to any Placing nor, if applicable, in respect of any representations, warranties, undertaking or indemnities contained or incorporated into any Contract Note, Placing Confirmation or Placing Letter;

4.1.32 that, save in the event of fraud on the part of Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing), none of Liberum or, if applicable, such other bookrunner), its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding Company, nor any of its respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of Liberum's (or, if applicable, such other bookrunner's) role as financial adviser, bookrunner or placing agent or otherwise in connection with any Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately and irrevocably waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;

4.1.33 that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Shares for each such account; (ii) to make on each such account's behalf the undertakings, acknowledgements, representations, warranties and agreements set out in this Prospectus and any supplementary prospectus issued by the Company; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing). It agrees that the provision of this paragraph shall survive any resale of the Shares by or on behalf of any such account;

4.1.34 it irrevocably appoints any Director and any director of Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing) to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares comprising its Placing Commitment, in the event of its own failure to do so;

4.1.35 if any Placing does not proceed or the conditions to any Placing (as the case may be) under the Placing Agreement are not satisfied or the Shares for which valid application are received and accepted are not admitted to trading on the Specialist Fund Segment of the London Stock Exchange for any reason whatsoever then none of, Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing), the Company or Manager nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

4.1.36 in connection with its participation in any Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (for the purposes of this Part XIV: "*Terms and Conditions of each Placing*", together the "Money Laundering Regulations") and that its application for Shares under any Placing is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied for Shares. In addition, it warrants that it is a person: (i) subject to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2015/849/EU of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing); or (iii) subject to the Jersey AML Requirements; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Regulations;

4.1.37 due to anti-money laundering requirements, Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) may require proof of identity and verification of the source of the payment before the application for Shares under any Placing can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Liberum (or, if applicable, such other bookrunner) may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will hold harmless and indemnify Liberum (or, if applicable, such other bookrunner) against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;

4.1.38 it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Money Laundering Regulations;

4.1.39 it acknowledges and agrees that information provided by it to the Company or the Registrar will be stored both on the Registrar's and the Company Secretary's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection Legislation, the Registrar, the Company Secretary and Liberum are each required to specify the purposes for which they will hold personal data. The Registrar, the Company Secretary and Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) will only use such information for the purposes set out below and/or in the Important Notices section of this Prospectus under the heading titled "*Data Protection*" (collectively, the "**Purposes**"), being to:

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

4.1.39.2 communicate with it as necessary in connection with the proper running of its business affairs and generally in connection with the holding of Shares;

4.1.39.3 provide personal data to such third parties as are or shall be necessary in connection with its affairs and generally in connection with its holding of Shares or as the Data Protection Legislation may require, including to third parties outside the United Kingdom or the European Economic area (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK);

4.1.39.4 without limitation, provide such personal data to the Company or the Manager and its respective associates for processing, notwithstanding that any such party may be outside the United Kingdom or the European Economic Area (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK); and

4.1.39.5 process its personal data for the purpose of their internal record-keeping and reporting obligations;

4.1.40 in providing Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), the Registrar and the Company Secretary with information, it hereby represents and warrants to Liberum (and/or, if applicable, such other bookrunner) the Registrar and the Company Secretary that it has obtained any necessary consents of any data subject to whose data it has provided to Liberum (and/or, if applicable, such other bookrunner), the Registrar and the Company Secretary and their respective associates holding and using their personal data for the Purposes (including, where required, the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph 4.1.39 above) and will make the list of "Purposes" for which Liberum (and/or, if applicable, such other bookrunner), the Registrar and the Company Secretary will process the data (as set out in clause 4.1.39 of this Prospectus) available to all data subjects whose personal data may be shared by it in the performance of this Prospectus. For the proposes of this Prospectus, "data subject", "data controller", "data processor", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Legislation;

4.1.41 the Placee, Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), the Company, the Company Secretary and the Registrar are each data controllers for the purpose of the Data Protection Legislation and the parties all agree and acknowledge that none of the Placee, Liberum (and/or, if applicable, such other bookrunner), the Company, the Company Secretary and the Registrar is or shall be a data processor for any of the others or a joint data controller with any of the others and they will each comply with their obligations under the Data Protection Legislation and the Placee will do nothing that puts Liberum (and/or, if applicable, such other bookrunner), the Company, the Company Secretary or the Registrar in breach of their respective obligations;

4.1.42 Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) is entitled to exercise any of its rights under the Placing Agreement (including, without limitation, rights of termination) or any other right in its absolute discretion without any liability whatsoever to them;

4.1.43 the representations, undertakings and warranties contained in this Part XIV: "*Terms and Conditions of each Placing*" and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any), are irrevocable. It acknowledges that Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, warranties and undertakings and it agrees that if any of the representations or warranties or undertakings made or deemed to have been made by its subscription of Shares under any Placing are no longer accurate, it shall promptly notify Liberum (and/or, if applicable, such other bookrunner) and the Company;

4.1.44 where it or any person acting on behalf of it is dealing with Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) any money held in an account with Liberum (or, if applicable, such other bookrunner) on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Liberum (or, if applicable, such other bookrunner) to segregate such money, as that money will be held by Liberum (or, if applicable, such other bookrunner) under a banking relationship and not as trustee;

4.1.45 any of its clients, whether or not identified to Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) will remain its sole responsibility and will not become clients of Liberum (or, if applicable, such other bookrunner) for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;

4.1.46 the allocation of Shares in respect of any Placing shall be determined by Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) in its absolute discretion (in consultation with the Company and the Manager) and that Liberum (or, if applicable, such other bookrunner) may scale down any Placing Commitment on such basis as they may determine (which may not be the same for each Placee);

4.1.47 time shall be of the essence as regards its obligations to settle payment for the Shares subscribed under any Placing and to comply with its other obligations under any Placing;

4.1.48 it authorises Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) to deduct from the total amount subscribed under any Placing, as applicable, the aggregation commission (if any) (calculated at the rate agreed with the Placee) payable on the number of Shares allocated under any Placing;

4.1.49 in the event that a supplementary prospectus is required to be produced pursuant to section 87G of the FSMA and in the event that it chooses to exercise any right of withdrawal pursuant to section 87(Q)(4) of the FSMA, such Placee will immediately re-subscribe for the Shares previously comprising its Placing Commitment; and

4.1.50 the commitment to subscribe for Shares on the terms set out in this Part XIV: "*Terms and Conditions of each Placing*" and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any) will continue notwithstanding any amendment that may in the future be made to the terms of any Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of any Placing.

The Company, the Manager, the Registrar and Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) will rely upon the truth and accuracy of the foregoing representations, warranties, undertakings and acknowledgements. You agree to indemnify and hold each of the Company, the Manager, the Registrar, Liberum (and/or, if applicable, such other bookrunner) and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of any breach of the representations, warranties, undertakings, agreements and acknowledgements in this Part XIV: "*Terms and Conditions of each Placing*".

5. PURCHASE AND TRANSFER RESTRICTIONS FOR US PERSONS

The Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Shares are being offered and sold in the United States in a transaction not involving a "public offering" subject to an exemption from the registration requirements of Section 5 of the US Securities Act only to persons who are Entitled Qualified Purchasers. The Shares are being offered and sold outside the United States to non-US Persons (or to persons who are both US Persons and Entitled Qualified Purchasers) in reliance on Regulation S. Prospective investors in the United States are hereby notified that the sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided for a transaction not involving a "public offering".

There will be no public offer of the Shares in the United States. The Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of the US Investment Company Act. The Company is relying on the exemption provided by Section 3(c)(7) of the US Investment Company Act, and as a result the Shares may only be purchased by persons within the United States or who are US Persons who are Entitled Qualified Purchasers. Purchasers in the United States or who are US Persons will be required to execute and deliver a US Investor Representation Letter in the form set forth in Part XV: "*US Investor Representation Letter*" of this Prospectus.

