

BB Healthcare Trust plc

B|B Healthcare Trust

Share Issuance Programme

Summary • Registration Document • Securities Note

November 2018

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 the Ordinary Shares being issued pursuant to the prospectus issued by BB Healthcare Trust plc (the “**Company**”), a closed-ended investment company, which comprises this summary, a securities note and a registration document each dated 5 November 2018 (the “**Prospectus**”) (with capitalised terms in this summary having the meaning given to them in the securities note and registration document as applicable). 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”.

Section A – Introduction and warnings		
Element	Disclosure Requirement	Disclosure
A.1.	Warning	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2.	Subsequent resale of securities or final placement of securities through financial intermediaries	<p>The Company consents to the use of the Prospectus by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries.</p> <p>The offer period within which any subsequent resale or final placement of securities by Intermediaries can be made and for which consent to use the Prospectus is given commences on 5 November 2018 and closes on 28 November 2018, unless closed prior to that date.</p> <p>Any financial intermediary that uses the Prospectus must state on its website that it uses the Prospectus in accordance with the Company’s consent. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.</p>

Section B – Issuer

Element	Disclosure Requirement	Disclosure																		
B.1.	Legal and commercial name	BB Healthcare Trust plc.																		
B.2.	Domicile and legal form	The Company was incorporated in England and Wales on 7 October 2016 with registered number 10415235 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 issued Ordinary Shares or the Company’s voting rights:</p> <table border="1"> <thead> <tr> <th><i>Name</i></th> <th><i>Number of Ordinary Shares held</i></th> <th><i>% of voting rights</i></th> </tr> </thead> <tbody> <tr> <td>Schroders plc</td> <td>15,482,819</td> <td>4.93%</td> </tr> <tr> <td>Quilter plc</td> <td>15,375,614</td> <td>4.90%</td> </tr> <tr> <td>Erich Hunziker</td> <td>14,750,000</td> <td>4.70%</td> </tr> <tr> <td>Heartwood Wealth Management Limited</td> <td>13,256,667</td> <td>4.22%</td> </tr> <tr> <td>J.M. Finn & Co Ltd</td> <td>10,995,350</td> <td>3.50%</td> </tr> </tbody> </table> <p>All holders of Ordinary Shares 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>	<i>Name</i>	<i>Number of Ordinary Shares held</i>	<i>% of voting rights</i>	Schroders plc	15,482,819	4.93%	Quilter plc	15,375,614	4.90%	Erich Hunziker	14,750,000	4.70%	Heartwood Wealth Management Limited	13,256,667	4.22%	J.M. Finn & Co Ltd	10,995,350	3.50%
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B.7.	Key financial information	<p>Selected key audited figures which summarise the financial condition of the Company in respect of the period from 7 October 2016 to 30 November 2017 are set out in the table below, together with unaudited figures for the interim financial period from 1 December 2017 to 31 May 2018 and audited figures for the interim financial period from 7 October 2016 to 31 May 2017. This information has been extracted without material adjustment from the 2017 Annual Report, 2018 Interim Report and 2017 Interim Report of the Company.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;"><i>As at</i> <i>30 November</i> <i>2017</i> <i>(audited)</i> <i>(£'000)</i></th> <th style="text-align: right; width: 20%;"><i>As at</i> <i>31 May 2018</i> <i>(unaudited)</i> <i>(£'000)</i></th> </tr> </thead> <tbody> <tr> <td colspan="3">Statement of Financial Position</td> </tr> <tr> <td colspan="3">Non-current assets:</td> </tr> <tr> <td>Investments held at fair value through profit or loss</td> <td style="text-align: right;">312,238</td> <td style="text-align: right;">360,035</td> </tr> <tr> <td colspan="3">Current assets</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">842</td> <td style="text-align: right;">4,512</td> </tr> <tr> <td>Income receivable</td> <td style="text-align: right;">228</td> <td style="text-align: right;">223</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">1,070</td> <td style="text-align: right; border-top: 1px solid black;">5,567</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">313,308</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">365,602</td> </tr> <tr> <td colspan="3">Current liabilities</td> </tr> <tr> <td>Purchases for future settlement</td> <td style="text-align: right;">(484)</td> <td style="text-align: right;">(3,279)</td> </tr> <tr> <td>Bank loans payable</td> <td style="text-align: right;">(12,786)</td> <td style="text-align: right;">(29,720)</td> </tr> <tr> <td>Other payables</td> <td style="text-align: right;">(425)</td> <td style="text-align: right;">(547)</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right; border-top: 1px solid black;">(13,695)</td> <td style="text-align: right; border-top: 1px solid black;">(33,546)</td> </tr> <tr> <td>Total net assets</td> <td style="text-align: right; border-top: 1px solid black;">299,613</td> <td style="text-align: right; border-top: 1px solid black;">332,056</td> </tr> <tr> <td>Net assets per Ordinary Share</td> <td style="text-align: right;">115.43 pence</td> <td style="text-align: right;">122.09 pence</td> </tr> <tr> <td colspan="3" style="text-align: center;"> <table style="width: 100%; border-collapse: collapse; margin-top: 20px;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;"><i>From</i> <i>7 October</i> <i>2016 to</i> <i>30 November</i> <i>2017</i> <i>(audited)</i> <i>(£'000)</i></th> <th style="text-align: right; width: 20%;"><i>From</i> <i>1 December</i> <i>2017 to</i> <i>31 May 2018</i> <i>(unaudited)</i> <i>(£'000)</i></th> <th style="text-align: right; width: 20%;"><i>From</i> <i>7 October</i> <i>2016 to</i> <i>31 May 2017</i> <i>(audited)</i> <i>(£'000)</i></th> </tr> </thead> </table> </td> </tr> <tr> <td colspan="3">Statement of Comprehensive Income</td> </tr> <tr> <td>Net investment gains</td> <td