

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”).**

This document comprises a prospectus relating to Henderson International Income Trust plc (the “**Company**”) prepared in accordance with the Prospectus Rules made under section 84 of FSMA. This document has been approved by the Financial Conduct Authority (“**FCA**”) and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made to the FCA and the London Stock Exchange for all of the New Ordinary Shares to be issued pursuant to the Issue to be admitted to listing on the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange’s main market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the New Ordinary Shares will commence on 19 July 2019.

The Company and each of the Directors, whose names appear on page 25 of this document, accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**The whole text of this document should be read. The attention of prospective investors is drawn in particular to the section of this document entitled “Risk Factors”.**

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# Henderson International Income Trust plc

*(Incorporated in England and Wales with company number 7549407 and registered as an investment company under section 833 of the Companies Act 2006)*

## **Issue and Admission of New Ordinary Shares in connection with the recommended proposals for the Reconstruction and Winding-up of The Establishment Investment Trust plc**

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Panmure Gordon (UK) Limited (“**Panmure Gordon**”), which is authorised and regulated by the FCA, is acting for the Company and for no-one else in connection with the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Panmure Gordon or for affording advice in relation to the contents of this document or any matters referred to herein. Panmure Gordon is not responsible for the contents of this document. This does not exclude or limit any responsibilities which Panmure Gordon may have under FSMA or the regulatory regime established thereunder.

The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (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 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**”)). In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and the recipient of this document will not be entitled to the benefits of that Act. This document should not be distributed into the United States or to US Persons.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Ordinary Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or Panmure Gordon. The distribution of this document in jurisdictions other than the UK, including any of the Restricted Territories, may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The attention of EIT Shareholders with registered addresses in Restricted Territories and other recipients of this document who are residents or citizens of any country outside the United Kingdom is drawn to the section entitled “Restricted EIT Shareholders” in Part 3 of this document.

Dated: 10 June 2019

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## SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A–E (A.1–E.7). This summary contains all the Elements required to be included in a summary for these types of securities and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into 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”.

<b>Section A – Introduction and warnings</b>		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
A.1	Warning	This summary should be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this document 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 document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. No consent has been given by the Company or any person responsible for drawing up this document for the subsequent resale or final placement of securities by financial intermediaries.
<b>Section B – Issuer</b>		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
B.1	Legal and commercial name	Henderson International Income Trust plc.
B.2	Domicile and legal form	The Company was incorporated in England and Wales on 2 March 2011 with registered number 7549407 as a public company limited by shares under the Act. The principal legislation under which the Company operates is the Act.
B.5	Group description	Not applicable. The Company is not part of a group.

B.6	Major shareholders	<p>So far as is known to the Company, and which is notifiable under the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date, the following persons held, directly or indirectly, three per cent. or more of the Company's voting rights:</p> <table border="1" data-bbox="571 264 1444 488"> <thead> <tr> <th data-bbox="571 331 1058 376">Name</th> <th data-bbox="1058 264 1262 376">Number of voting rights held</th> <th data-bbox="1262 264 1444 376">Percentage of voting rights (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="571 387 1058 421">Smith &amp; Williamson Holdings Limited</td> <td data-bbox="1058 387 1262 421">12,818,792</td> <td data-bbox="1262 387 1444 421">7.15</td> </tr> <tr> <td data-bbox="571 421 1058 454">Brewin Dolphin Limited</td> <td data-bbox="1058 421 1262 454">10,709,721</td> <td data-bbox="1262 421 1444 454">5.97</td> </tr> <tr> <td data-bbox="571 454 1058 488">Quilter Cheviot Limited</td> <td data-bbox="1058 454 1262 488">7,264,797</td> <td data-bbox="1262 454 1444 488">4.05</td> </tr> </tbody> </table> <p>All Shareholders have the same voting rights in respect of the share capital of the Company.</p> <p>As at the Latest Practicable Date, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.</p>	Name	Number of voting rights held	Percentage of voting rights (%)	Smith & Williamson Holdings Limited	12,818,792	7.15	Brewin Dolphin Limited	10,709,721	5.97	Quilter Cheviot Limited	7,264,797	4.05																																											
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B.7	Historical key financial information	<p>The historical financial information set out below, which has been prepared in accordance with UK GAAP, has been extracted without material adjustments from the audited report and accounts of the Company for the periods ended 31 August 2016, 31 August 2017 and 31 August 2018 and from the unaudited financial statements of the Company for the six months ended 28 February 2019:</p> <table border="1" data-bbox="571 936 1444 1608"> <thead> <tr> <th data-bbox="571 1014 836 1048">Company</th> <th data-bbox="836 936 991 1048">As at 31 August 2016 £'000</th> <th data-bbox="991 936 1145 1048">As at 31 August 2017 £'000</th> <th data-bbox="1145 936 1300 1048">As at 31 August 2018 £'000</th> <th data-bbox="1300 936 1444 1048">As at 28 February 2019 £'000</th> </tr> </thead> <tbody> <tr> <td data-bbox="571 1059 836 1126"><b>Fixed asset investments:</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td data-bbox="571 1126 836 1193">Investments held at fair value through profit or loss</td> <td data-bbox="836 1171 991 1193">214,168</td> <td data-bbox="991 1171 1145 1193">284,920</td> <td data-bbox="1145 1171 1300 1193">302,416</td> <td data-bbox="1300 1171 1444 1193">277,606</td> </tr> <tr> <td data-bbox="571 1216 836 1249"><b>Current assets:</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td data-bbox="571 1249 836 1283">Debtors</td> <td data-bbox="836 1249 991 1283">831</td> <td data-bbox="991 1249 1145 1283">1,375</td> <td data-bbox="1145 1249 1300 1283">1,420</td> <td data-bbox="1300 1249 1444 1283">6,080</td> </tr> <tr> <td data-bbox="571 1283 836 1317">Cash at bank</td> <td data-bbox="836 1283 991 1317">12,183</td> <td data-bbox="991 1283 1145 1317">4,099</td> <td data-bbox="1145 1283 1300 1317">—</td> <td data-bbox="1300 1283 1444 1317">979</td> </tr> <tr> <td></td> <td data-bbox="836 1328 991 1361">13,014</td> <td data-bbox="991 1328 1145 1361">5,474</td> <td data-bbox="1145 1328 1300 1361">1,420</td> <td data-bbox="1300 1328 1444 1361">7,059</td> </tr> <tr> <td data-bbox="571 1361 836 1395"><b>Current liabilities:</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td data-bbox="571 1395 836 1462">Creditors: amounts falling due within one year</td> <td data-bbox="836 1440 991 1462">(6,278)</td> <td data-bbox="991 1440 1145 1462">(6,422)</td> <td data-bbox="1145 1440 1300 1462">(7,088)</td> <td data-bbox="1300 1440 1444 1462">(12,578)</td> </tr> <tr> <td data-bbox="571 1485 836 1518"><b>Total net assets</b></td> <td data-bbox="836 1485 991 1518"><b>220,904</b></td> <td data-bbox="991 1485 1145 1518"><b>283,972</b></td> <td data-bbox="1145 1485 1300 1518"><b>296,748</b></td> <td data-bbox="1300 1485 1444 1518"><b>272,087</b></td> </tr> <tr> <td data-bbox="571 1552 836 1608"><b>Net Asset Value per Ordinary Share (basic)</b></td> <td data-bbox="836 1574 991 1608">141.5p</td> <td data-bbox="991 1574 1145 1608">163.0p</td> <td data-bbox="1145 1574 1300 1608">167.1p</td> <td data-bbox="1300 1574 1444 1608">152.9p</td> </tr> </tbody> </table> <p>On 30 April 2019, the Company issued €30 million 2.43% senior unsecured notes due 29 April 2044.</p> <p>Save as set out above, during the period from 1 September 2015 to, and since, 28 February 2019, being the end of the last period for which financial statements have been published, there has been no significant change in the financial condition or operating results of the Company.</p>	Company	As at 31 August 2016 £'000	As at 31 August 2017 £'000	As at 31 August 2018 £'000	As at 28 February 2019 £'000	<b>Fixed asset investments:</b>					Investments held at fair value through profit or loss	214,168	284,920	302,416	277,606	<b>Current assets:</b>					Debtors	831	1,375	1,420	6,080	Cash at bank	12,183	4,099	—	979		13,014	5,474	1,420	7,059	<b>Current liabilities:</b>					Creditors: amounts falling due within one year	(6,278)	(6,422)	(7,088)	(12,578)	<b>Total net assets</b>	<b>220,904</b>	<b>283,972</b>	<b>296,748</b>	<b>272,087</b>	<b>Net Asset Value per Ordinary Share (basic)</b>	141.5p	163.0p	167.1p	152.9p
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B.8.	Key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> financial information is included in this document.																																																							
B.9.	Profit forecast	Not applicable. No profit forecast or estimate is made in this document.																																																							

B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The audited financial statements of the Company do not contain any qualifications.
B.11	Insufficiency of working capital	Not applicable. The Company is of the opinion that the working capital available to it is sufficient for its present requirements, namely for at least the next 12 months from the date of this document.
B.34	Investment objective and policy	<p><b><i>Investment objective</i></b></p> <p>The Company seeks to provide Shareholders with a growing total annual dividend, as well as capital appreciation.</p> <p><b><i>Investment policy</i></b></p> <p>The Company invests in a focused and internationally diversified portfolio of 50-80 companies that are either listed in, registered in, or whose principal business is in countries that are outside the UK and is made up of shares (equity securities) and fixed interest asset classes that are diversified by factors such as geography, industry and investment size. A maximum of 25 per cent. of Gross Assets may be invested in fixed interest securities. The Company does not hold investments in unlisted companies unless it is through subsequent delisting of a listed security.</p> <p>Investment in any single company (including any derivative instruments) will not, in gross terms, exceed 5 per cent. of net assets at the time of investment and no more than 15 per cent. of Gross Assets may be invested in other listed investment companies (including investment trusts) or collective investment schemes. No more than 10 per cent. of Gross Assets may be invested in companies that themselves invest more than 15 per cent. of their gross assets in UK listed investment companies or collective investment schemes.</p> <p>The Company may use financial instruments known as derivatives for the purpose of efficient portfolio management, for investment purposes or to generate additional income while maintaining a level of risk consistent with the risk profile of the Company. The Company may hedge exposure to foreign currencies up to a maximum of 20 per cent. of Gross Assets and may generate up to a maximum of 20 per cent. of gross income through investment in traded options.</p> <p>The Company can borrow to make additional investments with the aim of achieving a return that is greater than the cost of borrowing. The Company's articles of association allow borrowings up to 100 per cent. of Net Asset Value. In normal circumstances, the Manager may only utilise gearing up to 25 per cent. of net assets at the time of drawdown or investment (as appropriate) in accordance with the Board's policy and for these purposes "gearing" includes implied gearing through the use of derivatives.</p>
B.35	Borrowing limits	The Company's articles of association allow borrowings up to 100 per cent. of Net Asset Value. In normal circumstances, the Manager may only utilise gearing up to 25 per cent. of net assets at the time of drawdown or investment (as appropriate) in accordance with the Board's policy and for these purposes "gearing" includes implied gearing through the use of derivatives.

B.36	Regulatory status	As an investment trust, the Company is not regulated as a collective investment scheme by the Financial Conduct Authority. However, it is subject to the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the rules of the London Stock Exchange.
B.37	Typical investor	The Directors believe that the typical investors for whom an investment in the Company is intended are institutional investors and professionally-advised private investors seeking exposure to an internationally diversified portfolio of securities outside the UK. The New Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors provided that they are capable of evaluating the risks and merits of such an investment and have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before making an election under the EIT Scheme for New Ordinary Shares.
B.38	Investment of 20 per cent. or more of gross assets in single underlying asset or investment company	Not applicable. Investments in any one company shall not exceed 5 per cent. of the Company's net assets at the time of investment.
B.39	Investment of 40 per cent. or more of gross assets in single underlying asset or investment company	Not applicable. Investments in any one company shall not exceed 5 per cent. of the Company's net assets at the time of investment.
B.40	Applicant's service providers	<p><b>AIFM</b></p> <p>The Company has, pursuant to the Management Agreement, appointed Henderson Investment Funds Limited (the "AIFM") to act as its investment manager and as its alternative investment fund manager for the purposes of the AIFM Directive. The AIFM has delegated portfolio management to Henderson Global Investors Limited pursuant to the Sub-Investment Management Agreement.</p> <p>Under the terms of the Management Agreement, the AIFM is entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee is payable quarterly in arrear and is at the rate of 0.65 per cent. of the Company's Net Asset Value per annum in respect of Net Asset Value up to £250 million and 0.60 per cent. of Net Asset Value per annum in respect of Net Asset Value in excess of £250 million.</p> <p><b>Manager</b></p> <p>The AIFM has delegated portfolio management to Henderson Global Investors Limited, a subsidiary of Janus Henderson Group plc, pursuant to the Sub-Investment Management Agreement. Janus Henderson is a leading independent global asset management group with total assets under management of over US \$350 billion and more than 2,000 employees worldwide (as at 31 March 2019). Janus Henderson manages 14 investment trusts and investment companies.</p> <p><b>Administrator</b></p> <p>Pursuant to the Management Agreement, the AIFM has also been appointed to provide the day to day administration of the Company. In its capacity as administrator, it is responsible for the Company's general administrative functions, such as the calculation and publication of the Net Asset Value and</p>

		<p>maintenance of the Company's accounting records, accounting and administrative services. The AIFM has contracted with BNP Paribas Securities Services to provide accounting and administration services.</p> <p><b>Corporate secretary</b></p> <p>Henderson Secretarial Services Limited has been appointed to provide the general secretarial functions required by the Act.</p> <p><b>Sponsor</b></p> <p>Panmure Gordon has agreed to act as sponsor to the Issue.</p> <p><b>Registrar</b></p> <p>Computershare has been appointed as registrar to the Company. The Registrar is entitled to an annual fee of £12,175 for the provision of its services to the Company. The Registrar is also entitled to certain transaction fees under the Registrar Agreement.</p> <p><b>Depositary and custodian</b></p> <p>HSBC Bank plc has been appointed as the Company's depositary for the purposes of the AIFM Directive and also provides custody services to the Company. Under the terms of the Depositary Agreement, the Depositary is entitled to be paid an annual fee of £15,000 plus 0.009 per cent. of the Net Asset Value over £300 million, 0.0025 per cent. of the Net Asset Value over £350 million, 0.001 per cent. of the Net Asset Value over £850 million and 0.0005 per cent. of the Net Asset Value over £1,500 million.</p> <p>The Depositary is also entitled to receive custody fees in accordance with a specified schedule of charges.</p> <p><b>Broker</b></p> <p>Panmure Gordon has been appointed as broker to the Company.</p>
B.41	Regulatory status of investment manager and custodian	Each of the AIFM and the Manager is authorised and regulated by the FCA and, as such, is subject to its rules in the conduct of its investment business. The Depositary is authorised and regulated by the FCA and the PRA.
B.42	Calculation and publication of Net Asset Value	The Net Asset Value per Ordinary Share is calculated in Sterling on a daily basis. Such calculations are notified daily through a Regulatory Information Service and are available on the Company's website.
B.43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44	No financial statements have been made up	Not applicable. The Company has commenced operations and historical financial information is included in this document. Please see the historical key financial information at B.7.
B.45	Portfolio	<p>As at the Latest Practicable Date, the Company's portfolio comprised 71 holdings with an aggregate value of £298.2 million.</p> <p>There has been no material change in the Company's investments between the Latest Practicable Date and the date of this document.</p>

		<p>As at the Latest Practicable Date, the Company's top 25 investments, representing 52.7 per cent. of the value of the total portfolio were as follows:</p> <table border="1"> <thead> <tr> <th style="text-align: left;"><b>Company</b></th> <th style="text-align: right;"><b>Total market value %</b></th> </tr> </thead> <tbody> <tr><td>Microsoft</td><td style="text-align: right;">4.9</td></tr> <tr><td>Nestlé</td><td style="text-align: right;">3.5</td></tr> <tr><td>Coca-Cola</td><td style="text-align: right;">2.7</td></tr> <tr><td>Chevron</td><td style="text-align: right;">2.5</td></tr> <tr><td>Cisco Systems</td><td style="text-align: right;">2.5</td></tr> <tr><td>Sanofi</td><td style="text-align: right;">2.4</td></tr> <tr><td>Pfizer</td><td style="text-align: right;">2.4</td></tr> <tr><td>BASF</td><td style="text-align: right;">2.2</td></tr> <tr><td>Roche</td><td style="text-align: right;">2.1</td></tr> <tr><td>Novartis</td><td style="text-align: right;">2.1</td></tr> <tr><td>Verizon Communications</td><td style="text-align: right;">2.0</td></tr> <tr><td>AXA</td><td style="text-align: right;">1.9</td></tr> <tr><td>Taiwan Semiconductor Manufacturing</td><td style="text-align: right;">1.9</td></tr> <tr><td>ABB</td><td style="text-align: right;">1.9</td></tr> <tr><td>Tele2</td><td style="text-align: right;">1.7</td></tr> <tr><td>BNP Paribas</td><td style="text-align: right;">1.7</td></tr> <tr><td>Royal Caribbean Cruises</td><td style="text-align: right;">1.7</td></tr> <tr><td>Enel</td><td style="text-align: right;">1.7</td></tr> <tr><td>Cyrusone</td><td style="text-align: right;">1.6</td></tr> <tr><td>E.Sun</td><td style="text-align: right;">1.6</td></tr> <tr><td>Anta Sports</td><td style="text-align: right;">1.6</td></tr> <tr><td>Total</td><td style="text-align: right;">1.6</td></tr> <tr><td>HKT Trust and HKT Ltd</td><td style="text-align: right;">1.5</td></tr> <tr><td>Bawag</td><td style="text-align: right;">1.5</td></tr> <tr><td>Hasbro</td><td style="text-align: right;">1.5</td></tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>52.7</b></td> </tr> </tbody> </table>	<b>Company</b>	<b>Total market value %</b>	Microsoft	4.9	Nestlé	3.5	Coca-Cola	2.7	Chevron	2.5	Cisco Systems	2.5	Sanofi	2.4	Pfizer	2.4	BASF	2.2	Roche	2.1	Novartis	2.1	Verizon Communications	2.0	AXA	1.9	Taiwan Semiconductor Manufacturing	1.9	ABB	1.9	Tele2	1.7	BNP Paribas	1.7	Royal Caribbean Cruises	1.7	Enel	1.7	Cyrusone	1.6	E.Sun	1.6	Anta Sports	1.6	Total	1.6	HKT Trust and HKT Ltd	1.5	Bawag	1.5	Hasbro	1.5	<b>Total</b>	<b>52.7</b>
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B.46	Net Asset Value	As at the Latest Practicable Date, the Net Asset Value (cum income) per Ordinary Share (unaudited) was 160.3 pence.																																																						
<b>Section C – Securities</b>																																																								
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>																																																						
C.1	Type and class of securities	<p>The Ordinary Shares have a nominal value of 1 pence each.</p> <p>The ISIN of the Ordinary Shares is GB00B3PHCS86 and the SEDOL of the Ordinary Shares is B3PHCS8.</p> <p>The ticker for the Ordinary Shares is HINT.</p>																																																						
C.2	Currency denomination of Ordinary Shares	The Ordinary Shares are denominated in Sterling.																																																						
C.3	Details of share capital	<p>Set out below is the issued share capital of the Company as at the Latest Practicable Date:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;"><b>Nominal value (£)</b></th> <th style="text-align: right;"><b>Number</b></th> </tr> </thead> <tbody> <tr> <td>Ordinary Shares of 1 pence each</td> <td style="text-align: right;">1,792,813.06</td> <td style="text-align: right;">179,281,306</td> </tr> </tbody> </table> <p>All of the existing issued Ordinary Shares are fully paid up.</p>		<b>Nominal value (£)</b>	<b>Number</b>	Ordinary Shares of 1 pence each	1,792,813.06	179,281,306																																																
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Ordinary Shares of 1 pence each	1,792,813.06	179,281,306																																																						