In addition, until 40 days after the commencement of an offer of the Shares pursuant to any Placing an offer or sale of Shares within the United States by any dealer (whether or not participating in any Placing) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

By participating in any Placing, each Placee located within the United States and any Placee that is, or is acting for the account or benefit of, a US Person, acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be further deemed to acknowledge, understand, undertake, represent and warrant to each of the Company, the Manager, the Registrar and Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) that:

5.1.1 it is (i) an Entitled Qualified Purchaser, (ii) acquiring the Shares for its own account or for the account of one or more Entitled Qualified Purchaser with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein and in the US Investor Representation Letter in the form set forth in Part XV: "*US Investor Representation Letter*" of this Prospectus, (iii) acquiring the Shares for investment purposes, and not with a view to further distribution of the Shares, and (iv) aware, and each beneficial owner of the Shares has been advised, that the sale of the Shares to it is being made in a transaction not involving a "public offering" subject to an exemption from the registration requirements of Section 5 of the US Securities Act or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;

5.1.2 it understands that (i) the Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the US Securities Act and that the Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and (ii) the Company has not been and will not be registered under the US Investment Company Act and related rules;

5.1.3 it understands that the Shares may not be offered, sold, pledged, or otherwise transferred except (i) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S outside the United States to a person not known by it to be a US Person, by pre-arrangement or otherwise, or (ii) to the Company or a subsidiary thereof;

5.1.4 it further (a) understands that the Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Shares established or maintained by a depositary bank, (b) acknowledges that the Shares (whether in physical certificated form or in uncertificated form held in CREST) are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Shares, (c) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions and (d) understands that the Company may require any US Person or any person within the United States who was not a QP at the time it acquired any Shares or any beneficial interest therein to transfer the Shares or any such beneficial interest immediately in a manner consistent with these restrictions and if the obligation to transfer is not met, the Company is irrevocably authorised, without any obligation, to transfer the Shares, as applicable, in a manner consistent with these restrictions and, if such Shares are sold, the Company shall be obliged to distribute the net proceeds to the entitled party;

5.1.5 unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the 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 the United States Employee Retirement Income Security Act of 1974 as amended (for the purposes of this Part XIV: "*Terms and Conditions of each Placing*", "ERISA") that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (for the purposes of this Part XIV: "*Terms and Conditions of each Placing*", the "US Internal Revenue Code"), including an individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Internal Revenue Code. In addition, if a Placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Internal Revenue Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

5.1.6 any Shares delivered to the Placee in certificated form will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

THE SHARES REPRESENTED BY THIS CERTIFICATE (OR ITS PREDECESSOR) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES US SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR WITH ANY US SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND EJF INVESTMENTS LTD (THE "**ISSUER**") HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**US INVESTMENT COMPANY ACT**"). THE SHARES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION EXECUTED IN, ON OR THROUGH THE FACILITIES OF THE LONDON STOCK EXCHANGE WHERE NEITHER THE SELLER NOR ANY PERSON ACTING ON ITS BEHALF KNOWS BY PRE-ARRANGEMENT OR OTHERWISE THAT THE BUYER IS IN THE UNITED STATES OR A US PERSON, (2) TO ANY PERSON THE SELLER AND ANY PERSON ACTING ON ITS BEHALF KNOWS TO BE OUTSIDE THE US AND A NON-US PERSON, (3) IF IN THE UNITED STATES OR TO A US PERSON, THEN TO A QUALIFIED PURCHASER AS DEFINED IN US SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT WHO IS ALSO AN ACCREDITED INVESTOR AS DEFINED IN RULE 501(A) OF THE US SECURITIES ACT WHO SIGNS A US INVESTOR REPRESENTATION LETTER IN THE SAME FORM AS THE LETTER DELIVERED TO THE ISSUER BY THE HOLDER HEREOF OR (4) TO THE ISSUER OR A SUBSIDIARY THEREOF. THE SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY US UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ISSUER'S US SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS AND ACKNOWLEDGE THAT THE SHARES WILL REMAIN IN REGISTERED FORM UNTIL A TRANSFER IS MADE PURSUANT TO (1) OR (2) ABOVE.

EACH INITIAL RECIPIENT AND SUBSEQUENT TRANSFEREE OF THE SHARES REPRESENTED BY THIS CERTIFICATE OR ANY INTEREST OR PARTICIPATION HEREIN WILL BE DEEMED TO REPRESENT THAT IT AGREES TO COMPLY WITH THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND WILL NOT TRANSFER THE SHARES REPRESENTED BY THIS CERTIFICATE OR ANY INTEREST OR PARTICIPATION HEREIN EXCEPT TO A TRANSFEREE WHO CAN MAKE THE SAME REPRESENTATIONS AND AGREEMENTS ON BEHALF OF ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING. ANY TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE OR ANY INTEREST OR PARTICIPATION HEREIN IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT AND WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER.

THE ISSUER AND ITS AGENTS WILL NOT BE REQUIRED TO ACCEPT FOR REGISTRATION OF TRANSFER ANY SHARES MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS. THE ISSUER MAY REQUIRE ANY US PERSON OR ANY PERSON WITHIN THE UNITED STATES WHO WAS NOT A QUALIFIED PURCHASER (AS DEFINED IN US SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT) WHO IS ALSO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(A) UNDER THE US SECURITIES ACT), IN EACH CASE AT THE TIME IT ACQUIRED ANY SHARES OR ANY BENEFICIAL INTEREST THEREIN, TO TRANSFER THE SHARES OR ANY SUCH BENEFICIAL INTEREST IMMEDIATELY IN A MANNER CONSISTENT WITH THESE RESTRICTIONS, AND IF THE OBLIGATION TO TRANSFER IS NOT MET, THE ISSUER IS IRREVOCABLY AUTHORIZED, WITHOUT ANY OBLIGATION, TO TRANSFER THE SHARES, AS APPLICABLE, IN A MANNER CONSISTENT WITH THESE RESTRICTIONS AND, IF SUCH SHARES ARE SOLD, THE ISSUER SHALL BE OBLIGED TO DISTRIBUTE THE NET PROCEEDS TO THE ENTITLED PARTY.

THIS CERTIFICATE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THE SHARES REPRESENTED BY THIS CERTIFICATE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF SHARES IN THE ISSUER GENERALLY. THE HOLDER OF

THE SHARES REPRESENTED BY THIS CERTIFICATE SHALL BE DEEMED BY THE ACCEPTANCE OF THE SHARES REPRESENTED BY THIS CERTIFICATE TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

5.1.7 the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws to transfer such Shares, or interests in accordance with the Articles (as amended from time to time);

5.1.8 the Company is required to comply with the US Foreign Account Tax Compliance Act of 2010 and any regulations made thereunder or associated therewith (for the purposes of this Part XIV: "*Terms and Conditions of each Placing*", "FATCA") and that the Company will follow FATCA's extensive reporting and withholding requirements. The Placee agrees to furnish any information and documents which the Company may from time to time request, including but not limited to information required under FATCA; and

5.1.9 it has received, carefully read and understands this Prospectus (and any supplementary prospectus issued by the Company), and has not, directly or indirectly, distributed forwarded, transferred or otherwise transmitted this Prospectus (and any supplementary prospectus issued by the Company) or any other presentation or offering materials concerning the Shares to or within the United States or to any US Persons, nor will it do any of the foregoing and it understands that this Prospectus (and any supplementary prospectus issued by the Company) has been prepared according to the disclosure requirements of the United Kingdom, which are different from those of the United States.

"Covered banking entities"

The Company is a "covered fund" for the purposes of the "Volcker Rule" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "covered banking entities" for the purposes of the Volcker Rule may be restricted from holding the Company's securities and should take specific advice before making an investment in the Company.

6. SUPPLY AND DISCLOSURE OF INFORMATION

If Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Shares under any Placing, such Placee must promptly disclose it to them and ensure that such information is complete and accurate in all respects.

7. MISCELLANEOUS

The rights and remedies of Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), the Registrar, the Manager and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with any Placing will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified by such Placee to Liberurn.

Each Placee agrees to be bound by the Articles (as amended from time to time) once the Shares, as applicable, which the Placee has agreed to subscribe for pursuant to any Placing, have been acquired by the Placee. The contract to subscribe for Shares under any Placing and the appointments and authorities mentioned in this Prospectus will be governed by, and construed in accordance with, the laws of England and Wales, For the exclusive benefit of Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing), the Company, the Manager and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Shares under any Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several, Liberum (and/or, if applicable, another bookrunner acting in relation to a Subsequent Placing) and the Company expressly reserve the right to modify any Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined. Any Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and to the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in Part XIII: "*Additional Information*" of this Prospectus.

PART XV: US INVESTOR REPRESENTATION LETTER

FORM OF US INVESTOR LETTER

To:

EJF Investments Ltd 47 Esplanade
St. Helier
Jersey JE1 0BD
Channel Islands (the "**Company**")

Ladies and gentlemen:

This letter (a "**US Investor Representation Letter**") relates to the (a) offering of shares (the "**Shares**") of the Company; and (b) any subsequent transfer of such Shares. This letter is to be delivered on behalf of the person acquiring beneficial ownership of the Shares by the investor named below or the accounts listed on the attachment hereto (each, an "**Investor**"). Unless otherwise stated, or the content otherwise requires, capitalized terms in this letter shall have the same meaning as is given to them in the prospectus relating to the offering of the Shares described therein published by the Company on 9 November 2017 (the "**Prospectus**").