style="text-align: right;">34,482</td> <td style="text-align: right;">24,466</td> <td style="text-align: right;">18,017</td> </tr> <tr> <td>Income</td> <td style="text-align: right;">1,919</td> <td style="text-align: right;">963</td> <td style="text-align: right;">956</td> </tr> <tr> <td>Total income</td> <td style="text-align: right;">36,401</td> <td style="text-align: right;">25,429</td> <td style="text-align: right;">18,973</td> </tr> <tr> <td>Profit before finance costs and taxation</td> <td style="text-align: right;">33,525</td> <td style="text-align: right;">23,581</td> <td style="text-align: right;">17,813</td> </tr> <tr> <td>Operating profit before taxation</td> <td style="text-align: right;">33,312</td> <td style="text-align: right;">23,244</td> <td style="text-align: right;">17,757</td> </tr> <tr> <td>Profit for the period</td> <td style="text-align: right;">33,040</td> <td style="text-align: right;">23,136</td> <td style="text-align: right;">17,630</td> </tr> <tr> <td>Return per Ordinary Share</td> <td style="text-align: right;">17.63 pence</td> <td style="text-align: right;">8.72 pence</td> <td style="text-align: right;">10.95 pence</td> </tr> </tbody> </table> <p>As part of its initial public offering, the Company issued 150,000,000 Ordinary Shares on 2 December 2016 at a price of 100 pence per Ordinary Share. Thereafter, in the financial period to 30 November 2017 the Company issued a total of 109,569,268 new Ordinary Shares, raising in aggregate £123,609,467 before expenses. Since 30 November 2017, the Company has issued a total of 54,308,526 new Ordinary Shares, raising in aggregate £72,874,179 before expenses.</p>		<i>As at</i> <i>30 November</i> <i>2017</i> <i>(audited)</i> <i>(£'000)</i>	<i>As at</i> <i>31 May 2018</i> <i>(unaudited)</i> <i>(£'000)</i>	Statement of Financial Position			Non-current assets:			Investments held at fair value through profit or loss	312,238	360,035	Current assets			Cash and cash equivalents	842	4,512	Income receivable	228	223		1,070	5,567	Total assets	313,308	365,602	Current liabilities			Purchases for future settlement	(484)	(3,279)	Bank loans payable	(12,786)	(29,720)	Other payables	(425)	(547)	Total liabilities	(13,695)	(33,546)	Total net assets	299,613	332,056	Net assets per Ordinary Share	115.43 pence	122.09 pence	<table style="width: 100%; border-collapse: collapse; margin-top: 20px;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;"><i>From</i> <i>7 October</i> <i>2016 to</i> <i>30 November</i> <i>2017</i> <i>(audited)</i> <i>(£'000)</i></th> <th style="text-align: right; width: 20%;"><i>From</i> <i>1 December</i> <i>2017 to</i> <i>31 May 2018</i> <i>(unaudited)</i> <i>(£'000)</i></th> <th style="text-align: right; width: 20%;"><i>From</i> <i>7 October</i> <i>2016 to</i> <i>31 May 2017</i> <i>(audited)</i> <i>(£'000)</i></th> </tr> </thead> </table>				<i>From</i> <i>7 October</i> <i>2016 to</i> <i>30 November</i> <i>2017</i> <i>(audited)</i> <i>(£'000)</i>	<i>From</i> <i>1 December</i> <i>2017 to</i> <i>31 May 2018</i> <i>(unaudited)</i> <i>(£'000)</i>	<i>From</i> <i>7 October</i> <i>2016 to</i> <i>31 May 2017</i> <i>(audited)</i> <i>(£'000)</i>	Statement of Comprehensive Income			Net investment gains	34,482	24,466	18,017	Income	1,919	963	956	Total income	36,401	25,429	18,973	Profit before finance costs and taxation	33,525	23,581	17,813	Operating profit before taxation	33,312	23,244	17,757	Profit for the period	33,040	23,136	17,630	Return per Ordinary Share	17.63 pence	8.72 pence	10.95 pence
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		<p>On 31 August 2017, the Company paid a first interim dividend of 1.75 pence per Ordinary Share. On 29 March 2018, the Company paid a final dividend for the financial period to 30 November 2017 of 1.75 pence per Ordinary Share. On 24 August 2018, the Company paid a dividend of 2.0 pence per Ordinary Share for the six-month period ended 31 May 2018.</p> <p>Save as disclosed above, there has been no significant change in the financial condition or operating results of the Company during the period from incorporation to 31 May 2018 or since 31 May 2018, being the period covered by the historical financial information.</p>
B.8.	Key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> financial information is included in the Prospectus.
B.9.	Profit forecast	Not applicable. No profit forecast or estimate has been made in the Prospectus.
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, that is, for at least 12 months from the date of the Prospectus.
B.34.	Investment objective and policy	<p><i>Investment objective and return objectives</i></p> <p>The investment objective of the Company is to provide Shareholders with capital growth and income over the long term, through investment in listed or quoted global healthcare companies. The Company's specific return objectives are: (i) to beat the total return of the MSCI World Healthcare Index (in sterling) on a rolling 3 year period (the index total return including dividends reinvested on a net basis); and (ii) to seek to generate a double-digit total shareholder return per annum over a rolling 3 year period.</p> <p><i>Investment policy</i></p> <p>The Company invests in a concentrated portfolio of listed or quoted equities in the global healthcare industry. The Company may also invest in ADRs, or convertible instruments issued by such companies and may invest in, or underwrite, future equity issues by such companies. The Company may utilise contracts for differences for investment purposes in certain jurisdictions where taxation or other issues in those jurisdictions may render direct investment in listed or quoted equities less effective. Any use of derivatives for investment purposes is made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described below, and such use is not expected in the normal course to form a material part of Gross Assets.</p> <p>The investable universe for the Company is the global healthcare industry including companies within industries such as pharmaceuticals, biotechnology, medical devices and equipment, healthcare insurers and facility operators, information technology</p>