C.4	Rights attaching to the Ordinary Shares	<p>The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares.</p> <p>On a winding-up or a return of capital by the Company, the net assets of the Company shall be divided <i>pro rata</i> among the holders of Ordinary Shares.</p> <p>The Ordinary Shares carry the right to receive notice of, attend and vote at general meetings of the Company.</p> <p>The consent of the holders of Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares.</p>
C.5	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Ordinary Shares, subject to compliance with applicable securities laws.
C.6	Admission	Applications will be made to the FCA and to the London Stock Exchange for all of the New Ordinary Shares to be issued pursuant to the Issue to be admitted to the premium segment of the Official List and to trading on the premium segment of the Main Market. It is expected that Admission will become effective and that dealings for normal settlement in the New Ordinary Shares will commence on 19 July 2019.
C.7.	Dividend policy	<p>The Company has adopted a progressive dividend policy, with the intention of growing the dividend from the current level. Quarterly dividends are usually paid on or around 28 February, 31 May, 31 August and 30 November in each year.</p> <p>For the year ending 31 August 2019, the Board declared a first interim dividend of 1.40p per Ordinary Share that was paid to Shareholders on 28 February 2019 and a second interim dividend of 1.40p per Ordinary Share that was paid to Shareholders on 31 May 2019. The Board declared a third interim dividend on 7 June 2019 payable to Shareholders on the Register on 12 July 2019. EIT Shareholders will not be entitled to the third interim dividend.</p> <p>In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period (except as permitted in accordance with those Regulations).</p>
<b>Section D – Risks</b>		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
D.1.	Key information on the key risks that are specific to the Company or its industry	<p>The key risk factors relating to the Company and its industry which are known to the Directors are:</p> <ul style="list-style-type: none"> <li>● The Company has no employees and is reliant on the performance of third party service providers. Failure by any service provider to carry out its obligations to the Company could have a materially detrimental effect on the Company.</li> <li>● There can be no guarantee that the investment objective of the Company will be achieved and that any dividends will be paid in respect of any financial year or period.</li> <li>● As a global portfolio, the Company's portfolio may include a small weighting to emerging markets which tend to be less stable than more established markets and can be affected by local political and economic</li> </ul>

		<p>conditions, reliability of trading systems, buying and selling practices and financial reporting standards.</p> <ul style="list-style-type: none"> <li>● Cyber security risks mean that the Company is at risk of its data being lost, manipulated or corrupted.</li> <li>● Investor returns are dependent on the performance of the portfolio which may be affected by general market conditions.</li> <li>● Changes in laws or regulations governing the Company’s operations may adversely affect the Company’s business, including through the increased expense that may be incurred in complying with such laws and regulations.</li> <li>● The departure of some or all of the Manager’s investment professionals, in particular, Ben Lofthouse, could prevent the Company from achieving its investment objective which may affect the returns to Shareholders.</li> <li>● The due diligence process that the Manager undertakes in connection with the Company’s investments may not reveal all facts that may be relevant in connection with an investment. Any failure by the Manager to identify relevant facts through the due diligence process may lead to inappropriate investment decisions, which could have a material adverse effect on the Company’s profitability, Net Asset Value and share price.</li> <li>● As the Company’s portfolio will ordinarily include only 50-80 stocks, if one of these investments declines in value, this could reduce the portfolio’s value more than if it had a larger number of investments.</li> <li>● The Company may borrow money for investment purposes, which exposes the Company to risks associated with borrowings.</li> <li>● The Company may use derivative instruments which are subject to risks including credit risk and the risk of settlement default.</li> <li>● Most of the Company’s assets are denominated in currencies other than Sterling. As a result, movements in exchange rates may affect the Sterling value of these assets favourably or unfavourably.</li> <li>● The Company may invest in fixed interest asset classes which are subject to risks including interest rate and credit risk, which may expose investors to a higher risk of loss.</li> <li>● Any change in the Company’s tax status or in taxation legislation or practice generally could affect the value of the investments held by the Company, affect the Company’s ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders.</li> <li>● A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU (“Brexit”). On 29 March 2017, the UK triggered the formal process to leave the EU. The Company may be subject to a significant period of uncertainty in the period leading up to eventual Brexit including, amongst other things, uncertainty in relation to any potential regulatory or tax change. Brexit could also create significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on the Net Asset Value and the price of the Ordinary Shares.</li> </ul>
D.3	Key information on the key risks that are specific to the Ordinary Shares	<p>The key risk factors relating to the Ordinary Shares which are known to the Directors are:</p> <ul style="list-style-type: none"> <li>● The value of the Ordinary Shares and the income derived from those shares (if any) can fluctuate and may go down as well as up. Accordingly, investors may not be able to realise the amount originally invested.</li> </ul>

		<ul style="list-style-type: none"> <li>• It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares. Shareholders may not be able to realise their investment at a time of their choosing or at all.</li> <li>• On the Proposals becoming effective, each Shareholder’s proportion of the total voting rights in the capital of the Company will be diluted.</li> </ul>
<b>Section E – Offer</b>		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
E.1	Proceeds and expenses of the Issue	<p>The New Ordinary Shares are only being issued pursuant to a proposed scheme of reconstruction and voluntary winding-up of The Establishment Investment Trust plc (“<b>EIT</b>”) under section 110 of the Insolvency act 1986 (the “<b>EIT Scheme</b>”). EIT Shareholders may elect to: (i) have their investment in EIT rolled over into the Company; (ii) have their investment in EIT rolled over into VT Garraway Asian Centric Global Growth Fund; (iii) receive cash in respect of their investment in EIT; or (iv) any combination of the above. EIT Shareholders who do not make an election under the EIT Scheme will be deemed to have elected to roll their investment into the Company. If the Proposals are implemented, the Company will acquire certain assets of EIT in consideration for the issue of New Ordinary Shares to EIT Shareholders who elect (or are deemed to elect) to receive such shares.</p> <p>The number of New Ordinary Shares to be issued pursuant to the EIT Scheme will be calculated as at the Calculation Date. The Company will announce, through a Regulatory Information Service, the number of New Ordinary Shares to be issued pursuant to the Issue as soon as practicable after the Calculation Date.</p> <p>The AIFM has agreed to contribute 18 months of management fees on the funds that roll over from EIT to the Company (the “<b>HINT Manager Contribution</b>”). The HINT Manager Contribution will be used first to defray the Company’s costs in relation to the Proposals with any balance (the “<b>HINT Manager Contribution Excess</b>”) being allocated to the HINT Rollover Pool for the benefit of those Shareholders that elect to receive New Ordinary Shares. The HINT Manager Contribution will be calculated once elections are known.</p> <p>The costs and expenses of the Proposals incurred by the Company, save for the costs of posting this document to EIT Shareholders which will be borne by EIT, will be borne by the Company. In the event that the EIT Scheme becomes effective, these costs are expected to be offset by the HINT Manager Contribution.</p> <p>On the assumption that £20 million of New Ordinary Shares are issued, the costs incurred by the Company are expected to be approximately £178,000, including VAT. The HINT Manager Contribution will be £180,000 and therefore no costs will be borne by the Company. The HINT Manager Contribution Excess will be approximately £2,000.</p> <p>The HINT Manager Contribution is calculated based on the value of the funds that roll over from EIT to the Company. Therefore, in the event that the EIT Scheme does not become effective, the costs of the Proposals will be borne by the Company.</p>
E.2a	Reasons for the Issue, use of proceeds and estimated net amount of proceeds	<p>The New Ordinary Shares are only being issued pursuant to the EIT Scheme.</p> <p>In consideration for the issue of New Ordinary Shares, the Company will acquire cash and other assets of EIT.</p>

E.3	Terms and conditions of the Issue	The Issue is conditional upon: (i) a continuation vote of EIT not being passed at the EIT AGM; (ii) the passing of the resolutions to approve the EIT Scheme at general meetings of EIT Shareholders and upon any conditions of such resolutions being fulfilled; (iii) the passing of the Resolution at the General Meeting; (iv) the FCA agreeing to amend the listing of the EIT Shares to reclassified shares for the purposes of implementing the EIT Scheme; (v) admission of the New Ordinary Shares to the Official List with a premium listing and to the Main Market; and (vi) the directors of EIT resolving to proceed with the EIT Scheme.
E.4	Material interests	Not applicable. There are no interests that are material to the Issue and no conflicting interests.
E.5	Name of person selling securities	Not applicable. No person or entity is offering to sell Ordinary Shares as part of the Issue.
E.6	Dilution	<p>On the Proposals becoming effective, each Shareholder's proportion of the total voting rights in the capital of the Company will be diluted. The number of New Ordinary Shares to be issued pursuant to the Issue will not be known until the Calculation Date.</p> <p>There is not expected to be any dilution to Shareholders' economic interests in the Company as a result of the EIT Scheme.</p>
E.7	Estimated expenses charged to the investor by the issuer	<p>The AIFM has agreed to contribute 18 months of management fees on the funds that roll over from EIT to the Company (the "<b>HINT Manager Contribution</b>"). The HINT Manager Contribution will be used first to defray the Company's costs in relation to the Proposals with any balance (the "<b>HINT Manager Contribution Excess</b>") being allocated to the HINT Rollover Pool for the benefit of those Shareholders that elect to receive New Ordinary Shares. The HINT Manager Contribution will be calculated once elections are known.</p> <p>The costs and expenses of the Proposals incurred by the Company, save for the costs of posting this document to EIT Shareholders which will be borne by EIT, will be borne by the Company. In the event that the EIT Scheme becomes effective, these costs are expected to be offset by the HINT Manager Contribution.</p> <p>On the assumption that £20 million of New Ordinary Shares are issued, the costs incurred by the Company are expected to be approximately £178,000, including VAT. The HINT Manager Contribution will be £180,000 and therefore no costs will be borne by the Company. The HINT Manager Contribution Excess will be approximately £2,000.</p> <p>The HINT Manager Contribution is calculated based on the value of the funds that roll over from EIT to the Company. Therefore, in the event that the EIT Scheme does not become effective, the costs of the Proposals will be borne by the Company.</p>

## RISK FACTORS

Investment in the Company should not be regarded as short-term in nature and involves a high degree of risk. Accordingly, investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including, in particular, the risks described below.

The Directors believe that the risks described below are the material risks relating to the Ordinary Shares at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this document, may also have an adverse effect on the performance of the Company and the value of the Ordinary Shares. Investors should review this document carefully and in its entirety and consult with their professional advisers before making an application to participate in the Issue.

The past performance of the Company and of investments which are referred to in this document are for information or illustrative purposes only and should not be interpreted as an indication, or as a guarantee, of future performance.

### 1. Risks relating to the Company and its investment strategy

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

The Company may not achieve its investment objective. Meeting that objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company's investment objective includes the aim of providing Shareholders with a growing total annual dividend. There is no guarantee that any dividends will be paid in respect of any financial year or period. The ability to pay dividends is dependent on a number of factors including the level of dividends earned from the portfolio and the net revenue profits available for that purpose. Income returns from the portfolio will be dependent, among other things, upon the Company successfully pursuing its investment policy. The success of the Company will depend on the Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Manager to apply its investment processes in a way which is capable of identifying suitable investments for the Company to invest in. There can be no assurance that the Manager will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

An investor may not get back the amount originally invested. The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

#### *The effects of normal market fluctuations may impact the Company's business, operating results or financial condition*

These are factors which are outside the Company's control and which may affect the volatility of underlying asset values and the liquidity and the value of the Company's portfolio. Changes in economic conditions outside the UK where the Company predominantly invests (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events and other factors) could substantially and adversely affect the Company's prospects.

Market conditions have significantly deteriorated over recent years as compared to prior periods. Global financial markets have experienced considerable declines and volatility in valuations, an acute contraction in the availability of credit and the failure of a number of leading financial institutions. As a result, certain government bodies and central banks worldwide have undertaken intervention programmes, the effects of which remain uncertain. These macroeconomic developments could negatively affect the price of the Shares and the returns achievable by the Company, which could prejudice the Company's ability to generate returns for Shareholders.

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

The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive function. In particular, the AIFM, the Manager, the Depositary and the Registrar will be performing services which are integral to the operation of the Company. Failure by any

service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

The past performance of other investments managed or advised by the Manager or the Manager's investment professionals cannot be relied upon as an indicator of the future performance of the Company.

***Cyber security risks mean that the Company is at risk of its data being lost, manipulated or corrupted***

The Company is at risk of possible loss or manipulation of its records, accounting and administrative data. Disruption to the Manager's accounting, dealing or payment systems or the custodian's records could disrupt the accurate monitoring and reporting of the Company's financial position. The Company is also exposed to the operational risk that one or more of its service providers may not provide the required level of service as a result of cyber attacks. Any such disruption may result in reputational loss to the Company and/or result in the Company incurring significant expense which may have a material adverse effect on its Net Asset Value per Ordinary Share.

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

Investors contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the portfolio. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment in the New Ordinary Shares.

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the amount of distributions, dividends or interest paid by companies in the portfolio, changes in the Company's operating expenses and the operating expenses of the AIFM and/or the Manager, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Ordinary Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

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

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies. The Company must comply with the Listing Rules for premium listed equity securities, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation and, so far as the Company is aware as at the date of this document, the Company complies with such rules and regulations. Any failure to comply with any future changes to the Listing Rules may result in the Ordinary Shares being suspended from listing.

Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment policy and on the value of the Company and the Ordinary Shares. In such event, the investment returns of the Company may be materially adversely affected.

***Risks relating to the UK's proposed exit from the European Union***

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU ("**Brexit**"). On 29 March 2017, the UK triggered the formal process to leave the EU. 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 EU following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. The Company may be subject to a significant period of uncertainty in the period leading up to eventual Brexit including, amongst other things, uncertainty in relation to any potential regulatory or tax change. In addition, the macroeconomic effect of an eventual Brexit on the value of the Company's investment portfolio, is unknown. Brexit could also create significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on the Net Asset Value and the market price of the Ordinary Shares. As such, it is not possible to state the impact that Brexit will have on the Company and its investments at this stage. Brexit may also make it more difficult for the Company to raise capital in the EU and/or increase the

regulatory compliance burden on the Company. This could restrict the Company's future activities and thereby negatively affect returns.

### ***Currency risk***

Most of the Company's assets are denominated in currencies other than Sterling. As a result, movements in exchange rates may affect the Sterling value of these assets favourably or unfavourably. There can be no assurances or guarantees that the Company will successfully hedge against such risks or that adequate hedging arrangements will be available on an economically viable basis. Hedging arrangements may result in additional costs being incurred or losses being greater than if hedging had not been used.

### ***Borrowing risk***

The Company may use borrowings to seek to enhance investment returns. While the use of borrowings 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 borrowing, it will have the opposite effect where the return on the Company's underlying assets is rising at a lower rate than the cost of borrowing or falling, further reducing the total return on the Ordinary Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Ordinary Share.

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

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

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

There is no guarantee that any borrowings of the Company will be refinanced on their maturity either on terms that are acceptable to the Company or at all.

The Company has entered into an overdraft facility whereby the Company may borrow up to the lesser of £30,000,000 or 25 per cent. of assets held by the custodian. The Company has charged its assets in favour of the lender. In the event that the lender was entitled to call on the security it would have, amongst its other remedies, the opportunity to sell assets of the Company to pay off amounts owing to it and this may adversely affect the Net Asset Value if such assets were sold at an undervalue.

The Company has issued €30 million 2.43% senior unsecured notes due 29 April 2044 pursuant to the Note Purchase Agreement. The Note Purchase Agreement contains certain covenants, a breach of which would lead to a default on the Notes. The Company must continue to operate within these financial covenants to avoid default. In the event that the Company breaches any of these financial covenants, the Company may be required to repay the Notes early and, as a consequence, may be forced to sell assets in order to fund such early repayment, potentially at less than market value.

## **2. Risks relating to the AIFM and the Manager**

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

The Company depends on the diligence, skill, judgment and business contacts of the Manager's investment professionals, in particular, Ben Lofthouse, and the information and deal flow they generate during the normal course of their activities. The Company's future success depends on the continued service of these individuals, who are not obligated to remain employed with the Manager, and the Manager's ability to strategically recruit, retain and motivate new talented personnel. However, the Manager may not be successful in its efforts to recruit, retain and motivate suitable personnel as the market for qualified investment professionals is extremely competitive.