The Investor agrees, acknowledges, represents and warrants, on its own behalf or on behalf of each account for which it is acting that:

1. the Investor has received a copy of the Prospectus and understands and agrees that the Prospectus speaks only as at its date and that the information contained therein may not be correct or complete as at any time subsequent to that date;
2. the Investor is a "qualified purchaser" ("**QP**") as defined in Section 2(a)(51) and related rules of the US Investment Company Act of 1940, as amended (the "**US Investment Company Act**") and an "accredited investor" (an ("**AI**") as defined in Rule 501(a) of Regulation D under the Securities Act (a persons who is both a QP and an AI, an "**Entitled Qualified Purchaser**");
3. the Investor is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers;
4. the Investor is not subscribing to, or purchasing, the Shares with a view to, or for offer or sale in connection with, any distribution thereof (within the meaning of the Securities Act) that would be in violation of the securities laws of the United States or any state thereof;
5. the party signing this US Investor Representation Letter was not formed for the purpose of investing in the Company and is acquiring the Shares for its own account or for the account of one or more Investors (each of which is an Entitled Qualified Purchaser) on whose behalf the party signing this US Investor Representation Letter is authorized to make (and does so make) the acknowledgments, representations and warranties, and enter into (and does so enter into) the agreements, contained in this US Investor Representation Letter;
6. the Investor is not a participant-director employee plan, such as a plan described in subsection (a)(1)(i)(D), (E) or (F) of Rule 144A of the US Securities Act of 1933, as amended (the "**Securities Act**");
7. no portion of the assets used by the Investor to purchase, and no portion of the assets used by the Investor to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an "employee benefit plan" that is subject to Title I of the US Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"); (ii) a plan, individual retirement account or other arrangement that is subject to section 4975 of the US Internal Revenue Code of 1986, as amended (the "**Tax Code**"); (iii) entities whose underlying assets are considered to include "plan assets" of any employee benefit plan, plan, account or arrangement described in preceding clause (i) or (ii); or (iv) any governmental plan, church plan, non-US Plan or other investor whose purchase or holding of Shares would be subject to any state, local, non-US or other laws or regulations similar to Title I of ERISA or section 4975 of the Tax Code unless its purchase, holding and disposition of Shares would not constitute or result in a non-exempt violation of any such similar law or that would have the effect of the regulations issued by the US Department of Labor set forth at 29 CFR section 2510.3-101, as modified by section 3(42) of ERISA (each entity described in preceding clause (i), (ii), (iii) or (iv), a "**Plan Investor**");
8. (i) no transfers of the Shares or any interest therein to a person using assets of a Plan Investor to purchase or hold such Shares or any interest therein will be permitted and (ii) notwithstanding the foregoing restrictions, if the ownership of Shares by an investor will or may result in the Company's assets being

deemed to constitute "plan assets" under the Plan Asset Regulations, the Directors may serve a notice upon the holder of such Shares requiring the holder to transfer the Shares to an eligible transferee within 30 days, and if within 30 days, the transfer notice has not been complied with, the Company may seek, subject to applicable laws and regulations, to sell the relevant Shares on behalf of the holder by instructing a member of the London Stock Exchange to sell them to an eligible transferee;

9. the Shares are being offered in a transaction not involving any public offering within the United States within the meaning of the Securities Act and that the Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;

10. the Shares, which will only be issued in registered form to persons in the US or US Persons, are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act; the Shares are being offered and sold in a transaction not involving any public offering in the US within the meaning of the Securities Act; and no representation is made as to the availability of the exemption provided by Rule 144, Rule 144A or any other exemption for resales of Shares;

11. the Company has not been and will not be registered as an investment company under the US Investment Company Act and that the Company has elected to impose the transfer and selling restrictions with respect to persons in the United States and US Persons described herein so that the Company will qualify for the exemption provided under section 3(c)(7) of the US Investment Company Act;

12. if in the future the Investor decides to offer, resell, transfer, assign, pledge or otherwise dispose of any Shares, such Shares will be offered, resold, transferred, assigned, pledged or otherwise disposed of by the Investor only in (i) an offshore transaction executed in, on or through the facilities of the London Stock Exchange where neither the Investor nor any person acting on its behalf will know by pre-arrangement or otherwise that the buyer is in the United States or a US Person, (ii) to any person the Investor and any person acting on its behalf knows to be outside the US and a non-US person, (iii) if in the United States or to a US person, then to a QP who is also an AI, who signs a US Investor Representation Letter in the same form as this letter and delivers such executed letter to the Company or (iv) to the Company or a subsidiary thereof. The Investor acknowledges the Shares will remain in registered form until a transfer is made pursuant to (i) or (ii) above;

13. notwithstanding anything to the contrary in this letter, the Shares may not be deposited into any US unrestricted depositary receipt facility in respect of the Company's securities, established or maintained by a depositary bank;

14. the Investor is knowledgeable, sophisticated and experienced in business and financial matters and it fully understands the limitations on ownership and transfer and the restrictions on sales of such Shares;

15. the Investor is able to bear the economic risk of its investment in the Shares and is currently able to afford the complete loss of such investment and the Investor is aware that there are substantial risks incidental to the purchase of the Shares, including those summarized under "*Risk Factors*" in the Prospectus;

16. the Investor acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws, or may result in the Company or the Manager failing to qualify for an exemption from the requirements to register as a "commodity pool operator" within the meaning of the Dodd-Frank Act, to transfer such Shares or interests in accordance with the Articles.

17. the Investor understands and acknowledges that, to the extent permitted by applicable law and regulation, (i) the Company and its agents will not be required to accept for registration of transfer any Shares acquired by the Investor made other than in compliance with the restrictions set forth in this US Investor Representation Letter, (ii) the Company may seek to require any US Person or any person within the United States who was not a QP at the time it acquired any Shares or any beneficial interest therein (which for the avoidance of doubt does not include any investor signing this letter who has truthfully made the representations, warranties and agreements herein) to transfer the Shares or any such beneficial interest immediately in a manner consistent with the restrictions set forth in this US Investor Representation Letter, and (iii) if the obligation to transfer is not met, the Company is irrevocably authorized, without any obligation, to transfer the Shares, as applicable, in a manner consistent with the restrictions set forth in this US Investor Representation Letter and, if such Shares are sold, the Company shall be obliged to distribute the net proceeds to the entitled party;

18. the Investor became aware of the offering of the Shares by the Company and the Shares were offered to the Investor solely by means of the Prospectus and the Investor did not become aware of, nor were the Shares offered to the Investor by any other means, including, in each case, by any form of general solicitation or general advertising, and in making the decision to purchase or subscribe to the Shares, the Investor relied solely on the information set forth in the Prospectus;
19. upon a proposed transfer of the Shares, the Investor will notify any purchaser of such Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Shares being sold;
20. neither the Investor, nor any of the Investor's affiliates, nor any person acting on the Investor's or their behalf, will make any "directed selling efforts" as defined in Regulation S under the Securities Act or any "general solicitation" or "general advertising" in the United States with respect to the Shares;
21. it understands that the Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

"THE SHARES REPRESENTED BY THIS CERTIFICATE (OR ITS PREDECESSOR) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES US SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR WITH ANY US SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND EJF INVESTMENTS LTD (THE "**ISSUER**") HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**US INVESTMENT COMPANY ACT**"). THE SHARES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION EXECUTED IN, ON OR THROUGH THE FACILITIES OF THE LONDON STOCK EXCHANGE WHERE NEITHER THE SELLER NOR ANY PERSON ACTING ON ITS BEHALF KNOWS BY PRE-ARRANGEMENT OR OTHERWISE THAT THE BUYER IS IN THE UNITED STATES OR A US PERSON, (2) TO ANY PERSON THE SELLER AND ANY PERSON ACTING ON ITS BEHALF KNOWS TO BE OUTSIDE THE US AND A NON-US PERSON, (3) IF IN THE UNITED STATES OR TO A US PERSON, THEN TO A QUALIFIED PURCHASER AS DEFINED IN US SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT WHO IS ALSO AN ACCREDITED INVESTOR AS DEFINED IN RULE 501(A) OF THE US SECURITIES ACT WHO SIGNS A US INVESTOR REPRESENTATION LETTER IN THE SAME FORM AS THE LETTER DELIVERED TO THE ISSUER BY THE HOLDER HEREOF OR (4) TO THE ISSUER OR A SUBSIDIARY THEREOF. THE SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY US UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ISSUER'S US SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS AND ACKNOWLEDGE THAT THE SHARES WILL REMAIN IN REGISTERED FORM UNTIL A TRANSFER IS MADE PURSUANT TO (1) OR (2) ABOVE.

EACH INITIAL RECIPIENT AND SUBSEQUENT TRANSFEREE OF THE SHARES REPRESENTED BY THIS CERTIFICATE OR ANY INTEREST OR PARTICIPATION HEREIN WILL BE DEEMED TO REPRESENT THAT IT AGREES TO COMPLY WITH THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND WILL NOT TRANSFER THE SHARES REPRESENTED BY THIS CERTIFICATE OR ANY INTEREST OR PARTICIPATION HEREIN EXCEPT TO A TRANSFEREE WHO CAN MAKE THE SAME REPRESENTATIONS AND AGREEMENTS ON BEHALF OF ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING. ANY TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE OR ANY INTEREST OR PARTICIPATION HEREIN IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT AND WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER.