		<p>(where the product or service supports, supplies or services the delivery of healthcare), drug retail, consumer healthcare and distribution.</p> <p>No single holding will represent more than 10 per cent. of Gross Assets at the time of investment and, when fully invested, the portfolio will have no more than 35 holdings. The Company typically seeks to maintain a high degree of liquidity in its portfolio holdings (such that 90 per cent. of the portfolio may be liquidated in a reasonable number of trading days) and as a consequence of the concentrated approach, it is unlikely that a position will be taken in a company unless a minimum holding of 1.0 per cent. of Gross Assets at the time of investment can be achieved within an acceptable level of liquidity.</p> <p>There are no restrictions on the constituents of the Company's portfolio by index benchmark, geography, market capitalisation or healthcare industry sub-sector. Whilst the MSCI World Healthcare Index (in sterling) is used to measure the performance of the Company, the Company does not seek to replicate the index in constructing its portfolio. The portfolio may, therefore, diverge substantially from the constituents of this index (and, indeed, it is expected to do so). However, the portfolio is expected to be well diversified in terms of industry sub-sector exposures. Given the nature of the wider healthcare industry and the geographic location of the investable universe, it is expected that the portfolio will have a majority of its exposure to stocks with their primary listing in the United States and with a significant exposure to the US dollar in terms of their revenues and profits. Although the base currency of the Company is sterling which creates a potential currency exposure, this will not be hedged using any sort of foreign currency transactions, forward transactions or derivative instruments.</p> <p>The Company will not invest in any companies which are, at the time of investment, unquoted or untraded companies and has no intention of investing in other investment funds.</p> <p>No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.</p>
B.35.	Borrowing limits	<p>The Company may deploy borrowing to enhance long-term capital growth. Gearing is deployed flexibly up to 20 per cent. of Net Asset Value, at the time of borrowing although the Portfolio Manager expects that gearing will, over the longer term, average between 5 and 10 per cent. of Net Asset Value. In the event that the 20 per cent. limit is breached as a result of market movements, and the Board considers that borrowing should be reduced, the Portfolio Manager shall be permitted to realise investments in an orderly manner so as not to prejudice Shareholders.</p>
B.36.	Regulatory status	<p>As a public limited company incorporated under the Act that carries on its business 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.</p>
B.37.	Typical investor	<p>The Ordinary Shares are designed to be suitable for institutional investors, professional investors, high net worth investors, professionally advised private investors and retail investors</p>