***There can be no assurance that the Directors will be able to find a replacement if the AIFM resigns and terminates the appointment of the Manager***

Under the terms of the Management Agreement, the AIFM may resign by giving not less than 6 months' written notice. The AIFM is also entitled to terminate the appointment of the Manager at any time, pursuant to the Sub-Investment Management Agreement. The Directors would, in these circumstances, have to find a replacement alternative investment fund manager and manager for the Company and there can be no assurance that such a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company. In this event, the Directors would have to formulate and put forward to Shareholders proposals for the future of the Company, which may include its merger with another investment company, reconstruction or winding-up.

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

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

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

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

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

### **3. Risks relating to the Company's portfolio**

***Reliance on the Manager's due diligence processes***

Before making investments, the Manager conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity.

Any failure by the Manager to identify relevant facts through its due diligence process may lead to inappropriate investment decisions, which could have a material adverse effect on the Company's profitability, Net Asset Value and share price.

***Concentration risk***

As the Company's portfolio will ordinarily include only 50-80 stocks, if one of these investments declines in value, this could reduce the portfolio's value to a greater extent than if it had a larger number of investments.

***Derivative instruments***

The Company may make use of derivative instruments, such as options, financial futures and contracts for difference, for the purposes of efficient portfolio management and hedging as well as income enhancing strategies and for the management of risk within limits set by the Directors. The use of derivatives gives rise to a number of specific potential risks. Derivative instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract or the underlying securities may result in a profit or



loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses.

Furthermore, the use of derivative instruments involves certain special risks for a company, including:

- (i) dependence on movements in the price of underlying securities and movements in interest rates;
- (ii) when used for hedging purposes, an imperfect correlation between the returns on the derivative instruments used for hedging and the returns on the investments or market sectors being hedged; and
- (iii) credit exposure to the counterparty with whom it trades.

Counterparty risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

#### ***Fixed interest (including secured loans)***

The Company may invest up to 25 per cent. of Gross Assets in fixed interest securities. A wide range of factors could adversely affect the ability of counterparties to make interest or other payments on those fixed interest securities. These factors include adverse changes in the financial conditions of those borrowers, or the industries or regions in which they operate; systemic risk in the financial system; changes in law and taxation; a downturn in general economic conditions; changes in interest rates, governmental regulations or other policies; and natural disasters, terrorism, social unrest and civil disturbances.

In the event of any default on the Company's investments by a counterparty, the Company will bear a risk of loss of principal and accrued interest of the investment, which could have a material adverse effect on the Company's income and potential to pay dividends to Shareholders. In the case of secured loans, foreclosure can be an expensive and lengthy process which could have a material negative effect on the Company's anticipated return on the foreclosed loan. The level of defaults in the portfolio and the losses suffered on such defaults will vary depending on credit market conditions.

Changes in interest rates may affect the level of the Company's net income as well as its ability to acquire loans and investments, the secondary market value of its investments and its ability to realise gains from settlement of such investments.

In the event of a significant rising interest rate environment and/or economic downturn, loan defaults may increase and result in losses that would adversely affect the Company's operating results. In the event of a general rise in interest rates, the value of certain investments that may be contained in the Company's investment portfolio in the future may fall. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political conditions, and other factors beyond the Company's control.

#### ***Benchmark***

The Company measures its performance against the MSCI World ex UK Index (Sterling adjusted). As the Company's portfolio of assets reflects the Manager's convictions and the need to provide Shareholders with a growing total annual dividend, the Manager does not seek to replicate this index in constructing the portfolio. The portfolio may, therefore, diverge substantially from the constituents of this index.

#### ***Emerging markets***

As a global portfolio, the Company's portfolio may include a small weighting to emerging markets which tend to be less stable than more established markets and can be affected by local political and economic conditions, reliability of trading systems, buying and selling practices and financial reporting standards.

## **4. Risks relating to taxation**

### ***Investment trust status***

The Directors seek to conduct the affairs of the Company so as to satisfy the conditions of approval as an investment trust. Any change in the Company's tax status or in taxation legislation generally could affect the value of the investments held by the Company, affect the Company's ability to provide returns to

Shareholders, lead the Company to lose its exemption from tax on chargeable gains or alter the post-tax returns to Shareholders. It is not possible to guarantee that the Company will remain non-close, which is a requirement in order to maintain status as an investment trust, as the Ordinary Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for approval as an investment trust, will, as soon as reasonably practicable, notify Shareholders of this fact.

#### ***Risks associated with changes in taxation legislation or practice***

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company. Investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company. Statements in this document concerning the taxation of investors or prospective investors in Ordinary Shares are general in nature and do not constitute tax advice. They are based upon current tax law and practice, each of which is in principle subject to change. The value of particular tax reliefs and allowances, if available, will depend on each individual Shareholder's circumstances. This document is not a substitute for independent tax advice.

### **5. Risks relating to the Ordinary Shares**

#### ***General risks affecting the Ordinary Shares***

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.

The market price of the Ordinary Shares, like shares in all investment companies, may fluctuate independently of their underlying net asset value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of an Ordinary Share may vary considerably from its NAV.

#### ***It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares***

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. The market price of the Ordinary Shares may not reflect their underlying Net Asset Value.

While the Directors retain the right to effect repurchases of Ordinary Shares in the manner described in this document, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors to so act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Ordinary Shares on the market. There can be no guarantee that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

### **6. Risks relating to the Proposals**

Implementation of the Proposals is subject to a number of conditions, details of which are set out in Part 3 of this document, and there is no certainty that the Proposals will become effective. In the event that the Proposals do not become effective, the Company will not acquire assets of EIT and will be required to meet costs of approximately £32,000, including VAT.

New Ordinary Shares will be issued to EIT Shareholders who elect (or are deemed to elect) to receive such shares on the basis of the respective net asset values per share of each company, further details of which are set out in the section entitled "New Ordinary Shares to be issued" in Part 3 of this document. The HINT FAV per Share and the Residual Net Asset Value per EIT Share may be lower or higher than the illustrative figures used in this document.

On the Proposals becoming effective, each Shareholder's proportion of the total voting rights in the capital of the Company will be diluted.

## IMPORTANT NOTICES

### **General**

No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of New Ordinary Shares other than those contained in this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of New Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document is received are required to inform themselves about and to observe such restrictions.

Prospective investors should not treat the contents of this document 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 election to acquire, holding, transfer, redemption, or other disposal of New Ordinary Shares; (b) any foreign exchange restrictions applicable to the election to acquire, holding, transfer, redemption or other disposal of New Ordinary Shares which they might encounter; and (c) the tax consequences which may apply in their own countries as a result of the election to acquire, holding, transfer or other disposal of New Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

### **Presentation of information**

#### ***Market, economic and industry data***

Market, economic and industry data used throughout this document is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### ***Currency presentation***

Unless otherwise indicated, all references in this document to “**Sterling**”, “**Pounds Sterling**”, “**£**” or “**pence**” are to the lawful currency of the UK and references in this document to “**Euro**”, “**Euros**” or “**€**” are to the lawful currency of the member states of the European Union that have adopted and retained a common single currency through monetary union in accordance with European Union treaty law, as amended from time to time.

#### ***Definitions***

A list of defined terms used in this document is set out at pages 67 to 71 of this document.

#### ***Past performance***

Past performance is not necessarily indicative of future results, and there can be no assurance that the Company or its portfolio will achieve comparable results to those presented in this document, that the Company or the Manager will be able to implement their investment strategies or achieve the Company’s investment objective or that the returns generated by any investments by the Company will equal or exceed any past returns presented herein.

### **Investment considerations**

The contents of this document are not to be construed as advice relating to legal, financial, taxation, investment or any other matters. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the subscription for, purchase, holding, transfer or other disposal of New Ordinary Shares;
- any foreign exchange restrictions applicable to the subscription for, purchase, holding, transfer or other disposal of New Ordinary Shares which they might encounter; and

- the income and other tax consequences which may apply in their own countries as a result of the subscription for, purchase, holding, transfer or other disposal of New Ordinary Shares.

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

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

This document should be read in its entirety before making any investment in the New Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles, which investors should review.

Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the AIFM, the Manager, the Depositary, Panmure Gordon or any of their respective affiliates, officers, directors, members, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules, neither the delivery of this document nor any subscription for or purchase of New Ordinary Shares made pursuant to the Issue shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document, or that the information contained herein is correct as at any time subsequent to the date of this document.

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

Statements made in this document are based on the law and practice in force in England and Wales as at the date of this document and are subject to changes therein.

### **Website**

The contents of the following website [www.hendersoninternationalincometrust.com](http://www.hendersoninternationalincometrust.com) do not form part of this document. Investors should base their decision whether or not to invest in the New Ordinary Shares on the contents of this document alone.

### **Data protection**

The information that a prospective investor in the Company provides in documents in relation to a subscription for New Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with (a) the relevant data protection legislation and regulatory requirements of the United Kingdom ("**Data Protection Legislation**"); and (b) Janus Henderson's privacy notice, a copy of which is available for review on the following website: [www.janushenderson.com/ukpi/content/privacy-policy-emea](http://www.janushenderson.com/ukpi/content/privacy-policy-emea) (and, if applicable, any other third party delegate's privacy notice) ("**Privacy Notice**").

Without limiting the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) and in accordance with the Privacy Notice for the purposes set out therein including:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;

- contacting the prospective investor with information about other products and services provided by the Manager, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each prospective investor acknowledges and consents that where appropriate it may be necessary for the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) to:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to provide services to prospective investors; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors in the United Kingdom (as applicable).

The foregoing processing of personal data is required in order to perform the contract with the prospective investor to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that such transfer is in accordance with Data Protection Legislation.

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

Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Privacy Notice.

### **Regulatory information**

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of New Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document is received are required to inform themselves about and to observe such restrictions.

### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: the market price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do

not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

### **Non-mainstream pooled investments status and MiFID II**

As the Company is an investment trust, the New Ordinary Shares will be “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the New Ordinary Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments. The Company intends to conduct its affairs so that its Ordinary Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under MiFID II. The Directors consider that the requirements of Article 57 of the MiFID II delegated regulation of 25 April 2016 will be met in relation to the New Ordinary Shares and that, accordingly, the New Ordinary Shares should be considered “non-complex” for the purposes of MiFID II.

### **Key information document**

In accordance with the PRIIPs Regulation, a key information document prepared in relation to the Company’s Ordinary Shares, including the New Ordinary Shares to be issued pursuant to the Issue, is available on the Company’s website: [www.hendersoninternationalincometrust.com](http://www.hendersoninternationalincometrust.com). It is the responsibility of each distributor of New Ordinary Shares to ensure that its “retail clients” are provided with a copy of the key information document.

The AIFM is the manufacturer of the New Ordinary Shares for the purposes of the PRIIPs Regulation and Panmure Gordon is not a manufacturer for these purposes. Panmure Gordon does not make any representation, express or implied, or accept any responsibility whatsoever for the contents of the key information document prepared by the AIFM in relation to the Company’s Ordinary Shares nor accepts any responsibility to update the contents of the key information document in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide such key information document to future distributors of New Ordinary Shares. Panmure Gordon and its affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the key information documents prepared by the AIFM.

### **Notice to prospective investors in the European Economic Area**

In relation to Relevant Member States other than the UK, an offer to the public of the Ordinary Shares may only be made once a prospectus has been passported in accordance with the Prospectus Directive as implemented by the Relevant Member State. This document has not been passported into any Relevant Member State; therefore, an offer of the Ordinary Shares to the public in a Relevant Member State other than the UK may only be made pursuant to the following exemption under the Prospectus Directive, if it has been implemented in that Relevant Member State:

- to any legal entity which is a “**qualified investor**” as defined in the Prospectus Directive;
- to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

For the purposes of this provision, the expression an “**offer to the public**” in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an

investor to decide to purchase or subscribe for Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU) (the “**2010 PD Amending Directive**”) to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

Further, the AIFM has only made applications and received approval for the marketing of the Ordinary Shares to “professional investors” (as defined in the AIFM Directive) in the United Kingdom and Eire and not in any other Relevant Member State. Notwithstanding any other statement in this document, this document should not be made available to any investor domiciled in any EEA State other than the UK. EIT Shareholders domiciled in the EEA that have received this document in any EEA State other than the United Kingdom should not make an election for the New Ordinary Shares pursuant to the EIT Scheme. The New Ordinary Shares may not be offered, sold or delivered and neither this document nor any other offering materials relating to the New Ordinary Shares may be distributed or made available to retail investors in any EEA State other than the United Kingdom.

#### **For the attention of prospective investors in the United States**

Persons receiving this document may not distribute or send it to any US Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the US Investment Company Act and the offer, issue and sale of the New Ordinary 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. Accordingly, the New Ordinary Shares are being offered and sold outside the United States to non-US Persons in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S thereunder. The New Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any US Person. The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any states securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the issue of the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and the offer or re- sale of any of the New Ordinary Shares in the United States may constitute a violation of US law.

#### **Forward-looking statements**

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

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligation to update or revise any forward-looking statement contained herein to reflect changes in expectations with regard thereto or any change in events, conditions, or circumstances on which any statement is based, unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 6 of Part 5 of this document.

## EXPECTED TIMETABLE

2019

Latest time and date for receipt of elections from EIT Shareholders	1.00 p.m. on 8 July
Record date for the EIT Scheme	close of business on 8 July
Annual general meeting of EIT	12.00 noon on 10 July
First general meeting of EIT	12.05 p.m. on 10 July <sup>(1)</sup>
<b>General Meeting of the Company</b>	<b>2.30 p.m. on 10 July</b>
Calculation Date	11.59 p.m. on 12 July
Publication of HINT FAV per Share and Residual Net Asset Value per EIT Share	17 July
Second general meeting of EIT	10.00 a.m. on 18 July
<b>Effective Date for the EIT Scheme</b>	<b>18 July</b>
CREST accounts credited to EIT Shareholders in respect of New Ordinary Shares in uncertificated form	19 July
Admission and dealings in New Ordinary Shares commence	8.00 a.m. on 19 July
Certificates despatched by post in respect of New Ordinary Shares issued in certificated form	week commencing 22 July
Cancellation of the listing of EIT Shares	as soon as practicable after the Effective Date

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### Notes:

- (1) Or as soon thereafter as the immediately preceding annual general meeting shall have been concluded or adjourned.
- (2) The times and dates set out in the expected timetable of events above and mentioned throughout this document may be adjusted by the Company, in which event details of the new times and dates will be notified, as requested, to the Financial Conduct Authority, the London Stock Exchange and, where appropriate, Shareholders.
- (3) All references to times in this document are to UK time.

## DEALING CODES

ISIN – Ordinary Shares	GB00B3PHCS86
SEDOL – Ordinary Shares	B3PHCS8
Ticker – Ordinary Shares	HINT



## DIRECTORS, MANAGER AND ADVISERS

<b>Directors</b>	Simon Jeffreys ( <i>Non-Executive Chairman</i> ) William (Bill) Eason ( <i>Non-Executive Director</i> ) Richard Hills ( <i>Non-Executive Director</i> ) Aidan Lissner ( <i>Non-Executive Director</i> ) Katarzyna (Kasia) Robinski ( <i>Non-Executive Director</i> )  <i>All of the registered office below and all of whom are independent.</i>
<b>Registered office</b>	201 Bishopsgate London EC2M 3AE Telephone: +44 (0) 20 7818 1818
<b>Corporate secretary</b>	Henderson Secretarial Services Limited 201 Bishopsgate London EC2M 3AE
<b>AIFM</b>	Henderson Investment Funds Limited 201 Bishopsgate London EC2M 3AE
<b>Manager</b>	Henderson Global Investors Limited 201 Bishopsgate London EC2M 3AE
<b>Sponsor and broker</b>	Panmure Gordon (UK) Limited 1 New Change London EC4M 9AF
<b>Legal adviser to the Company</b>	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
<b>Depositary and custodian</b>	HSBC Bank plc 8 Canada Square London E14 5HQ
<b>Auditors</b>	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
<b>Registrar</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ

## PART 1

### INFORMATION ON THE ISSUE AND THE COMPANY

#### 1. The Issue and the EIT Scheme

On 12 April 2019, the Company announced that it had agreed heads of terms for the Company to be the default rollover option on the liquidation of The Establishment Investment Trust plc (“EIT”), to be effected by way of a scheme of reconstruction and winding-up of EIT under section 110 of the Insolvency Act 1986 (the “EIT Scheme”)

EIT is a UK-domiciled investment trust with a net asset value as at 31 May 2019 of approximately £43.7 million and a market capitalisation as at that date of approximately £41.0 million.

The Proposals involve the acquisition by the Company of certain assets (including cash) from EIT in consideration for the issue to EIT Shareholders who elect (or are deemed to elect) to receive new fully paid Ordinary Shares in the capital of the Company pursuant to the EIT Scheme. Further details of the EIT Scheme are set out in Part 3 of this document.

The Company is publishing this document in connection with the issue of the New Ordinary Shares pursuant to the EIT Scheme and their Admission.

#### 2. Investment objective and policy

##### *Investment objective*

The Company seeks to provide Shareholders with a growing total annual dividend, as well as capital appreciation.

##### *Investment policy*

The Company invests in a focused and internationally diversified portfolio of 50-80 companies that are either listed in, registered in, or whose principal business is in countries that are outside the UK and is made up of shares (equity securities) and fixed interest asset classes that are diversified by factors such as geography, industry and investment size. A maximum of 25 per cent. of Gross Assets may be invested in fixed interest securities. The Company does not hold investments in unlisted companies unless it is through subsequent delisting of a listed security.

Investment in any single company (including any derivative instruments) will not, in gross terms, exceed 5 per cent. of net assets at the time of investment and no more than 15 per cent. of Gross Assets may be invested in other listed investment companies (including investment trusts) or collective investment schemes. No more than 10 per cent. of Gross Assets may be invested in companies that themselves invest more than 15 per cent. of their gross assets in UK listed investment companies or collective investment schemes.

The Company may use financial instruments known as derivatives for the purpose of efficient portfolio management, for investment purposes or to generate additional income while maintaining a level of risk consistent with the risk profile of the Company. The Company may hedge exposure to foreign currencies up to a maximum of 20 per cent. of Gross Assets and may generate up to a maximum of 20 per cent. of gross income through investment in traded options.