THE ISSUER AND ITS AGENTS WILL NOT BE REQUIRED TO ACCEPT FOR REGISTRATION OF TRANSFER ANY SHARES MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS. THE ISSUER MAY REQUIRE ANY US PERSON OR ANY PERSON WITHIN THE UNITED STATES WHO WAS NOT A QUALIFIED PURCHASER (AS DEFINED IN US SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT) WHO IS ALSO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(A) UNDER THE US SECURITIES ACT), IN EACH CASE AT THE TIME IT ACQUIRED ANY SHARES OR ANY BENEFICIAL INTEREST THEREIN, TO TRANSFER THE SHARES OR ANY SUCH BENEFICIAL INTEREST IMMEDIATELY IN A MANNER CONSISTENT WITH THESE RESTRICTIONS, AND IF THE OBLIGATION TO TRANSFER IS NOT MET, THE ISSUER IS

IRREVOCABLY AUTHORIZED, WITHOUT ANY OBLIGATION, TO TRANSFER THE SHARES, AS APPLICABLE, IN A MANNER CONSISTENT WITH THESE RESTRICTIONS AND, IF SUCH SHARES ARE SOLD, THE ISSUER SHALL BE OBLIGED TO DISTRIBUTE THE NET PROCEEDS TO THE ENTITLED PARTY.

THIS CERTIFICATE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THE SHARES REPRESENTED BY THIS CERTIFICATE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF SHARES IN THE ISSUER GENERALLY. THE HOLDER OF THE SHARES REPRESENTED BY THIS CERTIFICATE SHALL BE DEEMED BY THE ACCEPTANCE OF THE SHARES REPRESENTED BY THIS CERTIFICATE TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."

and furthermore it understands that in order to convert any certificated shares bearing the aforementioned legend into uncertificated form to be eligible to settle through CREST it will be required to certify to the share registrar of the Company that it is offering, reselling, transferring, assigning or otherwise disposing of such shares either (i) outside of the United States in an offshore transaction (within the definition of Rule 904 of Regulation S) either (a) executed in, on or through the facilities of the London Stock Exchange where neither it nor any person acting on its behalf knows by pre-arrangement or otherwise that the buyer is in the United States or a US Person, or (b) to a person who it or any person acting on its behalf know to be outside the United States and a non-US person, or (ii) to the Company or a subsidiary thereof;

22. the Company and its respective affiliates are irrevocably authorized to produce this US Investor Representation Letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby; and

23. no agency of the United States or any state thereof has made any finding or determination as to the fairness of the terms of, or any recommendation or endorsement in respect of, the Shares.

The Investor acknowledges that each of the Company and its affiliates and others will rely on the acknowledgments, representations and warranties contained in this US Investor Representation Letter as a basis for exemption of the sale of the Shares under the Securities Act, the US Investment Company Act, under the securities laws of all applicable states, for compliance with ERISA and for other purposes.

The party signing this US Investor Representation Letter agrees to notify promptly to the Company if any of the acknowledgments, representations or warranties set forth herein are no longer accurate.

This US Investor Representation Letter shall be governed by and construed in accordance with the laws of the State of New York.

Where there are joint applicants, each must sign this US Investor Representation Letter. Applications from a corporation must be signed by an authorized officer or be completed otherwise in accordance with such corporation's constitution (evidence of such authority may be required).

Very truly yours,

NAME OF PURCHASER:

By: ______________________________

Name:

Title:

Address:

Date:

PART XVI: DEFINITIONS

The following definitions apply in this Prospectus unless the context otherwise requires:

"**2010 PD Amending Directive**"	Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market
"**2022 ZDP Final Capital Entitlement**"	132.25 pence per 2022 ZDP Share
"**2022 ZDP Payment Date**"	the date 14 days after the 2022 ZDP Repayment Date
"**2022 ZDP Repayment Date**"	30 November 2022
"**2022 ZDP Shares**"	the zero dividend preference shares to be issued by the Company pursuant to this Prospectus
"**2022 ZDP Shareholders**"	the holder of one or more 2022 ZDP Shares
"**4 April Prospectus**"	the Company's prospectus dated 4 April 2017 published in connection with the Original Admission
"**Accrued Capital Entitlement**"	the accrued capital entitlement of a 2022 ZDP Share on any particular date which shall be calculated on a straight line basis using the First ZDP Placing Price and the 2022 ZDP Final Capital Entitlement
"**Acquisition Date**"	has the meaning given to it in paragraph 11.6 of Part XIII: "*Additional Information*" of this Prospectus
"**Asset Backed Securities**" or "**ABS Investments**"	has the meaning given to it in paragraph 5.1(b) of Part I: "The *Company"* of this Prospectus
"**Administration Agreement**"	the administration agreement between the Company and the Administrator dated 2 February 2017 and amended on 12 October 2017, a summary of which is set out in Part XIII: *"Additional Information"* of this Prospectus
"**Administrator**"	Crestbridge Fund Administrators Limited and/or such other person or persons from time to time appointed by the Company
"**Admission**"	the First ZDP Admission and any Subsequent Admission
"**Accredited Investors**" or "**AIs**"	has the meaning given in the US Securities Act
"**AIC**"	the Association of Investment Companies
"**AIC Code**"	the AIC Code of Corporate Governance, Jersey Edition
"**AIC Guide**"	the AIC Corporate Governance Guide for Investment Companies, as amended from time to time
"**AIF**"	an alternative investment fund, as defined in the AIFM Directive
"**AIFM**"	an alternative investment fund manager, as defined in the AIFM Directive
"**AIFM Directive**" or "**AIFMD**"	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directive 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010
"**ANB**"	Access National Bank
"**Annual Information Statement**"	has the meaning given to it in paragraph 4.1(c)(vii) of Part XI: "*Taxation*" of this Prospectus

"**Armadillo I**"	Armadillo Financial Fund LP
"**Armadillo II**"	Armadillo Financial Fund II LP
"**Armadillo Portfolio**"	a portfolio of high-yielding loans to US law firms engaged in mass tort litigation by way of its holding of limited partner interests in Armadillo I and Armadillo II
"**Articles**"	the articles of association of the Company as at the date of this Prospectus
"**Assumptions**"	the assumptions as set out in Part IX: "*Principal bases and Assumptions*" of this Prospectus
"**Audit Committee**"	the audit committee of the Company, as more fully described in the section entitled "*Audit Committee*" in Part IV: *"Directors, the Manager and Administration"* of this Prospectus
"**Auditor**"	KPMG LLP, or such other person or persons from time to time appointed by the Company
"**Board**" or "**Board of Directors**"	the board of directors of the Company
"**Bridge Loan**"	an interest in a bridge loan to an affiliate of a publicly listed insurer
"**Business Day**"	a day on which the London Stock Exchange and banks in Jersey and the United Kingdom are normally open for business
"**Capital Solutions**" or "**Capital Solutions Investments**"	has the meaning given to it in paragraph 5.1(b) of Part I: *"The Company"* of this Prospectus
"**Cash Equivalent Amount**"	the amount of the Incentive Fee payable shall be calculated by the Manager and notified to the Company as a cash figure
"**CCAR**"	the Federal Reserve's Comprehensive Capital Analysis and Review
"**C Shareholder**"	the holder or one or more C Shares
"**C Shares**"	the non-redeemable "C" shares of no par value in the capital of the Company which, for the avoidance of doubt includes all classes of C Shares (denominated in such currency) as the Directors may determine (and for the purposes of this Prospectus the C Shares shall be denominated in Sterling) having the rights and subject to the restrictions set out in the Articles and which will convert into Ordinary Shares as set out in the Articles
"**CDO**"	collateralized debt obligation
"**CDO Collateral Management Fee Interest**"	long-term income provided to owners of the CDO Manager from the existing collateral management contracts
"**CDO Entities**"	Kodiak CDOs, Attentus CDOs, and CDOs issued by an unaffiliated third-party CDO sponsor.
"**CDO Manager**"	EJF CDO Manager LLC, a Delaware limited liability company
"**CDO Manager Capital Contribution**"	has the meaning given to it in paragraph 3.1(h) of *Risk Factors* in this Prospectus
"**CDO Manager Interests**"	the 51 per cent. of the total issued limited liability company interests of the CDO Manager held by the Manager.
"**CDO Manager LLC Agreement**"	the third amended and restated limited liability company agreement of the CDO Manager dated 30 March 2017 between the Manager as member and managing member and the Company as member