		<p>seeking exposure to global healthcare equities. Investors should understand the risks and merits of such an investment and have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Furthermore, an investment in the Ordinary Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of Ordinary Shares and the income from them can go down as well as up.</p> <p>Potential investors should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. Private investors who are unsure whether to invest should consider consulting a financial adviser authorised under the Financial Services and Markets Act 2000 to assess whether an investment in the Company is suitable.</p>
B.38.	Investment of 20 per cent. or more of gross assets in single underlying asset or collective investment undertaking	Not applicable. No single holding will represent more than 10 per cent. of Gross Assets at the time of investment.
B.39.	Investment of 40 per cent. or more of gross assets in another collective investment undertaking	Not applicable. The Company will not invest in other collective investment undertakings.
B.40.	Applicant's service providers	<p><i>Portfolio Manager</i></p> <p>The Company's portfolio manager is Bellevue Asset Management AG (the "Portfolio Manager"). The Portfolio Manager is responsible for the management of the Company's portfolio in accordance with the Company's investment policy and the terms of the Delegated Portfolio Management Agreement. The Portfolio Manager has appointed Bellevue Advisors Limited to provide it with investment advice in relation to the Company's portfolio. Bellevue Advisors Limited currently intends to seek its Part IV permission under FSMA for, <i>inter alia</i>, the regulated activity of managing investments. If Bellevue Advisors Limited obtains such permission, the Delegated Portfolio Management Agreement may be novated to Bellevue Advisors Limited.</p> <p>Under the terms of the Delegated Portfolio Management Agreement, the Portfolio Manager 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 monthly in arrear and is at the rate of one-twelfth of 0.95 per cent. per calendar month of the Market Capitalisation.</p> <p>No performance fee is payable to the Portfolio Manager.</p> <p><i>AIFM</i></p> <p>The Company has appointed Mirabella Financial Services LLP to act as the Company's manager for the purposes of the AIFMD. The AIFM has delegated portfolio management to the Portfolio Manager.</p>