The Company can borrow to make additional investments with the aim of achieving a return that is greater than the cost of borrowing. The Company’s articles of association allow borrowings up to 100 per cent. of Net Asset Value. In normal circumstances, the Manager may only utilise gearing up to 25 per cent. of net assets at the time of drawdown or investment (as appropriate) in accordance with the Board’s policy and for these purposes “gearing” includes implied gearing through the use of derivatives.

##### *Benchmark*

The Company measures its performance against the MSCI World ex UK Index (Sterling adjusted). The Manager does not seek to replicate this index in constructing the portfolio.

In the event of a breach of the investment policy set out above and the investment and gearing restrictions set out therein, the Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

### 3. Market outlook

It is not an easy environment for investors. Interest rates remain low in most major developed economies, and, whilst current economic data suggests continuing, albeit moderate, economic growth, Brexit and political developments both close to home and further afield threaten major changes to trading relationships and economic alliances. However, the Company has a very flexible mandate, allowing it to change sector, geographic and even asset exposure in response to changes in the environment.

In the meantime, the Manager is of the opinion that well-positioned, cash-generating companies with good dividend yields will remain attractive to investors seeking growing income streams and the potential for capital growth. Timing market movements in the short term is a notoriously difficult process but, for patient investors with longer time investment horizons, periods of uncertainty often provide good investment opportunities. The Manager believes this could be one of those times and has taken advantage of the collapse in bond yields to secure low financing rates, significantly below the dividends yields offered by the Company's portfolio.

### 4. Investment portfolio and performance

As at the Latest Practicable Date, the Company had unaudited net assets of £287.4 million, the Net Asset Value (cum income) per Ordinary Share (unaudited) was 160.3 pence and the Company's market capitalisation was £286.0 million.

The following table sets out the Ordinary Share price and total return performance for the periods of one year, three years, five years and since launch in 2011 to 30 April 2019:

Performance over	Since launch* (%)	5y (%)	3y (%)	1y (%)
Ordinary Share price (total return)	112.5	73.1	52.0	6.6
Net Asset Value (total return)	119.0	67.7	43.3	5.2

\* The Company launched on 28 April 2011.

Source: Morningstar

As at the Latest Practicable Date, over the last 12 months, the Ordinary Shares have traded at an average premium of 0.6 per cent., as compared to an average discount for the AIC Global Equity Income sector of -0.4 per cent. The Company had Ongoing Charges of 0.83 per cent. for the year ended 31 August 2018 and, as at 30 April 2019, the portfolio yield was 4.1 per cent. Between inception and 28 February 2019, the compound annual growth rate in the dividends per Ordinary Share was 4.8 per cent.

As at the Latest Practicable Date, the Company's portfolio comprised 71 holdings with an aggregate value of £298.2 million.

There has been no material change in the Company's investments between the Latest Practicable Date and the date of this document.

As at the Latest Practicable Date, the Company's top 25 investments, representing 52.7 per cent. of the value of the total portfolio were as follows:

<b>Company</b>	<b>Percentage of portfolio (%)</b>
Microsoft	4.9
Nestlé	3.5
Coca-Cola	2.7
Chevron	2.5
Cisco Systems	2.5
Sanofi	2.4
Pfizer	2.4
BASF	2.2
Roche	2.1
Novartis	2.1
Verizon Communications	2.0
AXA	1.9
Taiwan Semiconductor Manufacturing	1.9
ABB	1.9
Tele2	1.7
BNP Paribas	1.7
Royal Caribbean Cruises	1.7
Enel	1.7
Cyrusone	1.6
E.Sun	1.6
Anta Sports	1.6
Total	1.6
HKT Trust and HKT Ltd	1.5
Bawag	1.5
Hasbro	1.5
<b>Total</b>	<b>52.7</b>

*Source: Unaudited management accounts.*

As at the close of business on the Latest Practicable Date, the Company's portfolio by sector was as follows:

<b>Sector</b>	<b>Percentage of portfolio (%)</b>
Financials	19.3
Consumer Goods	15.3
Technology	11.9
Health Care	10.2
Telecommunications	8.8
Oil & Gas	8.7
Industrials	7.9
Basic Materials	6.6
Real Estate	4.9
Consumer Services	3.4
Utilities	3.0
<b>Total</b>	<b>100.0</b>

*Source: Unaudited management accounts.*

As at the close of business on the Latest Practicable Date, the Company's portfolio by geographical location was as follows:

Country	Percentage of portfolio (%)
US	31.1
France	12.2
Switzerland	9.5
China	6.2
Germany	6.2
Denmark	4.9
Canada	3.9
Italy	3.8
Australia	3.7
Taiwan	3.5
Sweden	2.7
Korea	2.3
Singapore	2.2
Finland	1.9
Austria	1.5
Hong Kong	1.5
New Zealand	1.1
Thailand	1.1
Spain	0.7
<b>Total</b>	<b>100.0</b>

Source: Unaudited management accounts

## 5. Borrowings

Where the Manager believes that gearing will enhance returns to Shareholders, the Company may borrow up to 25 per cent. of its gross assets at the time of drawdown or investment (as appropriate). Borrowings for these purposes would include implied gearing through the use of derivatives. On 30 April 2019, the Company issued €30 million 2.43% unsecured notes due 29 April 2044 pursuant to the Note Purchase Agreement. In addition, the Company currently has an overdraft facility agreement whereby it may borrow up to the lesser of £30,000,000 or 25 per cent. of assets held by the custodian pursuant to the Facility Agreement. As at the Latest Practicable Date, the amount drawn down under this agreement was nil. Further details of the Facility Agreement and the Note Purchase Agreement are set out in paragraphs 6.2 and 6.6 of Part 7 of this document.

## 6. Dividend policy

The Company has adopted a progressive dividend policy, with the intention of growing the dividend from the current level. Quarterly dividends are usually paid on or around 28 February, 31 May, 31 August and 30 November in each year. For the year ending 31 August 2019, the Board declared a first interim dividend of 1.40p per Ordinary Share that was paid to Shareholders on 28 February 2019 and a second interim dividend of 1.40p per Ordinary Share that was paid to Shareholders on 31 May 2019. The Board declared a third interim dividend on 7 June 2019 payable to Shareholders on the Register on 12 July 2019. EIT Shareholders will not be entitled to the third interim dividend.

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

## 7. Discount management

The shares of investment trusts can trade at a discount to the underlying net asset value per share. The Board's aims are to minimise the discount at which the Ordinary Shares trade relative to the Net Asset Value per Ordinary Share as well as to reduce volatility and increase liquidity in the Ordinary Shares. In seeking to achieve these aims, the Board is of the view that it is appropriate to maintain flexibility. At

present, the Board does not operate a fixed discount management policy but will consider further issuances and buybacks of Ordinary Shares in certain circumstances. In exercising its powers to repurchase Ordinary Shares, the Board will take into account the overall impact on the Company's portfolio, the pricing of other trusts and overall market conditions.

At the 2018 AGM, Shareholders gave the Board authority to buy back up to 26,619,437 Ordinary Shares. Ordinary Shares will only be repurchased at a discount to the Net Asset Value per Ordinary Share. Repurchased shares will be cancelled or may alternatively be held in treasury. Ordinary Shares may only be re-issued from treasury at a price which represents not less than the Net Asset Value per Ordinary Share at the relevant time.

All share repurchases will be conducted in accordance with the Act, the Market Abuse Regulation, the Listing Rules and the Disclosure Guidance and Transparency Rules applicable from time to time and will be announced to the market through a Regulatory Information Service on the same or the following day.

The exercise by the Directors of the Company's powers to repurchase Ordinary Shares and the timing and structure of any such purchases is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion.

## **8. Life of the Company**

The Articles require that at every third annual general meeting of the Company, an ordinary resolution be put to Shareholders asking them to approve the continuation of the Company. The next such resolution will be proposed at the AGM to be held in 2020.

## **9. Further issues of shares**

Shareholder resolutions were passed at the 2018 AGM of the Company granting the Directors authority to allot equity securities in the Company up to an aggregate nominal amount of £177,581 on a non-pre-emptive basis, such authority to lapse at the AGM to be held in 2019.

While the Directors intend to allot New Ordinary Shares under the Proposals, the existing authority to allot Ordinary Shares referred to above does not take into account the maximum allotment of the New Ordinary Shares pursuant to the EIT Scheme. Shareholders are therefore being asked to authorise the Directors to allot up to 28 million New Ordinary Shares, having an aggregate nominal value of £280,000, which represents approximately 15.6 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at the date of this document, in connection with the EIT Scheme (the "**Resolution**").

## **10. Profile of typical investor**

The New Ordinary Shares are designed to be suitable for institutional investors and professionally-advised private investors seeking exposure to an internationally diversified portfolio of securities outside the UK. The New Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors, provided that they are capable of evaluating the risks and merits of such an investment and have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before making an election under the EIT Scheme for New Ordinary Shares.

## **11. Net Asset Value publication**

The unaudited Net Asset Value per Ordinary Share is calculated in Sterling by BNP Paribas Securities Services on a daily basis, as described below. Such calculations are notified daily, on a cum income and ex-income basis, through a Regulatory Information Service and are available through the Company's website.

The Net Asset Value will be the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with the Association of Investment Companies' valuation guidelines and in accordance with applicable accounting standards. Publicly traded securities are valued by reference to their bid prices on the relevant exchange and derivatives are measured at fair values based on market prices or at valuations based on market prices on a daily basis.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case, or generally, they may adopt such other valuation procedures as they consider reasonable in the circumstances.

The Directors may temporarily suspend the calculation of Net Asset Value during a period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility or

power of the Board, disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business is not reasonably practicable without this being materially detrimental to the interests of Shareholders or if, in the opinion of the Board: the Net Asset Value cannot be fairly calculated; or there is a breakdown of the means of communication normally employed in determining the calculation of Net Asset Value; or it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis. Any suspension in the calculation of the Net Asset Value will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

## **12. Reports to Shareholders**

The annual report and financial statements of the Company are made up to 31 August in each year. The Company also publishes unaudited half-yearly results covering the six months to the end of February in each year.

## **13. Electronic communications**

The Company has the right to offer Shareholders the opportunity to have documents and information made available to them through the Company's website and in electronic form.

## **14. Taxation**

Prospective investors are referred to Part 6 of this document for details of the taxation of the Company and of Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers.

## **15. Risk factors**

The Company's business is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled "Risk Factors" on pages 13 to 18 of this document.

## PART 2

### INVESTMENT STRATEGY AND PROCESS

#### 1. Fund manager

Ben Lofthouse is the fund manager responsible for the management of the Company's portfolio and he is supported by the wider Janus Henderson Global Equity Income team. The team, headed by Ben, consists of 14 highly experienced investment professionals with average industry experience of 23 years and a strong income heritage. Ben also leverages the experience of Janus Henderson's regional equity teams and is able to access the ideas and research generated by these experienced equity portfolio managers as well as Janus Henderson's credit and property specialists.

Ben's biography is in Part 4 of this document.

#### 2. Investment philosophy

The Manager believes that, over the long run, a portfolio of above-average yielding companies with the ability to grow their dividends will outperform the wider market.

The Manager seeks to achieve the Company's investment objective by investing in a diversified global portfolio consisting of predominantly listed equities, whilst also having the flexibility to invest in fixed interest asset classes (including investment grade bonds, high yield corporate bonds and secured loans). The Company's portfolio is diversified by factors such as geography, industry sub-sector and investment size. The Company does not invest in issuers whose securities are, at the time of investment, listed only in the UK.

Over time, a significant proportion of equity returns are derived from dividend yield and dividend growth, with total returns being enhanced by the compounding effect of reinvesting income. Dividend yield in isolation can be a misleading signal of value and, in the Manager's view, it is the ability to at least maintain or grow the dividend that is important. Over shorter term horizons, markets may be driven by other factors, such as momentum, but in the long run the Manager expects that an income style will perform better than the market overall.

#### 3. Portfolio construction

The fund manager oversees the overall portfolio composition. In determining portfolio composition, a number of factors are considered including:

- Sector diversification to avoid unintended portfolio bias.
- Managing and monitoring income generation and dividend levels to seek to ensure that the portfolio target yield is achieved and whether income enhancement actions are required, such as option writing and the adoption of gearing.
- The limits set out in the investment policy in respect of asset allocation and risk diversification are adhered to.

The focus is on well managed companies paying dividends with the emphasis on potential for both dividend and capital growth. The Company's portfolio is invested in companies that represent a wide range of market capitalisations, but does not have any exposure to unlisted companies unless it is through subsequent delisting of a listed security.

All stocks are held as active positions and are selected on their own merits rather than as a result of their presence in the Company's benchmark index. Stock weights are typically 1-5 per cent., while sector weights are generally less than 20 per cent.

The weighting given to each stock and sector position reflects:

- the relative attraction of each stock;
- the fund manager's level of conviction; and
- any liquidity considerations relating to specific stocks.



#### **4. Asset allocation**

Asset allocation is determined by factors such as the income yields of different markets and asset classes, macro-economic analysis and relative valuations of different equity markets. The fund manager is responsible for the final geographic asset and asset class allocation, within the parameters set out in the investment policy.

#### **5. Idea generation**

Ideas can come from many sources but the most important is the accumulated knowledge of Ben Lofthouse and the wider Global Equity Income team at Janus Henderson. The team has a common approach of being dividend seeking, valuation focussed investors which they apply to different regions and markets around the world.

Ben Lofthouse and the team use various screens to generate ideas. As well as screening for dividend yield, other factors such as dividend growth, cash flow yield, cash flow growth, balance sheet strength and profitability-based metrics, such as return on equity, are also considered. This places a strong emphasis on identifying companies that have good and growing levels of free cash-flow with the aim of identifying stocks with the potential for income growth in addition to capital returns.

Greater understanding from meetings with company management is also important in arriving at stock views. When investing in a company, the fund manager must believe that the management is capable of maximising the business' full potential through the successful delivery of the business strategy. Having established the arguments for investing in a company, the fund manager is seeking evidence from these meetings that either supports or refutes their views.

Ben is also able to draw upon the expertise of the other regional teams at Janus Henderson through both formal, regularly scheduled meetings and frequent informal, ad-hoc discussions. Analysts at broking houses are also used to come up with ideas that can be investigated further by Ben and the wider Global Equity Income team. These analysts could be regionally or sector-based. By looking across markets, Ben is able to investigate whether a theme in one region has validity in another.

#### **6. Income criteria**

The Company's investment process focuses on dividend paying companies generally yielding 2 per cent. or more, and aims to diversify the yield of the portfolio by ensuring no reliance on any one sector or stock. When considering the income return from a potential stock position, there is a focus on the following characteristics:

- an attractive yield which is repeatable: companies with a >2 per cent. yield that have sustainable dividends backed by robust cash flow;
- an ability to grow in real terms: indicated by a robust balance sheet that supports the pay-out ratio, and a forecast for cash flow growth; and
- a focus on absolute valuation: the fund manager looks at historical valuation ranges to assess at what level there is 'yield support'. The fund manager also compares dividend yields to other instruments, e. g. yield on bonds issued by the same company.

By focusing on these factors, the fund manager strives to achieve an attractive yield for the Company's portfolio in aggregate and also generate good growth in income.

#### **7. Valuation criteria**

The fund manager applies valuation metrics that are relevant to specific companies and the industries or sectors in which they operate. There are, however, three common/central attributes that are emphasised in the process:

- unloved companies: contrarian opportunities which may be those with low relative valuations, turnaround situations, or those that are temporarily out of favour;
- underappreciated earnings: those companies with better cash generation or greater operating leverage than the market expects. These are not necessarily the cheapest in the market but are undervalued versus their return characteristics; and

- undervalued opportunities on fundamental measures: a variety of techniques are used to assess the valuation opportunity, including:
  - Price/Earnings
  - Net asset value
  - Equity free cash flow yields
  - Return on Invested Capital/Weighted Average Cost of Capital
  - Enterprise Value (EV)/Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)
  - Holt (Cash Flow Return on Investment (CFROI))

These valuation criteria are used in tandem with the income criteria to ensure that there is potential for capital growth as well as income growth.

## **8. Stock selection**

Stock ideas are generated from stock screens, industry research and company visits. These ideas are filtered by rigorous analysis of factors such as perceived cash flows, earnings sustainability, dividend quality, strength of management and business model. Stocks are monitored to enforce strict buy and sell discipline. In selecting investments, the fund manager primarily seeks to identify companies with apparent attractive long-term business prospects that generate cash and produce attractive levels of dividend income, and which are, in the fund manager's opinion, undervalued or inexpensive relative to other similar investments.

The fund manager seeks to invest in such a manner that the underlying holdings support the target dividend yield of the Company.

Should a decision be made to allocate to fixed interest, then stock ideas would be provided by Janus Henderson's Retail Fixed Income team.

## PART 3

### THE ISSUE

#### 1. The EIT Scheme

Pursuant to the terms of the EIT Scheme, EIT will be wound up by means of a voluntary liquidation. EIT Shareholders may elect to: (i) have their investment in EIT rolled over into the Company; (ii) have their investment in EIT rolled over into VT Garraway Asian Centric Global Growth Fund; (iii) receive cash in respect of their investment in EIT; or (iv) any combination of the above. EIT Shareholders who do not make an election under the EIT Scheme will be deemed to have elected to roll their investment into the Company.

If the Proposals are implemented, EIT will appropriate its assets into four separate and distinct pools (the HINT Rollover Pool, the Garraway Rollover Pool, the Cash Pool and the Liquidation Pool) and the Company will acquire the cash and other assets of EIT appropriated to the HINT Rollover Pool. The consideration for such acquisition will be satisfied by the issue of New Ordinary Shares to EIT Shareholders who elect (or are deemed to elect) to receive such shares.

The EIT Scheme is subject to, amongst other things, the approval of EIT Shareholders and the approval of the Resolution by Shareholders at the General Meeting.

The assets of EIT to be acquired by the Company pursuant to the Proposals will include shares, securities, cash and near cash assets. As at 31 May 2019, EIT had unaudited net assets of approximately £43.7 million.

As a result of the EIT Scheme the Company's market capitalisation should increase, which is expected to enable the Company to attract a wider range of investors which should, in turn, improve liquidity in the Ordinary Shares. In addition, the fixed costs of the Company will be spread over a larger pool of assets resulting in lower Ongoing Charges.

The Issue has not been underwritten.