"**CDO Manager Partial Sale Consideration**"	US$10,000,000
"**CDO Manager Partial Sale SPA**"	has the meaning given to it in paragraph 11.9 of Part XIII: "*Additional Information*" of this Prospectus
"**certificated**" or "**certificated form**"	not in uncertificated form
"**CFC**"	has the meaning given to it in paragraph 3.3(d) of Part XI: "*Taxation*" of this Prospectus
"**Chair**"	Joanna Dentskevich, chair of the Board
"**CIF Law**"	the Collective Investment Funds (Jersey) Law 1988
"**Circular**"	circular expected to be published by the Company on or around 10 November 2017 in relation to the EGM
"**Citi Entities**"	Citigroup Global Markets Inc., Citigroup Global Markets Limited, Citibank, N.A., and Citicorp Securities Services Inc.
"**Class of ZDP Shareholders**"	in respect of each Class of ZDP Shares, the ZDP Shareholders of such ZDP Shares
"**Class of ZDP Shares**"	each issue of ZDP Shares by the Company pursuant to the Articles with different ZDP Repayment Dates and ZDP Gross Redemption Yields, in each case with each ZDP Share with the same ZDP Repayment Date being in the same class (and "**Classes of ZDP Shares**" shall be construed accordingly)
"**Common Reporting Standard**" or "**CRS**"	OECD global standard for the automatic exchange of financial information between tax authorities
"**Companies Law**"	the Companies (Jersey) Law 1991, as amended, extended or replaced and any ordinance, statutory instrument or regulation made thereunder
"**Company**"	EJF Investments Ltd, a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey under the Companies Law on 20 October 2016 with registered number 122353
"**Company Events of Default**"	(x) effective upon 60 days' prior written notice of termination, defaults in the performance or observance of any material term, condition or covenant contained in the Management Agreement without remedying such default; or (y) becomes regulated as an "investment company" under the US Investment Company Act, with such termination deemed to have occurred immediately prior to such event
"**Company's Interim Results 2017**"	the Company's Interim Report and Unaudited Interim Financial Statements for the period from 20 October 2016 to 30 June 2017, filed with the FCA on 24 August 2017
"**Concert Party**"	has the meaning given to it in paragraph 19.3 of Part XIII: "*Additional Information*" of this Prospectus
"**Conflicted Director**"	a Director is conflicted where a situation occurs or is anticipated to occur which gives rise or may give rise to a conflict of interest on the part of any Director
"**Continuance Resolution**"	the resolution required on each fifth anniversary of the Shares being admitted to trading on a stock exchange. The Directors procure that an extraordinary general meeting of the Company be convened at which an ordinary resolution will be proposed that the business of the Company be continued

"**Corresponding Debentures**"	has the meaning given in paragraph 3.3(e) in the section entitled *"Risk Factors"* of this Prospectus
"**Cover**"	in respect of each Class of ZDP Shares, a fraction calculated as at the applicable ZDP Calculation Date, where: (a) the denominator is equal to the sum of: (i) the aggregate applicable ZDP Final Capital Entitlement in respect of such Class of ZDP Shares; (ii) the aggregate applicable ZDP Final Capital Entitlement in respect of all other ZDP Shares ranking in priority to or *pari passu* with such Class of ZDP Shares; and (iii) the aggregate amount of other borrowings; and (b) the numerator is equal to the Net Asset Value, adjusted to: (i) add back any liability which has accrued in relation to the ZDP Final Capital Entitlement in respect of such Classes of ZDP Shares referred to in (a) above; (ii) add back the aggregate amount of other borrowings; and (iii) make such other adjustments as may be required to give effect to the relevant proposed action described in paragraphs 7.4(c), 7.4(e), 7.4(f)(i), 7.4(h), 7.4(i) and 7.4(j) (as applicable) of Part XIII: "*Additional Information*" in this Prospectus as if such action had occurred. In calculating the Cover the Directors shall: (a) use the most recent monthly Net Asset Value published by the Company by way of a Regulatory News Service announcement; (b) where applicable, aggregate the applicable ZDP Final Capital Entitlements of the ZDP Shares already in issue at that time and the capital entitlements of the new ZDP Shares or securities or rights to be issued as aforesaid; and (c) make such other adjustments as the Directors consider appropriate
"**Cover Test**"	in respect of each Class of ZDP Shares, if the proposed actions described in paragraphs 7.4(c), 7.4(e), 7.4(f)(i), 7.4(i) and 7.4(j) (as applicable) of Part XIII: "*Additional Information*" in this Prospectus were to take place in full on the applicable ZDP Calculation Date, whether the Cover would be not less than the applicable Minimum Cover Amount
"**CREST**"	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 of the United Kingdom (SI No. 2001/3755) and the CREST Jersey Regulations
"**CRR**"	Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms
"**Custodian**"	has the meaning given to it in paragraph 11.5 of Part XIII: *"Additional Information"* of this Prospectus
"**Custody Agreement**"	has the meaning given to it in paragraph 11.5 of Part XIII: *"Additional Information"* of this Prospectus
"**Data Protection Legislation**"	the "Data Protection Legislation" 2005 and (i) prior to 25 May 2018, the UK Data Protection Act 1998 and the Data Protection

	Directive (95/46/EC) and (ii) on and after 25 May 2018, EU Regulation 2016/679 ("GDPR") or (i) any equivalent or similar legislation implemented in the United Kingdom following the United Kingdom's withdrawal from the European Union. or (ii) any equivalent or similar legislation implemented in Jersey to take account of the terms of GDPR
"Debt Repayment Agreement"	has the meaning given to it in paragraph 11.7 of Part XIII: "Additional Information" of this Prospectus
"**Directors**"	the directors of the Company
"**Disclosure Guidance and Transparency Rules**"	the disclosure guidance and transparency rules made by the FCA under Part VI of the FSMA
"**Discounted CDO Securities Portfolio**"	a portfolio of legacy REIT TruPS CDO's issued prior to the financial crisis that were purchased at distressed levels
"**Distribution Implementation Agreement**"	has the meaning given to it in paragraph 11.8 of Part XIII: "*Additional Information*" of this Prospectus
"**Dividends Cover Test**"	in respect of each Class of ZDP Shares, if the proposed actions described in paragraph 7.4(h) of Part XIII: *"Additional Information"* in this Prospectus were to take place in full on the applicable ZDP Calculation Date, whether the Cover would be not less than the applicable Dividends Minimum Cover Amount
"**Dividends Minimum Cover Amount**"	in respect of each Class of ZDP Shares, an amount calculated with reference to a multiple of the Cover, and which will be set out in the prospectus issued by the Company in relation to the applicable Class of ZDP Shares
"**Dodd-Frank**"	the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
"Early Termination Date"	a date during the Termination Notice Period that must be (a) the last day of a calendar month and (b) no earlier than the date that is six months after the date of the Termination Notice, on which the Manager shall cease to provide the Non-Retained Services
"**ECI**"	has the meaning given to it in paragraph 4.1 of Part XI: "*Taxation*" of this Prospectus
"**EEA**"	the European Economic Area being the countries included as such in the Agreement on European Economic Area, dated 1 January 1994, among Iceland, Liechtenstein, Norway, the European Community and the EU Member States, as may be modified, supplemented or replaced
"**EGM**"	the Company's extraordinary general meeting expected to take place on 30 November 2017 to approve the amendment to the articles to permit the issuance of ZDP Shares (amongst other things)
"**EJF**"	EJF Capital LLC
"**EJFIH**"	EJF Investment Holdings Limited
"**EJF Affiliates**"	affiliates of EJF
"**EJF Managed Accounts**"	has the meaning given to it in paragraph 4 of "*Risk Factors*" in this Prospectus
"**EJF-Related Security**"	has the meaning given to it in paragraph 4.8 of "*Risk Factors*" in this Prospectus

"**EJF Risk Retention Securities**"	has the meaning given to it in paragraph 5.1(a) of Part I: "*The Company*" of this Prospectus
"**EJF Securitizations**"	EJF or EJF Affiliate-sponsored securitizations
"EJF Securitization Equity"	has the meaning given to it in paragraph 4.3 of "*Risk Factors*" in this Prospectus
"**Eligible Unitholder**"	a holder of Partnership Units that was eligible to participate in the Exchange Offer
"**Entitled Qualified Purchaser**"	persons who are both Qualified Purchasers and Accredited Investors
"**Equity Tranches**"	has the meaning given to it in paragraph 3.3 of "*Risk Factors*" in this Prospectus
"**ERISA**"	the US Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
"**EU**"	the European Union
"**EU Member State**"	a member country of the EU
"**EU Savings Tax Directive**"	Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments
"**Euroclear**"	Euroclear UK & Ireland Limited
"**European Commission**"	The Commission of the EU
"**European Free Trade Association**" or "**EFTA**"	The European Free Trade Association
"**European Risk Retention Regulations**"	together, Part Five of Regulation No 575/2013 of the European Parliament and of the Council of the European Union as amended from time to time and including any guidance or any technical standards published in relation thereto and the risk retention requirements and due diligence requirements set out in Article 254 and Article 256 of Chapter VIII of Commission Delegated Regulation (EU) 2015/35 of the European Union which came into force on 18 January 2015, as amended from time to time, including any guidance published in relation thereto and any implementing laws or regulations in force in any Member State of the European Union
"**Exchange Offer**"	the recommended exchange offer undertaken by the Company for the acquisition of Partnership Units from Eligible Unitholders in consideration for the issue of Ordinary Shares to such Eligible Unitholders on the terms of the Exchange Offer Memorandum dated 28 December 2016
"**Exercise Price**"	has the meaning given to it in paragraph 11.12 of Part XIII: *"Additional Information"* of this Prospectus
"**FATCA**"	the United States Foreign Account Tax Compliance Act 2010
"**FATCA Withholding**"	has the meaning given to it in paragraph 2.6 of Part XI: *"Taxation"*
"**FBR**"	Friedman, Billings, Ramsey Group, Inc.
"**Federal Reserve**"	the Federal Reserve System
"**Final Cover**"	the ratio of (a) the NAV as at 30 September 2017, adjusted to (i) add back the net proceeds of the First ZDP Placing and (ii) deduct the dividend for the period to 30 September 2017; to (b) the sum of the assets required to pay the aggregate 2022 ZDP Final Capital Entitlement in respect of the 2022 ZDP Shares issued pursuant to the First ZDP Placing and other borrowings