		<p>The AIFM is entitled to receive from the Company, in respect of its services provided under the AIFM Agreement, a monthly fee of £6,000 for the term of the agreement. In addition, the AIFM is entitled to fees for Annex IV reporting.</p> <p><i>Administrator and Company Secretary</i></p> <p>PraxisIFM Fund Services (UK) Limited has been appointed to act as the company secretary of the Company and has also been appointed to act as the administrator of the Company. The Administrator is responsible for the Company's general fund administration services (including calculation of NAV based on the data provided by the Portfolio Manager), bookkeeping and accounts preparation.</p> <p>Under the terms of the Administration and Company Secretarial Services Agreement, the Administrator is entitled to a fixed fee of £41,360 per annum in addition to a fee calculated at the rate of 0.075 per cent. per annum of Net Asset Value up to, and including, £100 million and 0.025 per cent. per annum on Net Asset Value in excess of £100 million (subject to a minimum overall fee of £8,500 per month), exclusive of VAT.</p> <p>The Administrator shall, in addition, be entitled to make reasonable charges based on time spent for work performed in connection with the operation of the Company's annual redemption facility.</p> <p><i>Registrar and Receiving Agent</i></p> <p>Link Market Services Limited has been appointed as the Company's registrar to provide share registration services. Under the terms of the Registrar Agreement, the Registrar is entitled to customary fees.</p> <p>In addition, Link Asset Services acts as the receiving agent of the Company to provide receiving agent duties and services in respect of the Offer for Subscription. Under the terms of the Receiving Agent Agreement, Link Asset Services is entitled to customary fees.</p> <p><i>Depositary</i></p> <p>Caceis Bank, UK Branch has been appointed as the Company's depositary for the purposes of the AIFM Directive. Under the terms of the Depositary Agreement, the Depositary is entitled to be paid a fee of 0.03 per cent. per annum of Gross Assets up to, and including, £200 million and 0.02 per cent. per annum of Gross Assets in excess of £200 million, exclusive of VAT. The Depositary is also entitled to receive fees in respect of transactions for the Company's portfolio.</p>
B.41.	Regulatory status of investment manager and depositary	<p>The Portfolio Manager is an authorised asset manager subject to regulation by the Swiss Financial Market Supervisory Authority, FINMA. The Portfolio Manager has appointed Bellevue Advisors Limited to provide investment advisory services to it in respect of the Company. Bellevue Advisors Limited is not subject to authorisation or regulation by the FCA.</p> <p>The AIFM is authorised and regulated by the FCA.</p> <p>The Depositary is authorised by the ACPR (Autorité de contrôle prudentiel et de résolution) and regulated by the PRA and the FCA in the UK.</p>