#### 2. New Ordinary Shares to be issued

The number of New Ordinary Shares to be issued to the Liquidators pursuant to the EIT Scheme (as nominees for EIT Shareholders) will be calculated by reference to the Residual Net Asset Value per EIT Share (which shall be adjusted for any HINT Manager Contribution Excess) and the HINT FAV per Share.

EIT shareholders who elect to roll over all or part of their investment into HINT will be entitled to receive in New Ordinary Shares the Residual Net Asset Value per EIT Share, adjusted to include any HINT Manager Contribution Excess, in respect of their election (subject to rounding down in respect of fractional entitlements). The Residual Net Asset Value per EIT Share for these purposes is an amount equal to the EIT NAV at the Calculation Date minus the Retention after providing for the liabilities to be discharged out of the Liquidation Pool, divided by the number of EIT Shares in issue as at the Calculation Date.

The HINT FAV per Share is an amount equal to the formula asset value of an Ordinary Share, being the value of the Company's assets less any liabilities it has (which, for the avoidance of doubt, includes a deduction for any dividends declared but not paid to Shareholders prior to the Effective Date), calculated in accordance with the Company's normal accounting policies, on a cum-income debt at fair value basis, post the costs of the Proposals to the Company (but not tax or dealing costs) and adjusted to take into account the portion of the HINT Manager Contribution used to defray the Company's costs in connection with the Proposals, divided by the number of Ordinary Shares in issue as at the Calculation Date.

The New Ordinary Shares to be issued to EIT Shareholders pursuant to the Proposals will rank *pari passu* with the existing Ordinary Shares already in issue except that EIT Shareholders are not entitled to any dividend in respect of the Ordinary Shares declared by the Company prior to the Effective Date (even if such dividend is to be paid on a date that is after the Effective Date, when EIT Shareholders will have received New Ordinary Shares pursuant to the EIT Scheme).

The number of New Ordinary Shares to be issued pursuant to the EIT Scheme and the HINT FAV per Share will be announced through a Regulatory Information Service as soon as practicable following the Calculation Date.

**For illustrative purposes only**, had the Calculation Date been 31 May 2019, the HINT FAV per Share and the Residual Net Asset Value per EIT Share would have been 156.4 pence and 215.5 pence respectively and the Proposals would have resulted in the issue of 1,377 New Ordinary Shares for 1,000 EIT Shares.

**The above figures are for illustrative purposes only and do not represent forecasts. It has been assumed that the HINT Manager Contribution covers the Company's costs in their entirety in connection with the Proposals and there is no HINT Manager Contribution Excess. The HINT FAV per Share and the Residual Net Asset Value per EIT Share and EIT Shareholders' entitlements under the Proposals may change materially up to the Transfer Date as a result of, amongst other things, changes in the values of the Company's and EIT's investments.**

### **3. Conditions of the Issue**

The Issue is conditional upon:

- a continuation vote of EIT not being passed at the EIT AGM;
- the passing of the resolutions to approve the EIT Scheme at general meetings of EIT Shareholders and upon any conditions of such resolutions being fulfilled;
- the passing of the Resolution at the General Meeting which has been convened for 10 July 2019;
- the FCA agreeing to amend the listing of the EIT Shares to reclassified shares for the purposes of implementing the EIT Scheme;
- admission of the New Ordinary Shares to the Official List with a premium listing and to the Main Market; and
- the directors of EIT resolving to proceed with the EIT Scheme.

### **4. Costs and expenses of the Proposals**

The AIFM has agreed to contribute 18 months of management fees on the funds that roll over from EIT to the Company (the "**HINT Manager Contribution**"). The HINT Manager Contribution will be used first to defray the Company's costs in relation to the Proposals with any balance (the "**HINT Manager Contribution Excess**") being passed to EIT as a contribution to its costs (for the benefit of the HINT Rollover Pool). The HINT Manager Contribution will be calculated once elections are known.

The costs and expenses of the Proposals incurred by the Company, save for the costs of posting this document to EIT Shareholders which will be borne by EIT, will be borne by the Company. In the event that the EIT Scheme becomes effective, these costs are expected to be offset by the HINT Manager Contribution.

On the assumption that £20 million of New Ordinary Shares are issued, the costs incurred by the Company are expected to be approximately £178,000, including VAT. The HINT Manager Contribution will be £180,000 and therefore no costs will be borne by the Company. The HINT Manager Contribution Excess will be £2,000.

In the event that the EIT Scheme does not become effective, the costs of the Proposals will be borne by the Company.

### **5. Dilution**

On the Proposals becoming effective, each Shareholders' proportion of the total voting rights in the capital of the Company will be diluted. The number of New Ordinary Shares to be issued pursuant to the Issue will not be known until the Calculation Date. There is not expected to be any dilution to Shareholders' economic interests in the Company as a result of the EIT Scheme.

### **6. Admission and dealings**

Application will be made to the FCA for all of the New Ordinary Shares to be issued pursuant to the Issue to be admitted to the premium segment of the Official List. Application will also be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the premium segment of the Main Market. If the Proposals become effective, it is expected that the New Ordinary Shares will be admitted to the Official List on, and the first day of dealings in such shares on the Main Market will be, 19 July 2019.

The New Ordinary Shares will be in registered form. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00B3PHCS86. EIT Shareholders who hold their EIT Shares in uncertificated form and who elect (or are deemed to elect) to receive Ordinary Shares will receive New Ordinary Shares in uncertificated form on 19 July 2019. Certificates in respect of New Ordinary Shares to be issued to EIT Shareholders who hold their EIT Shares in certificated form and who elect (or are deemed to elect) to receive New Ordinary Shares will be despatched in the week commencing 22 July 2019.

## **7. CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. Settlement of transactions in the New Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

It is expected that CREST accounts will be credited with New Ordinary Shares on 19 July 2019.

## **8. Restricted EIT Shareholders**

The terms of the Proposals, as they relate to Restricted EIT Shareholders, may be affected by the laws of the relevant jurisdiction. Restricted EIT Shareholders should inform themselves about, and observe, any applicable legal requirements.

It is the responsibility of Restricted EIT Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Proposals, including the obtaining of any governmental or other consents which may be required, compliance with necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any New Ordinary Shares allotted to the Liquidators and which would otherwise be issued to a Restricted EIT Shareholder pursuant to the EIT Scheme will instead be issued to the Liquidators as nominees on behalf of such Restricted Shareholder who will arrange for such shares to be sold promptly by a market maker at the best price obtainable, in circumstances in which the Liquidators and/or the Board acting reasonably consider that any such issue of New Ordinary Shares to those EIT Shareholders would or may involve a breach of the securities laws or regulations of any jurisdiction, or if the Liquidators and/or the Board reasonably believe that the same may violate any applicable legal or regulatory requirements or may require the Company to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and the Liquidators and/or the Board, as the case may be, have not been provided with evidence reasonably satisfactory to them that the relevant Restricted EIT Shareholders are permitted to hold New Ordinary Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that the Company would not be subject to any additional regulatory requirements to which it would not be subject but for such issue). The proceeds of such sales will be paid to the relevant Restricted EIT Shareholders entitled to them within 10 Business Days of the date of sale, save that entitlements of less than £5.00 per Restricted EIT Shareholder will be retained by the Company for its own account.

Restricted EIT Shareholders who are subject to taxation outside of the United Kingdom should consult their tax adviser as to the tax effect of the Proposals on them.

## **9. General Meeting**

The Proposals are conditional on, amongst other things, the approval by Shareholders of the Resolution to be proposed at the General Meeting of the Company that has been convened for 10 July 2019.

Full details of the Resolution being proposed are set out in the Circular, a copy of which is available for inspection as stated in paragraph 11 of Part 7 of this document.

## PART 4

### DIRECTORS AND MANAGEMENT

#### 1. Directors

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the AIFM. All of the Directors are non-executive and are independent of the AIFM and the Manager.

Biographies of the Directors are as follows:

#### *Simon Jeffreys (Chairman)*

Simon is chairman of Aon UK Limited, a director and chair of the audit committees of St James's Place plc, Templeton Emerging Markets Investment Trust plc and SimCorp A/S and board member and chair of the audit and risk committee of the Crown Prosecution Service. Simon was chief operating officer of the Wellcome Trust until July 2014 where he was responsible for a wide range of business services including finance, legal, human resources, information technology and operations. He was previously chief administrative officer for Fidelity International and for most of his professional life was a partner in PricewaterhouseCoopers, where he was the global leader of the firm's investment management and real estate practice.

#### *Bill Eason*

Bill is a director of Regional Reit Limited and Institutional Protection Services Limited. He is a trustee to The Gordon Foundation and is also a business fellow of Gray's Inn. Bill is a former chairman of Henderson High Income Trust plc and was chief investment officer at Laing and Cruickshank as well as acting as trustee to Marshall's Charity and the John Hampden Fund. He was also a director of the Charities & Trust Fund Department at Quilter Cheviot. He has been managing charitable and high net worth portfolios since 1973, and became a member of the London Stock Exchange in 1976. Bill is an associate of the Society of Investment Professionals and holds a Fellowship of the Chartered Institute for Securities and Investment. He was also a governor of Henley Management College.

#### *Richard Hills*

Richard has substantial investment experience, having held senior positions at two major investment companies. He is currently chairman of Strategic Equity Capital plc and a director of JP Morgan Multi-Asset Trust plc. He was chairman of Henderson Global Trust plc.

#### *Aidan Lisser*

Aidan is Head of Strategy at Investec Wealth & Investment Limited and Non-Executive Director of JPMorgan Emerging Markets Investment Trust plc. He has broad commercial and marketing experience across consumer products, banking, asset management and wealth, having previously been Chief Marketing Officer at Investec Wealth & Investment, Chief Marketing Officer at Allianz Global Investors and Head of Group Brand at Standard Chartered Bank plc. From 1983 until 2005 he held various positions at Unilever, including four years based in China and three years in Thailand. Latterly he was Senior Vice President of the Global Household Products category. Aidan was previously a Non-Executive Director of Henderson Global Trust plc.

#### *Kasia Robinski*

Kasia has over 25 years' experience in private equity and investment banking including with Hanover Investors, Prospect Investment Management, the Sutton Company (now Sutton Trust) and Goldman Sachs. She has served on numerous international boards and has undertaken various operating roles, including CFO and CEO, in a broad range of sectors from media through to oil and gas. Ms Robinski is currently a director of Gabelli Value Plus+ Trust PLC. She holds an MSc degree in Engineering/Economics from Cambridge University and an MBA from the Stanford Business School.

#### 2. AIFM

The Company has appointed Henderson Investment Funds Limited as the AIFM and investment manager of the Company, pursuant to the Management Agreement (further details of which are set out in paragraph 6.3

of Part 7 of this document). Pursuant to the Sub Investment Management Agreement, the AIFM has delegated portfolio management to the Manager.

The AIFM is registered as a limited liability company in England and Wales (registered number 02678531) and is authorised and regulated by the FCA (registration number 121859). The principal place of business of the AIFM is 201 Bishopsgate, London EC2M 3AE, United Kingdom. The AIFM's telephone number is +44 (0) 20 7818 1818.

### **3. Manager**

The AIFM has delegated portfolio management in respect of the Company's assets to the Manager, Henderson Global Investors Limited, a subsidiary of Janus Henderson Group plc.

Janus Henderson is one of the largest and most diversified active investment managers in the world, with total assets under management of over US\$350 billion and more than 2,000 employees worldwide (as at 31 March 2019). It manages 14 investment trusts and investment companies and in aggregate has approximately £7.4 billion of investment trust and investment company assets under management (as at 31 March 2019). Further information about Janus Henderson-managed investment trusts can be found on Janus Henderson's website at [www.janushenderson.com](http://www.janushenderson.com).

The Manager is registered as a limited liability company in England and Wales (registered number 00906355) and is authorised and regulated by the FCA (registration number 121857). The principal place of business of the Manager is 201 Bishopsgate, London EC2M 3AE, United Kingdom. The Manager's telephone number is +44 (0) 020 7818 1818.

The fund manager responsible for the Company's portfolio is Ben Lofthouse.

#### ***Ben Lofthouse, CFA – Fund Manager***

Ben Lofthouse is Head of Global Equity Income at Janus Henderson Investors, a position he has held since 2018. Prior to this, he was a director, global equity income and has been part of the Global Equity Income Team since joining the company in 2004. Additionally, he is a Portfolio Manager for the Global Equity Income and Global Dividend & Income strategies and has managed a range of equity income mandates since 2008. Prior to Henderson, Ben worked as an accountant at PricewaterhouseCoopers where he started his career in 1998.

Ben graduated with BA (Hons) in business economics from Exeter University. He is an associate of the Institute of Chartered Accountants in England and Wales and holds the Chartered Financial Analyst designation. He has 21 years of financial industry experience.

### **4. Administration of the Company**

The AIFM has also been appointed to provide the day to day administration of the Company. In its capacity as administrator, it is responsible for the Company's general administrative functions, such as the calculation and publication of the Net Asset Value and maintenance of the Company's accounting records, accounting and administrative services. The AIFM has contracted with BNP Paribas Securities Services to provide accounting and administration services.

### **5. Fees and expenses**

On-going annual expenses include the following:

#### **(i) AIFM**

The AIFM is entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee is payable quarterly in arrear and is currently payable at the rate of 0.65 per cent. per annum of Net Asset Value on Net Asset Value up to £250 million and 0.60 per cent. of Net Asset Value per annum in respect of Net Asset Value in excess of £250 million.

#### **(ii) Broker**

Panmure Gordon has been appointed as broker to the Company and is entitled to a fee of £35,000 per annum, payable quarterly in advance.

(iii) **Registrar**

Computershare has been appointed as registrar to the Company. The Registrar is entitled to an annual fee of £12,175 for the provision of its services to the Company. The Registrar is also entitled to certain transaction fees under the Registrar Agreement.

(iv) **Depositary and custodian**

HSBC Bank plc has been appointed as depositary to the Company for the purposes of the AIFM Directive and also provides custody services to the Company. The Depositary holds all of the cash, securities and other assets of the Company. Under the terms of the Depositary Agreement, the Depositary is entitled to be paid an annual fee of £15,000 plus 0.009 per cent. of the Net Asset Value over £300 million, 0.0025 per cent. of the Net Asset Value over £350 million, 0.001 per cent. of the Net Asset Value over £850 million and 0.0005 per cent. of the Net Asset Value over £1,500 million. The Depositary is also entitled to receive custody fees in accordance with a specified schedule of charges.

In addition to these fees, the Depositary is entitled to certain other payments including the reimbursement of out-of-pocket expenses and also to re-registration fees.

(v) **Directors**

The current annual fees payable to the Directors are £39,000 for the Chairman, £29,000 for the Audit Committee Chairman and £24,000 for other Directors. The total remuneration receivable by the Directors and paid by the Company to the Directors in respect of the Company's accounting period ended 31 August 2018 was £142,492.

All of the Directors are also entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

(vi) **Other operational expenses**

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

## 6. Conflicts of interest

The AIFM, the Manager and their officers and employees may from time to time act for other clients or manage other funds, which may have similar investment objectives and policies to that of the Company. Circumstances may arise where investment opportunities will be available to the Company which are also suitable for one or more such clients of the AIFM and the Manager or such other funds. The Directors have satisfied themselves that the AIFM and the Manager have procedures in place to address potential conflicts of interest and that, where a conflict arises, the AIFM and the Manager will allocate the opportunity on a fair basis.

## 7. Corporate governance

The Board of the Company has considered the principles and recommendations of the AIC Code by reference to the AIC Guide. The AIC Code, as explained by 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 relevance to the Company as an investment company.

The Board considers 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. As at the date of this document, the Company complies with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and



- the need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company, and the Company does not therefore need to comply with them.

The Company's Audit Committee is chaired by Kasia Robinski and consists of all the Directors and meets at least twice a year. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil its responsibilities. The Audit Committee examines the effectiveness of the Company's control systems. It reviews the half-yearly and annual reports and also the scope, results, cost effectiveness, independence and objectivity of the external auditor.

In accordance with the AIC Code the Company has established a Management Engagement Committee which is chaired by Simon Jeffreys and consists of all the Directors. The Management Engagement Committee meets at least once a year or more often if required. Its principal duties are to consider the terms of appointment of the Manager and it annually reviews that appointment and the terms of the Management Agreement.

All Directors are members of the Nominations Committee. The Chairman of the Board acts as Chairman of the Nominations Committee but would not chair the Nominations Committee when the Chairman's successor is being considered. The Nominations Committee is responsible for reviewing Board succession planning, the performance of the Board as a whole and the Board committees and the appointment of new directors when appropriate. The Nominations Committee meets annually and additionally as required.

When considering succession planning, the Nominations Committee considers the balance of skills, knowledge, experience and diversity existing on the Board and will recommend when the recruitment of additional non-executive directors is required. Once a decision is made to recruit additional directors to the Board, a formal job description shall be drawn up and each Director is invited to submit nominations; these are considered in accordance with the Board's agreed procedures in addition to any external candidates that may be recommended. The Nominations Committee may also use external agencies as and when the requirement to recruit an additional Board member becomes necessary.

## PART 5

### FINANCIAL INFORMATION

The statutory financial statements for the Company for the financial periods ended 31 August 2016 (the “**2016 Annual Report and Accounts**”), 31 August 2017 (the “**2017 Annual Report and Accounts**”) and 31 August 2018 (the “**2018 Annual Report and Accounts**”) were audited by Grant Thornton UK LLP, whose reports were unqualified and did not contain any statements under sub-sections 498(2) and 498(3) of the Act.

The financial statements for the Company for the six month period ended 28 February 2019 (the “**2019 Half Year Report and Accounts**”) were unaudited.