"**Financial Conduct Authority**" or "**FCA**"	the UK Financial Conduct Authority and any successor regulatory authority
"**FINRA**"	the Financial Industry Regulatory Authority, Inc.
"**First Hedge**"	has the meaning given to it in paragraph 11.14 of Part XIII: "*Additional Information*" of this Prospectus
"**First Restructuring**"	has the meaning given to it in paragraph 3.7 of Part XIII: "*Additional Information*" of this Prospectus
"**First ZDP Admission**"	admission to trading on the London Stock Exchange's Specialist Fund Segment of the 2022 ZDP Shares becoming effective in accordance with the LSE Admission Standards
"**First ZDP Placing**"	the first placing of 2022 ZDP Shares, as described in Part VIII: *"Details of the First ZDP Placing and Placing Programme"* of this Prospectus
"**First ZDP Placing Price**"	100 pence
"**FSMA**"	the Financial Services and Markets Act 2000, as amended
"**GDPR**"	EU General Data Protection Regulation (Regulation (EU) 2016/679)
"**General Partner**"	EJF Investments GP Inc.
"**GFSC**"	Guernsey Financial Services Commission
"**Group**"	the Company, EJFIH and a 49 per cent. non-controlling interest in the CDO Manager, but excluding, for the avoidance of doubt, the Partnership
"**GST**"	a Jersey goods and services tax applied at a standard rate of five per cent. pursuant to the Goods and Services Tax (Jersey) Law 2007 and any applicable orders or regulations made thereunder
"**Hedges**"	has the meaning given to it in paragraph 11.14 of Part XIII: "*Additional Information*" of this Prospectus
"**HMRC**"	Her Majesty's Revenue and Customs
"**Hurdle Rate**"	the minimum annual growth rate from the date of First ZDP Admission of the Group's assets required to cover fully the 2022 ZDP Final Capital Entitlement and other borrowings
"**ICAA**"	the Institutional Client Account Agreement entered into on 22 April 2015 by the Citi Entities and EJF
"**IFRS**"	the International Financial Reporting Standards as adopted by the EU
"**Incentive Fee**"	the incentive fee to which the Manager is entitled as described in the section entitled *"Fees and Expenses"* in Part IV: *"Directors, the Manager and Administration"* of this Prospectus
"**Incentive Fee Period**"	each twelve month period starting on 1 January and ending on 31 December in each calendar year
"**Incentive Shares**"	the Ordinary Shares used to pay the Incentive Fee
"**Initial Cover**"	the ratio of (a) the NAV as at 30 September 2017 adjusted to (i) add back the net proceeds of the First ZDP Placing and (ii) deduct the dividend for the period to 30 September 2017; to (b) the gross proceeds of the First ZDP Placing
"**Initial Conditions**"	the Placing Agreement is conditional on, among other things, First ZDP Admission occurring by 8.00 a.m. on 1 December 2017 (and in any event by no later than 31 December 2017)

"**Insurance Senior Notes**"	has the meaning given in paragraph 3.3(d) in the section entitled *"Risk Factors"* of this Prospectus
"**Insurance Surplus Notes**"	has the meaning given in paragraph 3.3(d) in the section entitled *"Risk Factors"* of this Prospectus
"**Insurance TruPS**"	has the meaning given in paragraph 3.3(d) in the section entitled *"Risk Factors"* of this Prospectus
"**International Tax Compliance Legislation**"	the Taxation (Implementation) (Jersey) Law 2004 and any subordinate legislation, regulations or orders including but not limited to, the Taxation (Exchange of Information with Third Countries) (Jersey) Regulations 2008, the Taxation (Implementation) (International Tax Compliance) (Common Reporting Standard) (Jersey) Regulations 2015, the Taxation (Implementation) (International Tax Compliance) (United Kingdom) (Jersey) Regulations 2014, the Taxation (Implementation)(International Tax Compliance) (United States of America) (Jersey) Regulations 2014, or any other applicable international tax compliance legislation
"**Investment Committee**"	a committee of the Manager which makes investment decisions on the management of the Portfolio
"**Investment Limits and Restrictions**"	has the meaning given to it in paragraph 5.2 of Part I: *"The Company"* of this Prospectus
"**Investment Objective**"	has the meaning given to it in paragraph 4 of Part I: *"The Company"* of this Prospectus
"**Investment Policy**"	has the meaning given to it in paragraph 5 of Part I: *"The Company"* of this Prospectus
"**IRR**"	internal rate of return
"**IRS**"	United States Internal Revenue Service
"**ISA**"	an individual savings account
"**ISDA Master Agreement**"	ISDA 2002 master agreement entered into between Citibank N.A. and affiliate funds of EJF originally dated 17 January 2014, as amended on 3 March 2017
"**ISIN**"	International Securities Identification Number
"**Issues**"	the First ZDP Placing and any Subsequent Placings
"**Jersey AML Requirements**"	the Proceeds of Crime (Jersey) Law 1999, the Drug Trafficking Offences (Jersey) Law 1988, the Terrorism (Jersey) Law 2002 and any applicable orders or regulations from time to time relating to the prevention of use of the financial system for the purpose of money laundering and the financing of terrorism, including, but not limited to the Money Laundering (Jersey) Order 2008
"**Jersey CRS Legislation**"	Jersey legislation which implements the CRS in Jersey came into effect on January 1, 2016
"**Jersey Data Protection Legislation**"	Data Protection (Jersey) Law 2005 of Jersey and any applicable secondary legislation
"**Jersey IGA Legislation**"	has the meaning given to it in paragraph 2.6 of Part XI: *"Taxation"*
"**JFSC**" or "**Commission**"	Jersey Financial Services Commission

"**JFSC Codes**"	the Code of Practice for Certified Funds, Jersey Listed Fund Guide and any applicable policy statements or guidance published by the JFSC
"**July Placing**"	has the meaning given to it in paragraph 3.10 of Part XIII: *"Additional Information"* of this Prospectus
"**KPMG**"	KPMG LLP
"**Liberum**"	Liberum Capital Limited
"**LIBOR**"	London interbank offered rate, a benchmark interest rate
"**Licensees**"	those holding a licence from the GFSC under any of the following laws: the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended or the Regulation of Fiduciaries, Administration Businesses and Company Directors etc. (Bailiwick of Guernsey) Law, 2000, as amended
"**Listing Rules**"	the listing rules made by the FCA under Part VI of the FSMA
"**Lock-up Deed**"	has the meaning given to it in paragraph 11.6 of Part XIII: *"Additional Information"* of this Prospectus
"**London Stock Exchange**" or "**LSE**"	London Stock Exchange plc
"**LSE Admission Standards**"	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Specialist Fund Segment
"**Manager**"	EJF Investments Manager LLC
"**Manager Events of Default**"	(a) materially breaches any provision of the Management Agreement without remedying such breach; (b) engages in any act of fraud, misappropriation of funds or embezzlement; (c) is grossly negligent in its performance of its duties under the Management Agreement; (d) is the subject of any proceeding relating to its bankruptcy or insolvency; (e) is dissolved; or (f) suffers a change of control (unless approved by a majority of the Company's independent Directors)
"**Management Engagement Committee**"	the management engagement committee of the Company, as more fully described in the section entitled "Management Engagement Committee" in Part IV: "*Directors, the Manager and Administration*" of this Prospectus
"**Management Agreement**"	the management agreement dated 30 March 2017 between the Company, the Partnership, the General Partner, the Manager and EJF, a summary of which is set out in Part XIII: *"Additional Information on the Company"* of this Prospectus
"**Management Agreement Events of Default**"	Manager Events of Default or Company Events of Default
"**Management Fee**"	the management fee to which the Manager is entitled as described in the section entitled *"Fees and Expenses"* in Part IV: *"Directors, the Manager and Administration"* of this Prospectus