B.42.	Calculation and publication of Net Asset Value	The unaudited Net Asset Value per Ordinary Share is calculated in sterling by the Administrator on a daily basis. Such calculations are published daily, on a cum-income and ex-income basis, through a Regulatory Information Service and are available through 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 within the Prospectus.																								
B.45.	Portfolio	<p>As at the Latest Practicable Date, the Company's portfolio comprised 29 investments, with an aggregate unaudited value of £436 million.</p> <p>As at the Latest Practicable Date, the Company's top 10 investments, representing 54.6 per cent. of the value of the total portfolio were as follows:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><i>Company</i></th> <th style="text-align: right;"><i>Percentage of value of total portfolio</i></th> </tr> </thead> <tbody> <tr> <td>Anthem</td> <td style="text-align: right;">8.00%</td> </tr> <tr> <td>Teladoc</td> <td style="text-align: right;">7.66%</td> </tr> <tr> <td>Illumina</td> <td style="text-align: right;">7.49%</td> </tr> <tr> <td>Align Technology</td> <td style="text-align: right;">6.11%</td> </tr> <tr> <td>Lonza</td> <td style="text-align: right;">5.04%</td> </tr> <tr> <td>Celgene</td> <td style="text-align: right;">4.61%</td> </tr> <tr> <td>Intuitive Surgical</td> <td style="text-align: right;">4.20%</td> </tr> <tr> <td>Bristol Myers Squibb</td> <td style="text-align: right;">3.92%</td> </tr> <tr> <td>AmerisourceBergen</td> <td style="text-align: right;">3.91%</td> </tr> <tr> <td>Humana</td> <td style="text-align: right;">3.63%</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">54.6%</td> </tr> </tbody> </table> <p>There has been no material change in the Company's investments between the Latest Practicable Date and the date of this Summary.</p>	<i>Company</i>	<i>Percentage of value of total portfolio</i>	Anthem	8.00%	Teladoc	7.66%	Illumina	7.49%	Align Technology	6.11%	Lonza	5.04%	Celgene	4.61%	Intuitive Surgical	4.20%	Bristol Myers Squibb	3.92%	AmerisourceBergen	3.91%	Humana	3.63%		54.6%
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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 128.81 pence.																								

Section C – Securities

Element	Disclosure Requirement	Disclosure
C.1.	Type and class of securities	<p>The Company intends to issue Ordinary Shares of nominal value 1 penny each pursuant to the Initial Issue. The Company also intends to issue Ordinary Shares of nominal value 1 penny each pursuant to any Subsequent Issue under the Share Issuance Programme.</p> <p>The ISIN of the Ordinary Shares is GB00BZCNLL95. The SEDOL of the Ordinary Shares is BZCNLL9. The ticker for the Ordinary Shares is BBH.</p>

C.2.	Currency denomination of 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 date of this Summary:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; border-bottom: 1px solid black;"><i>Nominal Value (£)</i></th> <th style="text-align: right; border-bottom: 1px solid black;"><i>Number</i></th> </tr> </thead> <tbody> <tr> <td>Management Shares</td> <td style="text-align: right;">50,001</td> <td style="text-align: right;">50,001</td> </tr> <tr> <td>Ordinary Shares</td> <td style="text-align: right;">3,138,777.94</td> <td style="text-align: right;">313,877,794</td> </tr> </tbody> </table> <p>50,000 of the Management Shares are paid up as to one quarter of their nominal value and one of the Management Shares is fully paid up. The Ordinary Shares are fully paid up.</p>		<i>Nominal Value (£)</i>	<i>Number</i>	Management Shares	50,001	50,001	Ordinary Shares	3,138,777.94	313,877,794
	<i>Nominal Value (£)</i>	<i>Number</i>									
Management Shares	50,001	50,001									
Ordinary Shares	3,138,777.94	313,877,794									
C.4.	Rights attaching to the Ordinary Shares	<p>The holders of the Ordinary Shares shall only be entitled to receive, and to participate in, any dividends declared in relation to the relevant class of shares that they hold.</p> <p>The holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to any C Shares (if any) in issue.</p> <p>The Ordinary Shares shall 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	<p>Applications will be made to the UK Listing Authority for all of the Ordinary Shares to be issued pursuant to the Initial Issue to be admitted to the premium segment of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market. It is expected that Admission will become effective and dealings will commence on 3 December 2018.</p> <p>Applications will also be made to the UK Listing Authority for all of the Ordinary Shares to be issued pursuant to each Subsequent Issue under the Share Issuance Programme to be admitted to the premium segment of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market. It is expected that any Subsequent Admission will become effective and dealings will commence between 4 December 2018 and 4 November 2019.</p> <p>The Ordinary Shares will not be dealt on any other recognised investment exchange and no applications for Ordinary Shares to be traded on such other exchanges have been made or are currently expected.</p>									
C.7.	Dividend policy	The Company will set a target dividend each financial year equal to 3.5 per cent. of Net Asset Value as at the last day of the Company's preceding financial year. The target dividend will be announced at the start of each financial year. This is a target only and not a profit forecast and there can be no assurance that it will be met.									