#### 1. Selected financial information

	<b>2016 Annual Report and Accounts (Audited) £'000</b>	<b>2017 Annual Report and Accounts (Audited) £'000</b>	<b>2018 Annual Report and Accounts (Audited) £'000</b>	<b>2019 Half Year Report and Accounts (Unaudited) £'000</b>
<b>Fixed asset investments:</b>				
Investments held at fair value through profit or loss	214,168	284,920	302,416	277,606
<b>Current assets:</b>				
Debtors	831	1,375	1,420	6,080
Cash at bank	12,183	4,099	—	979
	<u>13,014</u>	<u>5,474</u>	<u>1,420</u>	<u>7,059</u>
<b>Current liabilities:</b>				
Creditors: amounts falling due within one year	(6,278)	(6,422)	(7,088)	(12,578)
<b>Total net assets</b>	<u><u>220,904</u></u>	<u><u>283,972</u></u>	<u><u>296,748</u></u>	<u><u>272,087</u></u>
<b>Net Asset Value per Ordinary Share (basic)</b>	<u><u>141.5p</u></u>	<u><u>163.0p</u></u>	<u><u>167.1p</u></u>	<u><u>152.9p</u></u>

#### 2. Operating and financial review

The Company’s 2016 Annual Report and Accounts, 2017 Annual Report and Accounts, 2018 Annual Report and Accounts and the 2019 Half Year Report and Accounts (which have been incorporated in this document by reference) included, on the pages specified in the table below, descriptions of the Company’s financial condition (in both capital and revenue terms); details of the Company’s investment activity and portfolio exposure; and changes in its financial condition for that period.

	<b>2016 Annual Report and Accounts (Audited) (Page numbers)</b>	<b>2017 Annual Report and Accounts (Audited) (Page numbers)</b>	<b>2018 Annual Report and Accounts (Audited) (Page numbers)</b>	<b>2019 Half Year Report and Accounts (Unaudited) (Page numbers)</b>
Chairman’s Statement	5-6	5-6	5-6	2-3
Fund Manager’s Report	10-12	10-11	10-12	5
Investment Portfolio	9	9	9	6-9

### 3. Statutory accounts for the financial periods ended 31 August 2016, 31 August 2017 and 31 August 2018 and the half year report and accounts to 28 February 2019

The Company's 2016 Annual Report and Accounts, 2017 Annual Report and Accounts, 2018 Annual Report and Accounts and 2019 Half Year Report and Accounts, which have been incorporated into this document by reference and which are available online at <http://www.hendersoninternationalincometrust.com> and are also available for inspection at the address referred to in paragraph 11 of Part 7 of this document included, on the pages specified in the table below, the following information:

	<b>2016 Annual Report and Accounts (Page numbers)</b>	<b>2017 Annual Report and Accounts (Page numbers)</b>	<b>2018 Annual Report and Accounts (Page numbers)</b>	<b>2019 Half Year Report and Accounts (Page numbers)</b>
Independent Auditor's Report	33-34	32-35	34-37	N/A
Income Statement	35	36	38	10
Statement of Changes in Equity	36	37	39	11
Statement of Financial Position	37	38	40	12
Cash Flow Statement	38	39	41	13
Notes to the Financial Statements	39-52	40-54	42-55	14-17

The 2016 Annual Report and Accounts, 2017 Annual Report and Accounts and 2018 Annual Report and Accounts have been prepared in accordance with UK GAAP, namely FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. The 2019 Half Year Report and Accounts have been prepared in accordance with UK GAAP, namely FRS 104 Interim Financial Reporting.

### 4. Significant change

On 30 April 2019, the Company issued €30 million 2.43% senior unsecured notes due 29 April 2044. Further details are set out in paragraph 6.2 of Part 7 of this document.

Save as set out above, since 28 February 2019 (being the last date in respect of which the Company has published financial information) there has been no significant change in the financial or trading position of the Company.

### 5. Capitalisation and indebtedness

The following table, sourced from the Company's internal accounting records, shows the Company's unaudited capitalisation as at 28 February 2019 (being the latest date in respect of which the Company has published financial information) and the Company's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 30 April 2019:

	<b>30 April 2019 (unaudited) £'000</b>
<b>Total Current Debt</b>	—
Guaranteed	—
Secured	—
Unguaranteed/Unsecured	—
<b>Total Non-Current Debt</b> (excluding current portion of long- term debt)	—
Guaranteed	—
Secured	—
Unguaranteed/Unsecured	25,760

	<b>28 February 2019 (unaudited) £'000</b>
<b>Shareholders' Equity<sup>(1)</sup></b>	
Called up share capital	1,780
Share premium	165,239
Special reserve	45,732
<b>Total</b>	<b>212,751</b>

(1) In accordance with the ESMA update of the CESR recommendations, retained earnings (comprising retained revenue reserves and other capital reserves) have been excluded from Shareholders' equity.

There has been no material change in the capitalisation of the Company since 28 February 2019, save for the issue of 1,300,000 Ordinary Shares.

The following table shows the Company's unaudited net indebtedness as at 30 April 2019:

	<b>30 April 2019 (unaudited) £'000</b>
(A) Cash	19,301
(B) Cash equivalent	—
(C) Securities	—
(D) Liquidity (A+B+C)	19,301
(E) Current financial receivables	1,816 <sup>(1)</sup>
(F) Current bank debt	—
(G) Current portion of non-current debt	—
(H) Other current financial debt	(730)
(I) Current financial debt (F+G+H)	(730)
(J) Net current financial indebtedness (I-E-D)	20,387
(K) Non-current bank loans	—
(L) Bonds issues	—
(M) Other non-current loans	(25,760)
(N) Non-current financial indebtedness (K+L+M)	(25,760)

(1) Includes dividends receivable and taxation recoverable.

## 6. Working capital

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

## PART 6

### UK TAXATION

#### 1 General

The following comments do not constitute tax advice and are intended only as a guide to current UK law and HMRC's published practice as at the date of this document (both of which are subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK tax treatment of Shareholders and (except insofar as express reference is made to the treatment of non-UK residents) are intended to apply only to Shareholders who for UK tax purposes are resident in and, in the case of individuals, domiciled in the UK and to whom "split year" treatment does not apply. The comments apply only to Shareholders who are the absolute beneficial owners of their Ordinary Shares and the dividends payable on them and who hold their Ordinary Shares as investments (and not as securities to be realised in the course of a trade).

The comments below may not apply to certain categories of Shareholder such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation (or who hold their Ordinary Shares through an ISA) and Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of any office or employment. Such persons may be subject to special rules.

**Prospective investors who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK are strongly advised to consult their own professional advisers.**

#### 2 The Company

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies and continues to satisfy the conditions necessary for it to be approved by HMRC as an investment trust. However, neither the Manager nor the Directors can guarantee that this approval will be maintained. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK corporation tax on its chargeable gains. The Company will however (subject to what follows) be liable to UK corporation tax on its income in the normal way.

Approved investment trusts are able to elect to take advantage of modified UK tax treatment in respect of their "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). Under such treatment, the Company may (assuming it continues to be approved as an investment trust) designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends, to the extent that it has "qualifying interest income" for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. It is expected that the majority of the Company's income will be dividend income, rather than qualifying interest income.

In principle, the Company will be liable to UK corporation tax on its dividend income. However, there are broad-ranging exemptions from this charge which would generally be expected to be applicable in respect of most dividends it receives.

#### 3 Shareholders

##### *Taxation of dividends – individuals*

##### (A) *Dividends which are not designated as "interest distributions"*

The following statements in this section (A) summarise the expected UK tax treatment for individual Shareholders who receive dividends in respect of their Ordinary Shares which are not subject to the streaming regime.

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

- UK residents will for the 2019/2020 tax year, be entitled to an annual tax-free allowance of £2,000 of dividend income. To the extent that dividend income exceeds the annual tax free dividend allowance, tax will be imposed at the rates of 7.5 per cent. on dividend income within the basic rate band;
- 32.5 per cent. on dividend income within the higher rate band; and
- 38.1 per cent. on dividend income within the additional rate band.

(B) *“Interest distributions”*

The following statements in this section (B) summarise the expected UK tax treatment for individual Shareholders who receive dividends in respect of their Ordinary Shares which are designated as interest distributions and thus subject to the streaming regime.

If the Directors were to elect for the streaming regime to apply, a UK resident individual Shareholder receiving a dividend designated by the Company as an interest distribution would be treated for tax purposes as receiving a payment of interest. Such a Shareholder would generally be subject to UK income tax at the rates of 20 per cent., 40 per cent. or 45 per cent., depending on the level of the Shareholder’s income and the availability of any exemption, allowance or relief.

Each UK resident individual who is a basic rate taxpayer is entitled to a Personal Saving Allowance which exempts the first £1,000 of savings income (including distributions designated as “interest distributions” from an investment trust company). The exempt amount is reduced to £500 for higher rate taxpayers and additional rate taxpayers do not receive an allowance.

The Company is not required to withhold UK tax when paying dividends which are designated as interest distributions.

***Taxation of dividends – companies***

(A) *Dividends which are not designated as “interest distributions”*

The following statements in this section (A) summarise the expected UK tax treatment for Shareholders within the charge to UK corporation tax who receive dividends in respect of their Ordinary Shares which are not subject to the streaming regime.

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

Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally be subject to UK corporation tax on dividends paid by the Company on the Ordinary Shares.

Other Shareholders within the charge to UK corporation tax will not be subject to corporation tax on dividends paid by the Company on the Ordinary Shares so long as the dividends fall within an exempt class and certain conditions are met. Although it is likely that dividends paid by the Company on the Ordinary Shares would qualify for exemption from corporation tax, it should be noted that the exemption is not comprehensive and is subject to anti-avoidance rules. Shareholders should therefore consult their own professional advisers where necessary.

(B) *“Interest distributions”*

The following statements in this section (B) summarise the expected UK tax treatment for Shareholders within the charge to UK corporation tax who receive dividends in respect of their Ordinary Shares which are designated as interest distributions and thus subject to the streaming regime.

The Company is not required to withhold UK tax when paying a dividends which are designated as interest distributions.

If the Directors were to elect for the streaming regime to apply, a Shareholder within the charge to UK corporation tax receiving a dividend designated by the Company as an interest distribution would be treated for tax purposes as receiving interest under a creditor loan relationship. Accordingly, such a Shareholder would be subject to corporation tax in respect of the distribution.

***Taxation of chargeable gains***

If a Shareholder sells or otherwise disposes or is deemed to dispose of his Ordinary Shares he may, depending on his circumstances and subject to any available exemption or relief, incur a liability to UK capital gains tax (for individual shareholders) or corporation tax on chargeable gains (for corporate shareholders). Shareholders who are individuals and who are only temporarily non UK-resident may also, in certain circumstances, be liable to UK tax on capital gains realised (subject to any available exemption or relief).

## **ISAs and SIPPs**

The Ordinary Shares should qualify as investments which are eligible for inclusion in an ISA. Where New Ordinary Shares are acquired in connection with the EIT Scheme and the EIT Shares originally owned were held in an ISA, the inclusion of the New Ordinary Shares in the ISA by the ISA manager should not affect the individual's annual investment limit.

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

The Directors have been advised that the Ordinary Shares should also be eligible for inclusion in a SIPP, subject to the discretion of the trustees of the SIPP.

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

No UK stamp duty or stamp duty reserve tax (“SDRT”) will be payable by EIT Shareholders on the issue of New Ordinary Shares to them pursuant to the EIT Scheme.

Transfers on sale of Ordinary Shares outside of CREST will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer, rounded up to the nearest £5. However, where the consideration for the transfer is £1,000 or less (and the instrument of transfer contains a statement that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000) no stamp duty will be payable.

An unconditional agreement to transfer Ordinary Shares will normally also give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. However, if an instrument of transfer is executed in pursuance of the agreement and duly stamped within six years of the date on which the agreement became unconditional, the SDRT charge will generally be cancelled and any SDRT which has already been paid can generally be reclaimed.

The liability to pay stamp duty or SDRT is normally satisfied by the purchaser or transferee.

Paperless transfers of Ordinary Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. Such SDRT will generally be collected through the CREST system. Deposits of Ordinary Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

The above statements are intended as a general guide to the current stamp duty and SDRT position. Certain categories of person, including market makers, brokers and dealers may not be liable to stamp duty or SDRT and others, including persons connected with depositary arrangements and clearance services, may be liable at a higher rate of 1.5 per cent. or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

## **Information reporting**

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, FATCA. The UK has also introduced legislation implementing other international exchange of information arrangements, including the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development and the EU Directive on Administrative Cooperation in Tax Matters. In connection with such international agreements and arrangements the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with the relevant international agreements.

## PART 7

### ADDITIONAL INFORMATION

#### 1. The Company, the AIFM and the Manager

- 1.1 The Company was incorporated in England and Wales as a public limited company on 2 March 2011 with an unlimited life. The Company is registered as an investment company under section 833 of the Act with registered number 7549407. The Company is domiciled in England and Wales and currently has no employees.
- 1.2 The Company has no subsidiaries.
- 1.3 The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is at 201 Bishopsgate, London EC2M 3AE. The Company's telephone number is +44 (0) 20 7818 1818.
- 1.4 The existing Ordinary Shares in the Company are admitted to the premium segment of the Official List and are traded on the premium segment of the Main Market. The Company is subject to the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and to the rules of the London Stock Exchange.
- 1.5 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that:
- the business of the Company is investing in assets with a view to spreading investment risk and giving members the benefit of the results of management of its funds;
  - the Company is not a close company at any time during the accounting period for which approval is sought;
  - each class of the Company's ordinary share capital is admitted to trading on a regulated market throughout the accounting period; and
  - subject to certain limited exceptions, the Company must not retain in respect of the accounting period an amount greater than 15 per cent. of its income (as calculated for UK tax purposes).
- 1.6 The AIFM is a private limited company incorporated in England and Wales with registered number 02678531. The AIFM is authorised and regulated by the FCA. The registered office address of the AIFM is 201 Bishopsgate, London EC2M 3AE and its telephone number is +44 (0)20 7818 1818.
- 1.7 The Manager is a private limited company incorporated in England and Wales with registered number 00906355. The Manager is authorised and regulated by the FCA. The registered office address of the Manager is 201 Bishopsgate, London EC2M 3AE and its telephone number is +44 (0) 20 7818 1818.

#### 2. Share capital

- 2.1 Set out below is the issued share capital of the Company as at the date of this document:

	<b>Nominal Value (£)</b>	<b>Number</b>
Ordinary Shares of 1 pence each	1,792,813.06	179,281,306

All of the Ordinary Shares in issue are fully paid up.

- 2.2 As at the date of this document, the Company held no Ordinary Shares in treasury.
- 2.3 The Company had the following changes in share capital during the period from 1 September 2015 to 28 February 2019:
- 2.3.1 During the period from 1 September 2015 to 31 August 2016, the Company issued 1,600,000 Ordinary Shares and a further 75,234,056 Ordinary Shares following the acquisition of assets from Henderson Global Trust plc.



- 2.3.2 During the period from 1 September 2016 to 31 August 2017, the Company issued 21,500,000 C Shares which converted into 13,755,700 Ordinary Shares and the Company issued a further 4,370,000 Ordinary Shares.
- 2.3.3 During the period from 1 September 2017 to 31 August 2018, the Company issued 3,375,000 Ordinary Shares.
- 2.3.4 During the period from 1 September 2018 to 28 February 2019, the Company issued 400,000 Ordinary Shares.
- 2.3.5 Since 28 February 2019, the Company has issued 1,300,000 Ordinary Shares.
- 2.4 In order to authorise the Company to issue the New Ordinary Shares in connection with the EIT Scheme, Shareholders will be asked to pass the Resolution at the General Meeting.
- 2.5 No share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued for cash or any other consideration and 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 no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.
- 2.6 On 27 February 2013, the share premium account of the Company outstanding at that time was cancelled by order of the Court.
- 2.7 The New Ordinary Shares will be in registered form. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00B3PHCS86.

### **3. Articles of Association**

A summary of the main provisions of the Articles is set out below.

#### **3.1 *Objects***

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

#### **3.2 *Variation of rights***

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

#### **3.3 *Alteration of share capital***

The Company may by ordinary resolution:

3.3.1 consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;

3.3.2 sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares; and

3.3.3 determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

### 3.4 *Issue of shares*

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

### 3.5 *Dividends*

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

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

### 3.6 *Voting rights*

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

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

### 3.7 *Transfer of shares*

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

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

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

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

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

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

3.8 ***Distribution of assets on a winding-up***

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

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

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

3.10 ***Untraced shareholders***

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

3.11 ***Appointment of Directors***

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

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

3.12 ***Powers of Directors***

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

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

3.13 ***Voting at board meetings***

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

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

### 3.14 *Restrictions on voting*

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

### 3.15 *Directors' interests*

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

### 3.16 *Indemnity*

Subject to the provisions of the Act, the Company may indemnify any person who is a Director, secretary or other officer of the Company, against: (a) any liability whether in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company or (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office; and purchase and maintain insurance for any person who is a Director, secretary, or other officer or auditor of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as Director, secretary, officer or auditor.

### 3.17 *General meetings*

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

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

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

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

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

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

3.18 **Rights attaching to C Shares**

The rights and restrictions attaching to the C Shares in issue (if any) and the Deferred Shares arising on Conversion are summarised below.

3.18.1 The following definitions apply for the purposes of this paragraph 3.18 in addition to, or (where applicable) in substitution for, the definitions applicable elsewhere in this document:

“**C Shareholder**” means a holder of C Shares;

“**Calculation Date**” means the earliest of the:

- (i) close of business on the Business Day to be determined by the Directors falling within six months after the allotment of the relevant C Shares; or
- (ii) close of business on the date falling six calendar months after the allotment of the C Shares or if such a date is not a Business Day the next following Business Day; or
- (iii) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent;

“**Conversion**” means conversion of the C Shares into Ordinary Shares and Deferred Shares in accordance with paragraph 3.18.8 below;

“**Conversion Date**” means the close of business on such Business Day as may be selected by the Directors falling not more than 10 Business Days after the Calculation Date;

“**Conversion Ratio**” is the ratio of the cum income net asset value per C Share to the cum income diluted net asset value per Ordinary Share, which is calculated as:

$$\begin{aligned} \text{Conversion Ratio} &= \frac{A}{B} \\ A &= \frac{C-D}{E} \\ B &= \frac{F-C-G+D}{H} \end{aligned}$$

Where:

“**C**” is the aggregate of:

- (a) the value of the investments of the Company attributable to the C Shares (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (b) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded, as derived from the relevant exchange’s or market’s recognised method of publication of prices for such investments where such published prices are available;
- (b) the value of all other investments of the Company attributable to the C Shares (other than investments included in (a) above) calculated by reference to the Directors’ belief as to a fair current value for those investments on the Calculation Date after taking into account any other price publication services reasonably available to the Directors; and
- (c) the amount which, in the Directors’ opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company attributable to the C Shares (excluding the investments valued under (a) and (b) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue or capital nature);

“**D**” is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares) which, in the Directors’ opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares on the Calculation Date;

“E” is the number of C Shares in issue on the Calculation Date;

“F” is the aggregate of:

- (a) the value of all the investments of the Company (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (b) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded as derived from the relevant exchange’s or market’s recognised method of publication of prices for such investments where such published prices are available;
- (b) the value of all other investments of the Company (other than investments included in (a) above) calculated by reference to the Directors’ belief as to a fair current value for those investments on the Calculation Date after taking into account any other price publication services reasonably available to the Directors; and
- (c) the amount which, in the Directors’ opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company (excluding the investments valued under (a) and (b) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue or capital nature);

“G” is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors’ opinion, fairly reflects the amount of the liabilities of the Company on the Calculation Date; and

“H” is the number of Ordinary Shares in issue on the Calculation Date (excluding any Ordinary Shares held in treasury) provided that the Directors shall make such adjustments to the value or amount of A and B as the reporting accountants shall 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 and/or to the reasons for the issue of the C Shares;

“**Deferred Shareholder**” means a holder of Deferred Shares;

“**Deferred Shares**” means deferred shares of one penny each in the capital of the Company arising on Conversion;

“**Existing Ordinary Shares**” means the Ordinary Shares in issue immediately prior to Conversion;

“**Force Majeure Circumstances**” means: (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 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

“**Net Proceeds**” means the net cash proceeds of the issue of the C Shares (after deduction of those commissions and expenses relating thereto and payable by the Company).