"**Market Abuse Regulation**"	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
"**Memorandum**"	the memorandum of association of the Company
"**Minimum Cover Amount**"	in respect of each Class of ZDP Shares, an amount calculated with reference to a multiple of the Cover, and which will be set out in the prospectus issued by the Company in relation to the applicable Class of ZDP Shares
"**Minimum Gross Proceeds**"	£15 million or such other amount as may be published in a supplementary prospectus
"**Money Laundering Directive**"	2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing
"**NAV Calculation Date**"	the relevant date for the calculation of NAV
"**Net Asset Value**" or "**NAV**"	the net asset value of the Company calculated in accordance with the section entitled "*Calculation of Net Asset Value*" in Part I: *"The Company"* of this Prospectus
"**NAV per C Share**"	the Net Asset Value attributable to the C Shares divided by the number of C Shares in issue at the relevant time (other than C Shares held in treasury)
"**NAV per Ordinary Share**"	the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue at the relevant time (other than Ordinary Shares held in treasury)
"**NAV per 2022 ZDP Share**"	the value of the Accrued Capital Entitlement of the 2022 ZDP Shares
"**New Articles**"	the new articles of association of the Company which are subject to the approval of the EGM
"**NMPI**"	Non-Mainstream Pooled Investment, as described in paragraph 15 of Part I: *"The Company"* of this Prospectus
"**NMPI Regulations**"	the Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013
"**Non-Conflicted Directors**"	Directors other than a Conflicted Director
"**Non-Qualified Holder**"	any person whose ownership of Shares (i) may result in the US Plan Threshold being exceeded causing the Company's assets to be deemed "plan assets" for the purpose of ERISA or the US Tax Code; (ii) may cause the Company to be required to register as an "investment company" under the US Investment Company Act (including because the holder of the shares is not a "qualified purchaser" as defined in the US Investment Company Act) or to lose an exemption or a status thereunder to which it might be entitled; (iii) may cause the Company to have to register under the US Exchange Act or any similar legislation; (iv) may cause the Company not to be considered a "Foreign Private Issuer" as such term is defined in rule 3b-4(c) under the US Exchange Act; (v) may result in a person holding shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; and (vi) may cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code
"**Non-Retained Services**"	services provided by the Manager other than Retained Services
"**Official List**"	the list maintained by the FCA pursuant to Part VI of the FSMA
"**Ordinary Shareholders**"	the holder or one or more Ordinary Shares

"**Ordinary Shares**"	the non-redeemable ordinary shares of no par value in the share capital of the Company which, for the avoidance of doubt, includes all classes of Ordinary Shares (denominated in such currency) as the Directors may determine in accordance with the Articles (and for the purposes of this Prospectus, the Ordinary Shares shall be denominated in Pounds Sterling) having the rights and subject to the restrictions set out in the Articles and does not include the C Shares
"**Original Admission**"	the admission to trading on the London Stock Exchange's Specialist Funds Segment of the Ordinary Shares and C Shares on 7 April 2017
"**Other Accounts**"	has the meaning given to it in paragraph 4.1 of "*Risk Factors*" in this Prospectus
"**Other EJF Accounts**"	has the meaning given to it in paragraph 4 of "*Risk Factors*" in this Prospectus
"**Other Notes**"	has the meaning given to it in paragraph 4.3 of "*Risk Factors*" in this Prospectus
"**Panel**"	the Takeover Panel
"**Partnership**"	EJF Investments LP (a Delaware limited partnership formed under the laws of the state of Delaware)
"**Partnership Agreement**"	the second amended and restated agreement of limited partnership of the Partnership dated 30 March 2017 between the General Partner and the limited partners thereto
"**Partnership Unit**"	a partnership unit in the Partnership
"**Partnership Units Buy-back Agreement**"	has the meaning given to it in paragraph 11.10 of Part XIII: "*Additional Information*" of this Prospectus
"**Permitted EEA Jurisdictions**"	EEA jurisdictions in which it is permitted to market Shares to investors
"**Placee**"	a person subscribing for Shares under the Issue
"**Placing**"	the First ZDP Placing and any Subsequent Placing
"**Placing Agreement**"	the agreement entered into on 9 November 2017, between the Company, each of the Directors, the Manager, EJF and Liberum, a summary of which is set out in paragraph 11.1 of Part XIII "*Additional Information*" of this Prospectus
"**Placing Commitment**"	has the meaning given to it in paragraph 4.1 of Part XIV: "*Terms and Conditions of Each Placing*" of this Prospectus
"**Placing Confirmation**"	has the meaning given to it in paragraph 4.1.3 of Part XIV: "*Terms and Conditions of Each Placing*" of this Prospectus
"**Placing Document**"	has the meaning given to it in paragraph 4.1.18 of Part XIV: "*Terms and Conditions of Each Placing*" of this Prospectus
"**Placing Programme**"	the conditional placing programme of Placings of Shares, as described in Part VIII: *"Details of the First ZDP Placing and Placing Programme"* of this Prospectus
"**PFIC**"	passive foreign investment company
"**POI Law**"	the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended
"**Portfolio**"	the Group's portfolio of investments from time to time
"**Prohibited Shares**"	shares which are so held or beneficially owned create a significant risk of the Company being in breach, or at risk of being in breach, of

	its obligations under anti-money laundering legislation, the CIF Law, the JFSC Codes or International Tax Compliance Legislation
"**Promissory Note**"	has the meaning given to it in paragraph 11.7 of Part XIII: "*Additional Information*" of this Prospectus
"**Prospectus**"	this prospectus
"**Prospectus Directive**"	Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading
"**Prospectus Rules**"	the prospectus rules made by the FCA under Part VI of the FSMA
"**QEF**"	Qualified Electing Fund
"**Qualified Purchasers**" or "**QPs**"	has the meaning given in the US Investment Company Act
"**Prudential Regulation Authority**" or "**PRA**"	the UK Prudential Regulation Authority and any successor regulatory authority
"**Reference Entity**"	has the meaning given to it in paragraph 3.1(f) of "*Risk Factors*" in this Prospectus
"**Register**"	the register of Shareholders
"**Registrar**"	Capita Registrars (Jersey) Limited
"**Regulation D**"	Regulation D promulgated under the US Securities Act
"**Regulation S**"	Regulation S promulgated under the US Securities Act
"**Related Accounts**"	has the meaning given to it in paragraph 4.8 of "*Risk Factors*" in this Prospectus
"**Relevant Clients**"	has the meaning given to it in paragraph 4.1 of "*Risk Factors*" in this Prospectus
"**Relevant Member State**"	each member state of the European Economic Area which has implemented the Prospectus Directive
"**Requesting Investors**"	those who have specifically solicited this Prospectus, where such approach was not itself specifically solicited by Liberum (or, if applicable, another bookrunner acting in relation to a Subsequent Placing)
"**Restricted Shares**"	restrictions on the ability to transfer, sell or otherwise dispose of any Shares under the Lock-Up Deed
"**Retained Services**"	services include, but are not limited to, investing, reinvesting and/or selling (in whole or in part) the interests held by any Risk Retention Securities Holding Entity in any EJF Risk Retention Securities solely for the purposes of complying with the Risk Retention Regulations
"**Retention Interest**"	has the meaning given in paragraph 3.2(c) in the section entitled "*Risk Factors*" of this Prospectus
"**Revolving Credit Facility**"	has the meaning given to it in paragraph 11.12 of Part XIII: *"Additional Information"* of this Prospectus
"**Revolving Credit Committed Amount**"	has the meaning given to it in paragraph 11.12 of Part XIII: "*Additional Information*" of this Prospectus
"**Revolving Credit Note**"	has the meaning given to it in paragraph 11.12 of Part XIII: "*Additional Information*" of this Prospectus
"**RIS**" or "**Regulatory Information Service**"	a regulatory information service, being any of the regulatory information services set out in Appendix 2 of the Listing Rules