		<p>Dividends will be financed through a combination of available net income in each financial year and other reserves. It is currently expected that most of the total annual dividend will be financed from other reserves. In order to increase the distributable reserves available to facilitate the payment of dividends, the Company cancelled the amount of £146,412,136 standing to the credit of its share premium account immediately following completion of the First Issue in order to create a special distributable reserve. The Company may, at the discretion of the Board, pay all or part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective.</p> <p>The Company intends to pay dividends on a semi-annual basis, by way of two equal dividends, with dividends declared in July and February/March and paid in August and March/April in each year.</p> <p>In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period.</p>
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Section D – Risks

Element	Disclosure Requirement	Disclosure
D.1.	Key information on the key risks that are specific to the Company	<ul style="list-style-type: none"> ● The Company has a limited operating history. The past performance of investments selected by the Portfolio Manager is not a reliable indication of the future performance of the Company. There can be no guarantee that the Company will achieve its investment objective or its return objectives, that any dividends will be paid in respect of any financial year or period or that investors will get back the full value of their investment. ● The Company's performance will be affected by the general economic sentiment in the countries in which the companies it invests in operate as well as a number of other factors beyond its control. ● The Company has no employees and is reliant on the performance of third party service providers. Failure by the Portfolio Manager, the AIFM or any other third party service provider to perform in accordance with the terms of its appointment could have a material detrimental impact on the operation of the Company. ● A failure by the Portfolio Manager or the Investment Adviser to retain key personnel may have an impact on the Company's ability to achieve its investment objective or return objectives. ● The Company is subject to laws and regulations enacted by national and local governments. 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. ● The Company may have significant exposure to portfolio companies from certain business sub-sectors from time to time. Greater concentration of investments in any one sub-sector may result in greater volatility in the value of the Company's investments and consequently its NAV and may

		<p>materially and adversely affect the performance of the Company and returns to Shareholders.</p> <ul style="list-style-type: none"> ● Any change in the Company's tax status or in taxation legislation or practice generally could adversely affect the value of the investments held by the Company, or the Company's ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders. ● Global economies and financial markets are unstable, which could have a material adverse effect on the performance of the Company. ● The healthcare sector may be affected by government regulations and government healthcare programs, increases or decreases in the costs of medical products and services and product liability claims, among other factors. Many healthcare companies are heavily dependent on patent protection, and the expiration of a company's patent may adversely affect that company's profitability. Healthcare companies are subject to competitive forces that may result in price discounting, and may be thinly capitalised and susceptible to product obsolescence. ● It is expected that the portfolio will have a majority of its exposure to stocks with their primary listing in the US and with a significant exposure to the US dollar in terms of their revenues and profits. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. This will not be hedged using any sort of foreign currency transactions, forward transactions or derivative instruments.
D.3.	Key information on the key risks that are specific to the Ordinary Shares	<ul style="list-style-type: none"> ● The value of the Ordinary Shares can fluctuate and may go down as well as up. ● There can be no guarantee that a liquid market in the Ordinary Shares will exist. Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price or at all. ● The market price of the Ordinary Shares, like shares in all investment trusts, may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. ● If the Directors decide to issue further Ordinary Shares, whether pursuant to the Share Issuance Programme or otherwise, any additional equity finance will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing. ● Shareholders should be aware that the operation of the redemption facility, which is entirely at the discretion of the Directors, may lead to a more concentrated and less liquid portfolio which may adversely affect the Company's performance and value. Further, redemptions may also adversely affect the secondary market liquidity of the Ordinary Shares. ● Changes in tax law may reduce any return for investors in the Company.