3.18.2 The holders of the Ordinary Shares, the C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights to be paid dividends:

- (a) the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a cumulative dividend at a fixed rate of one per cent. of the nominal amount thereof, the first such dividend (adjusted *pro rata* temporis) (the “**Deferred Dividend**”) being payable on the date six months after the Conversion Date upon which such Deferred Shares were created in accordance with paragraph 3.18.8 (the “**Relevant Conversion Date**”) and on each anniversary of such date payable to the holders thereof on the register of members on that date as holders of Deferred Shares

but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Relevant Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on that date.

- (b) the C shareholders shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of net assets attributable to the C Shares and from income received and accrued which is attributable as determined by the Directors to the C Shares;
- (c) the Ordinary Shares shall confer the right to dividends declared in accordance with the Articles;
- (d) the Ordinary Shares into which C Shares shall convert shall rank *pari passu* with the Existing Ordinary Shares for dividends and other distributions declared by reference to a record date falling after the relevant Calculation Date; and
- (e) no dividend or other distribution shall be made or paid by the Company on any of its shares (other than any Deferred Shares for the time being in issue) between the Calculation Date and the Conversion Date relating to any C Shares in issue (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).

3.18.3 The holders of the Ordinary Shares, the C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights as to capital:

- (a) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when any C Shares are for the time being in issue and prior to the Conversion Date relating to such C Shares be applied amongst the holders of the Existing Ordinary Shares *pro rata* according to the nominal capital paid up on their holdings of Existing Ordinary Shares, after having deducted therefrom an amount equivalent to (C-D) using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount shall be applied amongst the C shareholders *pro rata* according to the nominal capital paid up on their holdings of C Shares. For the purposes of this paragraph 3.18.3(a) the Calculation Date shall be such date as the liquidator may determine; and
- (b) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when no C Shares are for the time being in issue be applied as follows:
  - (i) first, if there are Deferred Shares in issue, in paying to the Deferred Shareholders one pence in aggregate in respect of every 1,000,000 Deferred Shares (or part thereof) of which they are respectively the holders; and
  - (ii) second, the surplus shall be divided amongst the Ordinary Shareholders *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares.

3.18.4 As regards voting:

- (a) the C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Existing Ordinary Shares as set out in the Articles as if the C Shares and Existing Ordinary Shares were a single class; and
- (b) the Deferred Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company.

3.18.5 The following shall apply to the Deferred Shares:

- (a) the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion may be repurchased by the Company in accordance with the terms set out herein;

- (b) immediately upon Conversion, the Company shall repurchase all of the Deferred Shares which arise as a result of Conversion for an aggregate consideration of one penny for every 1,000,000 Deferred Shares and the notice referred to in paragraph 3.18.8 (b) below shall be deemed to constitute notice to each C Shareholder (and any person or persons having rights to acquire or acquiring C Shares on or after the Calculation Date) that the Deferred Shares shall be repurchased immediately upon Conversion for an aggregate consideration of one penny for every 1,000,000 Deferred Shares. On repurchase, each Deferred Share shall be treated as cancelled in accordance with section 706 of the Act; and
- (c) the Company shall not be obliged to: (i) issue share certificates to the Deferred Shareholders in respect of the Deferred Shares; or (ii) account to any Deferred Shareholder for the repurchase moneys in respect of such Deferred Shares.

3.18.6 Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Existing Ordinary Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Articles:

- (a) no allotment or issue will be made 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; and
- (b) no resolution of the Company shall be passed to wind up the Company.

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 Existing Ordinary Shares and C Shares, shall not be required in respect of:

- (i) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Existing Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Ordinary Shares by the issue of such further Ordinary Shares); or
- (ii) the sale of any shares held as treasury shares (as such term is defined in section 724 of the Act) in accordance with sections 727 and 731 of the Act or the purchase of any shares by the Company (whether or not such shares are to be held in treasury).

3.18.7 For so long as any C Shares are for the time being in issue, until Conversion of such C Shares and without prejudice to its obligations under applicable laws, the Company shall:

- (a) procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares;
- (b) allocate to the assets attributable to the C Shares such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the Net Proceeds and the Calculation Date relating to such C Shares (both dates inclusive) as the Directors consider to be attributable to the C Shares; and
- (c) give, or procure the giving of, appropriate instructions to the Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

3.18.8 The C Shares for the time being in issue shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the Conversion Date in accordance with the following provisions of this paragraph 3.18.8:

- (a) the Directors shall procure that within 10 Business Days of the Calculation Date:



- (i) the Conversion Ratio as at the Calculation Date and the numbers of new Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion shall be calculated; and
  - (ii) the reporting accountants shall confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are converting into the Company's shares, subject to the proviso immediately after the definition of H in paragraph 3.18.1 above;
- (b) the Directors shall procure that, as soon as practicable following such confirmation and in any event within 10 Business Days of the Calculation Date, a notice is sent to each C Shareholder advising such C Shareholder of the Conversion Date, the Conversion Ratio and the numbers of Ordinary Shares and Deferred Shares to which C Shareholders will be entitled on Conversion.
- (c) on Conversion each C Share shall automatically subdivide into 10 conversion shares of one penny each and such conversion shares of one penny each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:
- (i) the aggregate number of Ordinary Shares into which the same number of conversion shares of one penny each are converted equals the number of C Shares in issue on the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share); and
  - (ii) each conversion share of one penny which does not so convert into an Ordinary Share shall convert into one Deferred Share.
- (d) the Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C Shareholders *pro rata* according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company);
- (e) forthwith upon Conversion, the share certificates relating to the C Shares shall be cancelled and the Company shall issue to each former C Shareholder new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he or she is entitled. Share certificates in respect of the Deferred Shares will not be issued; and
- (f) the Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

### 3.19 ***Borrowing powers***

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (insofar as they can) that the aggregate amount outstanding of all money borrowed by the Company and its subsidiaries for the time being shall not at any time when any borrowing is drawn down, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 100 per cent. of NAV.

### 3.20 ***Life***

The Articles contain a provision requiring the Directors to propose an ordinary resolution for the continuation of the Company at every third annual general meeting of the Company. Upon any such resolution not being passed, proposals will be put forward to the effect that the Company be wound up, liquidated, reconstructed or unitised.

#### **4. City Code on Takeovers and Mergers**

##### **4.1 Mandatory bid**

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

4.1.1 a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

4.1.2 a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

##### **4.2 Compulsory acquisition**

Under sections 974 to 991 of the Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to holders of outstanding shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the holders of outstanding shares. The consideration offered to the holders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

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

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

#### **5. Interests of Directors, major Shareholders and related party transactions**

5.1 At the Latest Practicable Date, the Directors held the following interests in the share capital of the Company:

<b>Name</b>	<b>Number of Ordinary Shares</b>	<b>Percentage of issued Ordinary Share capital</b>
Simon Jeffreys	168,150	0.094
Bill Eason	156,990	0.087
Richard Hills	39,604	0.022
Aidan Lisser	26,148	0.015
Kasia Robinski	60,000	0.033

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

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

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

- 5.3 The annual fees payable to the Directors are £39,000 for the Chairman, £29,000 for the Audit Committee Chairman and £24,000 for other Directors. The total remuneration receivable by the Directors and paid by the Company to the Directors in respect of the Company's accounting period ended 31 August 2018 was £142,492.

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

- 5.4 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 5.5 Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of the following administrative, management or supervisory bodies and/or partnerships:

***Simon Jeffreys***

**Present directorships and partnerships**

Aon UK Limited  
Crown Prosecution Service  
SimCorp A/S  
St James's Place plc  
Templeton Emerging Markets Investment Trust plc

**Past directorships and partnerships**

Diamond Light Source Limited  
Fidelity Structured Investments SPC  
Genome Research Limited  
Gower Place Investments Limited  
MSD Wellcome Trust Hilleman Laboratories Private Limited  
Syncona Management Services Limited  
Wellcome Trust Finance plc  
Wellcome Trust GP Limited  
Wellcome Trust International Limited  
Wellcome Trust Investments 1 Unlimited  
Wellcome Trust Investments 2 Unlimited  
Wellcome Trust Investments 3 Unlimited  
Wellcome Trust Residential 1 Limited  
Wellcome Trust Residential 2 Limited  
Wellcome Trust Residential 1 Unlimited

***Bill Eason***

**Present directorships and partnerships**

Institutional Protection Services Limited  
Iowa Land Company Limited  
John Marshall's Charity  
London Commercial and Mercantile Company, Limited  
New College (Oxford) Investment Committee  
Regional REIT Ltd  
Regional REIT ZDP plc (in liquidation)  
Swan Walk Holdings Limited  
Teniwood Securities Limited  
The Gordon Foundation  
The John Hampden War Memorial Scholarship Fund  
Trinity Hall (Cambridge) Investment Committee

**Past directorships and partnerships**

The European Investment Trust PLC

***Richard Hills***

**Present directorships and partnerships**

Darley Energy plc  
EQT Services (UK) Limited  
Guild of Investment Managers Ltd  
JPMorgan Multi-Asset Trust plc  
Lord Hanson Charitable Trust  
Strategic Equity Capital plc

**Past directorships and partnerships**

Aberdeen New Dawn Investment Trust plc  
Aztec Financial Services (Guernsey) Limited  
Aztec Group Limited  
Cinven Limited  
Engandscot Limited  
Henderson Global Trust plc  
Imprimatur Capital Limited  
JPMorgan Income & Capital Trust plc  
Phaunos Timber Fund Ltd  
SQN Secured Income Fund plc

***Aidan Lisser***

**Present directorships and partnerships**

Investec Wealth & Investment Limited  
JPMorgan Emerging Markets Investment Trust PLC

**Past directorships and partnerships**

Henderson Global Trust plc

***Kasia Robinski***

**Present directorships and partnerships**

Gabelli Value Plus + Trust PLC  
Odin Associates Limited  
PLI Development Sp z.o.o  
Proxin Ogrody Sp. z.o.o  
Robinski & Partners Sp z.o.o

**Past directorships and partnerships**

Beacon Capital LLP  
Duon S.A.  
Hydro International Limited  
Premier Global Infrastructure Trust PLC  
Prospect Investment Management LLP  
Robinski & Associates Sp z.o.o.  
Tab Media Limited

- 5.6 Save as disclosed in paragraph 5.7, the Directors in the five years before the date of this document:
- 5.6.1 do not have any convictions in relation to fraudulent offences;
- 5.6.2 have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- 5.6.3 have not had any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.
- 5.7 So far as is known to the Company, and which is notifiable under the Disclosure Guidance and Transparency Rules, as at the Latest Practicable Date the following persons held, directly or indirectly, three per cent. or more of the Company's voting rights:

<b>Name</b>	<b>Number of voting rights held</b>	<b>Percentage of voting rights (%)</b>
Smith & Williamson Holdings Limited	12,818,792	7.15
Brewin Dolphin Limited	10,709,721	5.97
Quilter Cheviot Limited	7,264,797	4.05

Save as set out in this paragraph 5.8, the Company is not aware of any person who holds as shareholder (within the meaning of the Disclosure Guidance and Transparency Rules), directly or indirectly, three per cent. or more of the voting rights of the Company.

- 5.8 All Shareholders have the same voting rights in respect of the share capital of the Company.

- 5.9 The Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 5.10 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 5.11 Save for continuing payment of Directors' remuneration and the management fees on the bases set out in paragraphs 5.3 and 6.3 respectively of this Part 7, there have been no related party transactions entered into by the Company at any time during the period from 1 September 2015 to the Latest Practicable Date.
- 5.12 Save for each of the Directors' interests in the share capital of the Company (referred to in paragraph 5.1 above) and the annual fees payable to the Directors (referred to in paragraph 5.3 above), none of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and his private interests and any other duties. The AIFM, the Manager, any of their directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

## 6. **Material contracts**

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

### 6.1 ***Transfer Agreement***

Pursuant to letters of undertaking from: (i) the Liquidators to each of the Company and EIT, each dated on or around 10 June 2019; and (ii) the Company to EIT and the Liquidators dated on or around 10 June 2019, the Liquidators and the Company have each irrevocably undertaken (subject to certain conditions) to enter into a transfer agreement (the "**Transfer Agreement**") between the Company, the Liquidators and EIT in connection with the EIT Scheme. Under the terms of the Transfer Agreement, a pool of EIT's assets will be transferred to the Company in consideration for the allotment by the Company of the New Ordinary Shares to the Liquidators (as nominees for EIT Shareholders entitled to them in accordance with the EIT Scheme). Thereafter, the Liquidators will renounce the allotments of the New Ordinary Shares in favour of EIT Shareholders who have elected (or are deemed to have elected) to receive New Ordinary Shares, and such New Ordinary Shares will be issued by the Company to those EIT Shareholders pursuant to the EIT Scheme.

The Transfer Agreement excludes any liability on the part of the Liquidators for entering into or carrying into effect the Transfer Agreement.

The Transfer Agreement will be available for inspection as stated in paragraph 11 of this Part 7.

### 6.2 ***Note Purchase Agreement***

On 30 April 2019, the Company executed a note purchase agreement (the "**Note Purchase Agreement**") pursuant to which the Company issued €30 million senior unsecured notes (the "**Notes**"). Interest accrues on the Notes at a rate of 2.43 per cent. per annum on the amount outstanding and is payable on 30 April and 30 October in each year. The Company has agreed to apply the proceeds of the sale of the Notes for the refinancing of existing indebtedness and other general corporate purposes.

The Company has given market-standard financial covenants to the noteholders including in circumstances where an event of default has occurred.

The Notes expire on 29 April 2044. The Company may prepay all, or from time to time any part of, the Notes in an amount not less than €1 million and integral multiples of €500,000.

The Note Purchase Agreement is governed by English law.

### 6.3 **Management Agreement**

The Management Agreement dated 17 July 2014 between the Company and the AIFM, as amended, whereby the AIFM is appointed to act as the discretionary investment manager of the Company and as alternative investment fund manager to the Company for the purposes of the AIFM Directive with responsibility to manage the assets of the Company and to advise the Company on a day to day basis in accordance with the investment policy of the Company and subject to the overall control and supervision of the Board. Under the terms of the Management Agreement, the AIFM has discretion to buy, sell, retain, exchange, convert, redeem or otherwise deal in investment assets for the account of the Company.

Under the terms of the Management Agreement, the AIFM is entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee is payable quarterly in arrear and currently is at the rate of 0.65 per cent. of Net Asset Value per annum on Net Asset Value up to £250 million and 0.60 per cent. of Net Asset Value per annum in respect of Net Asset Value in excess of £250 million.

Under the Management Agreement, the AIFM may delegate the exercise of all or any of its powers, provided that the AIFM does not delegate its duties to the extent that it becomes a “letter-box entity” within the meaning of the AIFM Directive.

The Management Agreement is terminable by either the AIFM or the Company giving to the other not less than six months’ written notice. The Management Agreement may be terminated earlier by either party with immediate effect and without compensation on the occurrence of certain events, including material and continuing breach and insolvency. On termination the AIFM is entitled to receive its fees payable under the Management Agreement *pro rata* to the date of termination and the Company will pay any necessary termination expenses.

The Company has given an indemnity in favour of the AIFM, its group members and their respective officers, employees and agents in respect of the AIFM’s potential losses in carrying on its responsibilities under the Management Agreement.

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

### 6.4 **Registrar Agreement**

The Registrar Agreement between the Company and the Registrar dated 21 November 2014 (as amended), pursuant to which the Registrar has been appointed as registrar to the Company. The Registrar is entitled to an annual fee of £12,175 for the provision of its services to the Company. The Registrar is also entitled to certain transaction fees under the Registrar Agreement.

Either party may terminate the Registrar Agreement on not less than six months’ written notice, such notice not to expire prior to 31 December 2020. Either party may terminate the Registrar Agreement with immediate effect in certain circumstances, including in the event of material and continuing breach or insolvency.

The Registrar Agreement limits the Registrar’s liability thereunder over any 12 month period to an agreed multiple of the fees payable by the Company to the Registrar in any 12 month period. The Company indemnifies the Registrar against all losses arising out of or connected to the performance of its obligations under the Registrar Agreement, save in the case of a breach by the Registrar of the terms of the Registrar Agreement. The Registrar also indemnifies the Company against all losses which it may incur as a result of or in connection with the fraud, wilful default or negligence of the Registrar.

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

### 6.5 **Depositary Agreement**

The Depositary Agreement dated 18 July 2014 between the Company, the AIFM and the Depositary, pursuant to which the Depositary has been appointed to provide depositary services to the Company, in fulfilment of the requirements of the AIFM Directive.

Under the Depositary Agreement, the Depositary has safekeeping of assets, cash flow monitoring and oversight responsibilities. It has strict liability in relation to financial instruments and is liable for negligence and wilful default. The Depositary Agreement is terminable on 180 days’ notice. The Depositary Agreement is subject to earlier termination on the occurrence of certain events, including insolvency and material and continuing breach.