“**Risk Retention**”	has the meaning given to it in Part II: “*The Market Opportunity*” of this Prospectus
“**Risk Retention Investments**”	has the meaning given to it in paragraph 5.1(a) of Part I: *“The Company”* of this Prospectus
“**Risk Retention and Related Investments**”	Risk Retention Investments, together with investments in non-risk retention securities of EJF Securitizations and other non-EJF sponsored securitizations
“**Risk Retention Regulations**”	together, the European Risk Retention Regulations and US Risk Retention Regulations
“**Risk Retention Securities Holding Entity**”	subsidiaries which own EJF Risk Retention Securities
“**Rule 9**”	Rule 9 of the Takeover Code
“**SBHC**”	Small Bank Holding Company
“**SDRT**”	UK Stamp Duty Reserve Tax
“**Second Hedge**”	has the meaning given to it in paragraph 11.14 of Part XIII: “*Additional Information*” of this Prospectus
“**Second Partnership Units Buy-back Agreement**”	has the meaning given to it in paragraph 11.11 of Part XIII: “*Additional Information*” of this Prospectus
“**Second Restructuring**”	has the meaning given to it in paragraph 3.9 of Part XIII: “*Additional Information*” of this Prospectus
“**Securitization and Related Investments**”	Risk Retention and Related Investments, Capital Solutions and ABS Investments and the CDO Manager
“**Securitization Retention Equity**”	has the meaning given to it in paragraph 3.2 of “*Risk Factors*” in this Prospectus
“**Securitization Retention Securities**”	has the meaning given to it in paragraph 3.2 of “*Risk Factors*” in this Prospectus
“**SEDOL**”	the Stock Exchange Daily Official List
“**Shares**”	Ordinary Shares and/or C Shares and/or 2022 ZDP Shares, as the context may require
“**Shareholders**”	subject to paragraph 7.3 of Part XIII: “*Additional Information*” of this Prospectus, means any Ordinary Shareholders, any C Shareholders and any ZDP Shareholders.
“**Shareholding**”	a holding of Shares
“**Specialty Finance**” or “**Specialty Finance Investments**”	has the meaning given to it in paragraph 5.1(c) of Part I: *“The Company”* of this Prospectus
“**Specialist Fund Segment**”	the Specialist Fund Segment of the London Stock Exchange
“**Subscriber Shares**”	two Ordinary Shares of no par value, issued to Carey Olsen Nominees Jersey Limited on incorporation of the Company
“**Subsequent Admission**”	Admission of any Shares issued pursuant to the Placing Programme
“**Subsequent Placing**”	any placing of Shares pursuant to the Placing Programme
“**Subsequent Placing Price**”	the applicable price at which new Shares are issued pursuant to a Subsequent Placing

"**Takeover Code**"	the City Code on Takeovers and Mergers, as amended from time to time
"**Target Dividend**"	has the meaning given in Part I of this Prospectus
"**Target Investment**"	has the meaning given to it in Part I: *"The Company"* of this Prospectus
"**Target Return**"	The Company targets an annualised NAV total return (including dividend payments) of eight to ten per cent. per annum
"**Target Total Return**"	has the meaning given in Part I of this Prospectus
"**Termination Date**"	the date the Manager shall cease to provide services (except the Retained Services) under the Management Agreement
"**Termination Event**"	the effectiveness of the termination of the provision of Non-Retained Services by the Manager
"**Termination Notice**"	Written notice from either the Company to the Manager or the Manager to the Company electing to terminate the provision of the Non-Retained Services
"**Termination Notice Period**"	A Termination Notice must be delivered not less than 12 months prior to the intended Termination Date
"**TFINS 2017-1**"	TruPS Financials Note Securitization 2017-1 Ltd.
"**TFINS 2017-2**"	TruPS Financials Note Securitization 2017-2 Ltd.
"**TPINS**"	insurance-backed TruPS CDO, Trust Preferred Insurance Note Securitization 2016-1
"**TruPS CDO Collateral**"	has the meaning given in paragraph 3.3(d) in the section entitled *"Risk Factors"* of this Prospectus
"**UBTI**"	has the meaning given to it in paragraph 4.1 of Part XI: "*Taxation*" of this Prospectus;
"**UE Finance**"	Urban Exposure Finance Ltd.
"**UK**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland
"**UK Corporate Governance Code**"	the UK Corporate Governance Code as published by the Financial Reporting Council
"**uncertificated**" or "**uncertificated form**"	recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
"**United States**" or "**US**"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
"**US Dollar**", "**US$**" or "**USD**"	the lawful currency of the United States
"**US Exchange Act**"	the US Securities Exchange Act of 1934, as amended
"**US Investment Company Act**"	the US Investment Company Act of 1940, as amended
"**US Investor Representation Letter**"	a letter in the form set forth in Part XV: "*US Investor Representation Letter*" of this Prospectus.
"**US-Jersey IGA**"	United States and Jersey intergovernmental agreement
"**US Person**"	has the meaning given in Regulation S under the US Securities Act
"**US Plan**"	any plan subject to Title 1 of ERISA or section 4975 of the US Tax Code
"**US Plan Assets Regulations**"	the regulations promulgated by the US Department of Labour at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA

"**US Plan Investor**"	(i) an "employee benefit plan" as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (iii) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in the preceding clause (i) or (ii) in such entity pursuant to the US Plan Assets Regulations
"**US Plan Threshold**"	ownership by benefit plan investors, as defined under section 3(42) of ERISA, in the aggregate of 25 per cent. or more of the value of any class of equity in the Company (calculated by excluding the value of any equity interest held by any person (other than a benefit plan investor, as defined under section 3(42) of ERISA) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person); the term shall be amended to reflect such new ownership threshold that may be established by a change in the US Plan Asset Regulations or other applicable law
"**US Risk Retention Regulations**"	the joint final regulations implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act, codified by Section 15G of the US Exchange Act, as in effect at any time or as otherwise amended
"**US SEC**"	the US Securities and Exchange Commission
"**US Securities Act**"	the United States Securities Act of 1933, as amended
"**US Tax Code**"	the US Internal Revenue Code of 1986, as amended
"**VAT**"	value added tax or a similar consumption tax
"**Warrants**"	has the meaning given to it in paragraph 11.12 of Part XIII: *"Additional Information"* of this Prospectus
"**Warrant Holders**"	Wolfson Equities LLC and CNF Investments II, LLC
"**Warrant Shares**"	has the meaning given to it in paragraph 11.12 of Part XIII: *"Additional Information"* of this Prospectus
"**GBP**", "**Pounds Sterling**", "**Sterling**", "**£**" and "**p**"	respectively, pounds and pence sterling, the lawful currency of the United Kingdom
"**ZDP Calculation Date**"	any date on which a proposed corporate action as referred to in paragraphs 7.4(c), 7.4(e), 7.4(f)(i), 7.4(h), 7.4(i) and 7.4(j) (as applicable) of Part XIII: "*Additional Information*" or, in the context of the 2022 ZDP Shares as referred to in paragraphs 3.2(c), 3.2(e), 3.2(f)(i), 3.2(h), 3.2(i) and 3.2(j) (as applicable) of Part IX: "*Rights Attaching to 2022 ZDP Shares*" in this Prospectus
"**ZDP Exempted Resolution**"	a ZDP Liquidation Resolution, a ZDP Recommended Resolution or a ZDP Reconstruction Resolution, in each case in the context of the relevant Class of ZDP Shares
"**ZDP Final Capital Entitlement**"	in respect of each ZDP Share in each Class of ZDP Shares, the applicable ZDP Placing Price increased at an annual rate equal to the applicable ZDP Gross Redemption Yield from and including the date of issue until (and including) the applicable ZDP Repayment Date
"**ZDP Gross Redemption Yield**"	in respect of each Class of ZDP Shares, the maximum annualised return that can be achieved, before taxation, from purchasing a ZDP Share at a specified ZDP Placing Price, and which will be a percentage amount determined by the Directors and notified to the

	prospective Class of ZDP Shareholders in writing on or before issuing the ZDP Shares of that Class for the first time
"**ZDP Liquidation Resolution**"	has the meaning given to it in paragraph 7.6(a)(i) of Part XIII: "*Additional Information*" or in relation to the 2022 ZDP Shares, has the meaning given to it in paragraph 5.1(a) of Part IX: "*Rights Attaching to 2022 ZDP Shares*" in this Prospectus
"**ZDP Payment Date**"	the date 14 days after the applicable ZDP Repayment Date
"**ZDP Placing Price**"	in respect of each Class of ZDP Shares, the price at which each such ZDP Shares are first issued (as may be determined by the Directors acting in their absolute discretion)
"**ZDP Recommended Resolution**"	has the meaning given to it in paragraph 7.6(b)(ii) of Part XIII: "*Additional Information*", or in relation to the 2022 ZDP Shares, has the meaning given to it in paragraph 5.2(b) of Part IX: "*Rights Attaching to 2022 ZDP Shares*" in this Prospectus
"**ZDP Reconstruction Resolution**"	has the meaning given to it in paragraph 7.6(c) of Part XIII: "*Additional Information*", or in relation to the 2022 ZDP Shares, has the meaning given to it in paragraph 5.3 of Part IX: "*Rights Attaching to 2022 ZDP Shares*" in this Prospectus
"**ZDP Repayment Date**"	in respect of each Class of ZDP Shares, the date on which such ZDP Shares will be redeemed in accordance with paragraph 7.5 of Part XIII: "*Additional Information*", with each Class of ZDP Shares having its own date for redemption
"**ZDP Shareholder**"	the holder of one or more ZDP Shares
"**ZDP Shares**"	the redeemable zero dividend preference shares of no par value in the capital of the Company which, for the avoidance of doubt, includes all Classes of ZDP Shares (denominated in such currencies as the Directors may determine in accordance with the Articles) having the rights set out in the Articles

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Merrill Corporation Ltd, London
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