The Depositary is able to delegate safekeeping to another person provided it follows the requirements of the AIFMD, which include that the delegation is for objective reasons and that the Depositary undertakes due diligence and monitoring of the delegate.

Under the terms of the Depositary Agreement, the Depositary is entitled to be paid an annual fee of £15,000 plus 0.009 per cent. of the Net Asset Value over £300 million, 0.0025 per cent. of the Net Asset Value over £350 million, 0.001 per cent. of the Net Asset Value over £850 million and 0.0005 per cent. of the Net Asset Value over £1,500 million. The Depositary is also entitled to receive custody fees in accordance with a specified schedule of charges.

The Depositary Agreement is governed by the law of England and Wales.

#### 6.6 **Facility agreement**

A facility agreement dated 4 May 2011 (as amended) between the Company as borrower and HSBC Bank plc as lender in respect of an overdraft facility made available by HSBC Bank plc to the Company in an amount not exceeding the lesser of: (a) £30,000,000; and (b) 25 per cent. of assets under custody, for the purpose of providing liquidity. Interest is charged monthly in arrears on any amounts outstanding under the facility at a rate per annum which is the aggregate of HSBC Bank plc's base rate plus 1.25 per cent. A fee is also payable by the Company at the rate of £15,000 per annum.

#### 6.7 **Charge agreement**

A charge dated 18 July 2014 between the Company as chargor and HSBC Bank plc as the secured party pursuant to which the Company has charged its assets in favour of HSBC Bank plc.

### 7. **Litigation**

There are no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company during the 12 months preceding the date of this document.

### 8. **General**

- 8.1 Where information has been sourced from third parties, the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 8.2 Panmure Gordon has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 8.3 Each of Henderson Investment Funds Limited and Henderson Global Investors Limited has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 8.4 Henderson Global Investors Limited accepts responsibility for the information contained in paragraph 4 of Part 1, Part 2 and paragraph 3 of Part 4 of this document and has authorised the inclusion of that information in the form and context in which it is included. Henderson Global Investors Limited has taken all reasonable care to ensure that the information contained in paragraph 4 of Part 1, Part 2 and paragraph 3 of Part 4 of this document is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

### 9. **Auditors**

The auditors to the Company are Grant Thornton UK LLP of 30 Finsbury Square, London EC2P 2YU. Grant Thornton UK LLP is registered to carry on audit work by The Institute of Chartered Accountants in England and Wales (ICAEW). The firm is a member of the ICAEW Practice Assurance scheme and is subject to the jurisdiction of The Accountancy and Actuarial Discipline Board. Grant Thornton UK LLP has audited the Company's annual accounts for the financial periods ended 31 August 2016, 31 August 2017 and 31 August 2018 and no other information contained in this document.

## **10. Depositary**

The Depositary is HSBC Bank plc, a public limited company incorporated in England and Wales on 1 July 1880 under company number 14259. Its registered office is at 8 Canada Square, London E14 5HQ, telephone number +44 (0)20 7991 8888. The Depositary is authorised and regulated by the FCA for the conduct of its investment business in the United Kingdom and by the PRA.

## **11. Documents on display**

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of the AIFM, 201 Bishopsgate, London EC2M 3AE until the date of Admission:

- 11.1 this document;
- 11.2 the Articles;
- 11.3 the audited accounts of the Company for the years ended 31 August 2016, 31 August 2017 and 31 August 2018;
- 11.4 the unaudited half-year accounts for the Company for the six months ended 28 February 2018 and for the six months ended 28 February 2019;
- 11.5 the Circular;
- 11.6 the circular to EIT Shareholders in connection with the EIT Scheme; and
- 11.7 the Transfer Agreement.

A copy of this document will also be available from the National Storage Mechanism ([www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm)) from the date of this document.



## 12. Documents incorporated by reference

This document should be read and construed in conjunction with the following documents, which have been previously published and filed with the FCA, which are available from the offices of the AIFM, 201 Bishopsgate, London EC2M 3AE and from the Company's website at [www.hendersoninternationalincometrust.com](http://www.hendersoninternationalincometrust.com) and which are available for inspection in accordance with paragraph 11 above:

<b>Reference document</b>	<b>Information incorporated by reference</b>	<b>Page number in the document</b>
2019 Half Year Report and Accounts	Performance Highlights	1
	Chairman's Statement	2-3
	Statement of Directors' Responsibilities	4
	Fund Manager's Report Investment Portfolio	5-9
	Condensed Income Statement	
	Condensed Statement of Changes in Equity	11
	Condensed Statement of Financial Position	12
	Condensed Statement of Cash Flows	13
	Notes to the Financial Statements	14-17
	2018 Annual Report and Accounts	Performance Highlights
Business Model		4
Chairman's Statement		5-6
Portfolio Information		7-8
Investment Portfolio		9
Fund Manager's Report		10-12
Historical Performance and Financial Information		13
Corporate Information		14-18
Glossary		19-20
Report of the Directors		22-23
Statement of Directors' Responsibilities		24
Directors' Remuneration Report		25-26
Corporate Governance Statement		27-31
Report of The Audit Committee		32-33
Independent Auditor's Report		34-37
Income Statement		38
Statement of Changes in Equity		39
Statement of Financial Position		40
Cash Flow Statement		41
Notes to the Financial Statements		42-55
2017 Annual Report and Accounts	Performance Highlights	2-3
	Business Model	4
	Chairman's Statement	5-6
	Portfolio Information	7-8
	Investment Portfolio	9
	Fund Manager's Report	10-11
	Historical Performance and Financial Information	12
	Corporate Information	13-17
	Glossary	18-19
	Report of the Directors	21-22
	Statement of Directors' Responsibilities	23
	Directors' Remuneration Report	24-25
	Corporate Governance Statement	26-29
	Report of The Audit Committee	30-31
	Independent Auditor's Report	32-35
	Income Statement	36
	Statement of Changes in Equity	37
	Statement of Financial Position	38
	Cash Flow Statement	39

<b>Reference document</b>	<b>Information incorporated by reference</b>	<b>Page number in the document</b>
	Notes to the Financial Statements	40-54
2016 Annual Report and Accounts	Performance Highlights	2-3
	Chairman's Statement	5-6
	Investment Portfolio	9
	Fund Manager's Report	10-12
	Corporate Information	14-18
	Report of the Directors	22-23
	Statement of Directors' Responsibilities	24
	Directors' Remuneration Report	25-26
	Independent Auditor's Report	33-34
	Income Statement	35
	Statement of changes in Equity	36
	Statement of Financial Position	37
	Cash Flow Statement	38
	Notes to the Financial Statements	39-52

Dated: 10 June 2019

## PART 8

### DEFINITIONS

<b>“Act”</b>	the Companies Act 2006, as amended from time to time
<b>“Admission”</b>	the admission of the New Ordinary Shares: (i) to the premium segment of the Official List; and (ii) to trading on the premium segment of the Main Market, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
<b>“AGM”</b>	annual general meeting
<b>“AIC”</b>	the Association of Investment Companies
<b>“AIC Code”</b>	the AIC’s Code of Corporate Governance, as amended from time to time
<b>“AIC Guide”</b>	the AIC’s Corporate Governance Guide for Investment Companies, as amended from time to time
<b>“AIF”</b>	alternative investment fund
<b>“AIFM”</b>	Henderson Investment Funds Limited, the Company’s alternative investment fund manager
<b>“AIFM Directive” or “AIFMD”</b>	Directive 2011/61/EU on Alternative Investment Fund Managers
<b>“Articles”</b>	the articles of association of the Company
<b>“Auditors”</b>	Grant Thornton UK LLP or such other auditor as the Company may appoint from time to time
<b>“Benchmark”</b>	the MSCI World ex UK (Sterling adjusted)
<b>“Brexit”</b>	the withdrawal of the UK from the European Union
<b>“Business Day”</b>	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
<b>“C Shares”</b>	C shares of 10 pence each in the capital of the Company having the rights and restrictions set out in paragraph 3.18 of Part 7 of this document
<b>“Calculation Date”</b>	11.59 p.m. on 12 July 2019, being the time and date at which: (i) the value of EIT’s assets will be determined for the purposes of the calculation of the Residual Net Asset Value per EIT Share and the creation of the Liquidation Pool, the HINT Rollover Pool, the Garraway Rollover Pool and the Cash Pool; and (ii) the HINT FAV per Share will be determined for the purpose of calculating the number of New Ordinary Shares to be issued to each relevant EIT Shareholder
<b>“Cash Option”</b>	the option for EIT Shareholders to receive cash under the terms of the EIT Scheme
<b>“Cash Pool”</b>	the pool of EIT’s assets attributable to the EIT Shares in respect of which elections are made or deemed to have been made for the Cash Option
<b>“certificated form”</b>	not in uncertificated form
<b>“Circular”</b>	the circular published by the Company in connection with the issue of the New Ordinary Shares dated 10 June 2019
<b>“Company”</b>	Henderson International Income Trust plc
<b>“Computershare”</b>	Computershare Investor Services PLC

<b>“CREST”</b>	the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
<b>“Depositary”</b>	HSBC Bank plc, as depositary and custodian
<b>“Depositary Agreement”</b>	the depositary agreement dated 18 July 2014 between the Company, the AIFM and the Depositary summarised in paragraph 6.5 of Part 7 of this document
<b>“Directors” or “Board”</b>	the board of directors of the Company
<b>“Disclosure Guidance and Transparency Rules”</b>	the disclosure guidance and transparency rules contained within the FCA Handbook
<b>“Effective Date”</b>	the date on which the EIT Scheme becomes effective, which is expected to be 18 July 2019
<b>“EIT”</b>	The Establishment Investment Trust plc
<b>“EIT AGM”</b>	the annual general meeting of EIT convened for 12.00 noon on 10 July 2019 (or any adjournment thereof)
<b>“EIT NAV”</b>	the net asset value of EIT, being the value of EIT’s assets less any liabilities it has (which, for the avoidance of doubt, includes a deduction for any dividends declared but not paid by EIT to its shareholders prior to the Effective Date), calculated in accordance with EIT’s normal accounting policies, on a cum-income, debt at par basis, post the costs of the EIT Scheme (but ignoring any provision for the winding-up)
<b>“EIT Scheme”</b>	the proposed scheme of reconstruction and voluntary winding-up of EIT under section 110 of the Insolvency Act 1986
<b>“EIT Shareholders”</b>	holders of EIT Shares
<b>“EIT Shares”</b>	ordinary shares of nominal value 25 pence each in the capital of EIT
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited
<b>“FATCA”</b>	the US Foreign Account Tax Compliance Act
<b>“FCA”</b>	the UK Financial Conduct Authority
<b>“FSMA”</b>	the UK Financial Services and Markets Act 2000, as amended
<b>“Garraway Asian Centric”</b>	VT Garraway Asian Centric Global Growth Fund, a sub fund of VT Garraway Investment Funds ICVC
<b>“Garraway Net Income Shares”</b>	class R sterling net income shares in Garraway Asian Centric
<b>“Garraway Rollover Pool”</b>	the pool of EIT’s assets attributable to the EIT Shares for which EIT Shareholders have elected to receive Garraway Net Income Shares which will be transferred to Garraway Asian Centric pursuant to the EIT Scheme
<b>“General Meeting”</b>	the general meeting of the Company to consider the Resolution convened for 2.30 p.m. on 10 July 2019, or any adjournment thereof
<b>“Gross Assets”</b>	the gross assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time
<b>“HINT FAV per Share”</b>	the formula asset value of an Ordinary Share, being the value of the Company’s assets less any liabilities it has (which, for the avoidance of doubt, includes a deduction for any dividends declared but not paid to Shareholders prior to the Effective Date), calculated in accordance with the Company’s normal accounting policies, on a cum-income debt at fair value basis, post the costs of the Proposals to the Company (but not

	tax or dealing costs) and adjusted to take into account the portion of the HINT Manager Contribution used to defray the Company's costs in connection with the Proposals, divided by the number of Ordinary Shares in issue as at the Calculation Date
<b>"HINT Manager Contribution"</b>	the contribution by the AIFM as described under the paragraph entitled "Costs and expenses of the Proposals" in Part 3 of this document
<b>"HINT Manager Contribution Excess"</b>	any balance of the HINT Manager Contribution remaining after meeting the Company's costs in connection with the Proposals as described under the paragraph entitled "Costs and expenses of the Proposals" in Part 3 of this document
<b>"HINT Rollover Pool"</b>	the pool of EIT's assets attributable to the EIT Shares for which EIT Shareholders have elected or are deemed to have elected to receive New Ordinary Shares which will be transferred to the Company pursuant to the EIT Scheme
<b>"HMRC"</b>	HM Revenue & Customs
<b>"ISA"</b>	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998, as amended from time to time
<b>"Issue"</b>	the allotment and issue of New Ordinary Shares to certain EIT Shareholders pursuant to the EIT Scheme
<b>"Janus Henderson"</b>	Janus Henderson Group plc and its subsidiaries from time to time
<b>"Latest Practicable Date"</b>	close of business on 6 June 2019, being the latest practicable date prior to the date of this document for ascertaining certain information contained herein
<b>"Liquidation Pool"</b>	the pool of assets to be retained by the Liquidators in connection with the EIT Scheme to meet all known and unknown liabilities of EIT and other contingencies (including the Retention)
<b>"Liquidators"</b>	the liquidators of EIT appointed in connection with the EIT Scheme
<b>"Listing Rules"</b>	the listing rules made by the FCA under section 73A of FSMA
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"Main Market"</b>	the main market for listed securities operated by the London Stock Exchange
<b>"Management Agreement"</b>	the management agreement dated 17 July 2014 between the AIFM and the Company, as amended, summarised in paragraph 6.3 of Part 7 of this document
<b>"Manager"</b>	Henderson Global Investors Limited
<b>"Member State"</b>	any member state of the European Economic Area
<b>"NAV" or "Net Asset Value"</b>	the value of the assets of the Company less its liabilities, determined in accordance with the accounting principles adopted by the Company from time to time
<b>"Net Asset Value per Ordinary Share"</b>	the Net Asset Value divided by the number of Ordinary Shares in issue
<b>"New Ordinary Shares"</b>	new Ordinary Shares to be issued pursuant to the Issue
<b>"Note Purchase Agreement"</b>	the note purchase agreement dated 30 April 2019 summarised in paragraph 6.2 of Part 7 of this document
<b>"Notes"</b>	the 2.43% senior unsecured notes due 29 April 2044 issued by the Company pursuant to the Note Purchase Agreement
<b>"Official List"</b>	the official list maintained by the FCA

<b>“Ongoing Charges”</b>	the ongoing charges of the Company calculated in accordance with the methodology published by the AIC
<b>“Ordinary Shares”</b>	ordinary shares of nominal value 1 pence each in the capital of the Company
<b>“Panmure Gordon”</b>	Panmure Gordon (UK) Limited
<b>“PRA”</b>	the UK Prudential Regulation Authority
<b>“PRIIPS Regulation”</b>	Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products and its implementing and delegated acts
<b>“Proposals”</b>	the proposals for the issue of New Ordinary Shares to certain EIT Shareholders pursuant to the EIT Scheme
<b>“Prospectus Rules”</b>	the rules and regulations made by the FCA under Part 6 of FSMA
<b>“Register”</b>	the register of members of the Company
<b>“Registrar”</b>	Computershare Investor Services PLC
<b>“Registrar Agreement”</b>	the registrar agreement dated 21 November 2014, between the Company and the Registrar summarised in paragraph 6.4 of Part 7 of this document
<b>“Regulation S”</b>	Regulation S under the US Securities Act
<b>“Regulatory Information Service”</b>	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>“Relevant Member State”</b>	each Member State which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator in that Member State
<b>“Residual Net Asset Value”</b>	the EIT NAV at the Calculation Date minus the Retention amount after providing for the liabilities to be discharged out of the Liquidation Pool
<b>“Residual Net Asset Value per EIT Share”</b>	the Residual Net Asset Value divided by the number of EIT Shares in issue as at the Calculation Date
<b>“Resolution”</b>	the resolution to be proposed at the General Meeting, as summarised in Part 1 of this document and set out in full in the notice of general meeting in the Circular
<b>“Restricted EIT Shareholder”</b>	an EIT Shareholder with a registered address in any of the Restricted Territories or any other jurisdiction where the offer or receipt of New Ordinary Shares pursuant to the EIT Scheme may violate the relevant laws and/or regulations of that jurisdiction
<b>“Restricted Territories”</b>	any of the United States, Canada, the Republic of South Africa, Australia, New Zealand or Japan or any other jurisdiction where, in the view of the board of EIT, receipt of Ordinary Shares and/or Garraway Net Income Shares pursuant to the EIT Scheme may violate the relevant laws and/or regulations of that jurisdiction
<b>“Retention”</b>	the retention to be made by the Liquidators to meet any contingent and unknown liabilities of EIT
<b>“Shareholder”</b>	a holder of Ordinary Shares
<b>“SIPP”</b>	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
<b>“Sterling” or “£”</b>	pounds sterling, the lawful currency of the UK

<b>“Sub-Investment Management Agreement”</b>	the sub-investment management agreement dated 21 July 2014 between the AIFM and the Manager pursuant to which the AIFM has delegated portfolio management of the Company’s assets to the Manager
<b>“Takeover Code”</b>	The City Code on Takeovers and Mergers
<b>“Transfer Agreement”</b>	the agreement for the transfer of assets from EIT to the Company, details of which are set out in paragraph 6.1 of Part 7 of this document
<b>“Transfer Date”</b>	the date on which EIT’s assets are transferred to the Company pursuant to the Transfer Agreement, which is expected to be the Effective Date
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Corporate Governance Code”</b>	the UK Corporate Governance Code published by the Financial Reporting Council from time to time
<b>“UK GAAP”</b>	UK Generally Accepted Accounting Principles
<b>“uncertificated” or “in uncertificated form”</b>	an Ordinary Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>“US Investment Company Act”</b>	the United States Investment Company Act of 1940, as amended
<b>“US Person”</b>	a US Person as defined for the purposes of Regulation S
<b>“US Securities Act”</b>	the United States Securities Act of 1933, as amended