Section E – Offer

Element	Disclosure Requirement	Disclosure
E.1.	Proceeds and expenses of the issue	<p>The total net proceeds of the Initial Issue will depend on the number of new Ordinary Shares issued pursuant to the Initial Issue, the issue price of such new Ordinary Shares and the aggregate costs and expenses of the Initial Issue.</p> <p>The price at which new Ordinary Shares will be issued pursuant to the Initial Issue will be calculated by reference to the prevailing NAV (cum-income) of the existing Ordinary Shares together with a premium of 2.0 per cent. intended to cover the costs and expenses of the Initial Issue (including, without limitation, placing commissions). However, for illustrative purposes only, assuming that 100 million Ordinary Shares are issued pursuant to the Initial Issue and an issue price of 131.4 pence per new Ordinary Share (being a premium of 2.0 per cent. to the NAV (cum-income) per Ordinary Share as at the Latest Practicable Date):</p> <ul style="list-style-type: none"> ● the gross proceeds of the Initial Issue would be approximately £131.4 million; ● the costs and expenses of the Initial Issue would be approximately £2.6 million; and ● the net proceeds of the Initial Issue would be approximately £128.8 million. <p>The total net proceeds of and the costs and expenses of each Subsequent Issue of Ordinary Shares under the Share Issuance Programme will depend on subscriptions received.</p> <p>It is expected that the costs of issuing Ordinary Shares pursuant to any Subsequent Issues under the Share Issuance Programme will be covered by issuing such Ordinary Shares at a premium to the prevailing cum-income Net Asset Value per Ordinary Share.</p>
E.2.a.	Reasons for the issue, use of proceeds and estimated net amount of proceeds	<p>The Board, as advised by the Portfolio Manager, believes that there continue to be attractive opportunities for the Company to deliver returns for Shareholders through exposure to global healthcare equities, due to the long-term structural growth of the industry and compelling valuations.</p> <p>The net proceeds of the Initial Issue will depend on the number of new Ordinary Shares issued pursuant to the Initial Issue, the issue price of such new Ordinary Shares and the aggregate costs and expenses of the Initial Issue.</p> <p>The price at which new Ordinary Shares will be issued pursuant to the Initial Issue will be calculated by reference to the prevailing NAV (cum-income) of the existing Ordinary Shares together with a premium of 2.0 per cent. intended to cover the costs and expenses of the Initial Issue (including, without limitation, placing commissions). However, for illustrative purposes only, assuming that 100 million Ordinary Shares are issued pursuant to the Initial Issue and an issue price of 131.4 pence per new Ordinary Share (being a premium of 2.0 per cent. to the NAV (cum-income) per Ordinary Share as at the Latest Practicable Date):</p> <ul style="list-style-type: none"> ● the gross proceeds of the Initial Issue would be approximately £131.4 million;

		<ul style="list-style-type: none"> ● the costs and expenses of the Initial Issue would be approximately £2.6 million; and ● the net proceeds of the Initial Issue would be approximately £128.8 million. <p>The net proceeds of any Subsequent Issues under the Share Issuance Programme will depend on subscriptions received.</p> <p>The Directors intend to use the net proceeds of the Share Issuance Programme (including the Initial Issue) to acquire investments in accordance with the Company's investment objective and policy.</p>
E.3.	Terms and conditions of the issue	<p>Ordinary Shares are being made available under the Initial Issue at the Issue Price. The Initial Issue comprises the Initial Placing, the Offer for Subscription and the Intermediaries Offer.</p> <p>Each of Peel Hunt and J.P. Morgan Cazenove has agreed to use its reasonable endeavours to procure subscribers pursuant to the Initial Placing for the Ordinary Shares. The Initial Placing will close at 5.00 p.m. on 28 November 2018 (or such later date as the Company, Peel Hunt and J.P. Morgan Cazenove may agree). If the Initial Issue is extended, the revised timetable will be notified through a Regulatory Information Service. The Directors have reserved the right, following consultation with the Joint Bookrunners, to increase the size of the Initial Issue to a maximum of 145 million Ordinary Shares if overall demand exceeds 100 million Ordinary Shares.</p> <p>The Offer for Subscription is being made in the United Kingdom, the Channel Islands and the Isle of Man only. The minimum subscription amount for new Ordinary Shares pursuant to the Offer for Subscription is £1,000 and, if the application is for a higher amount, the amount must be a multiple of £1,000. Completed Application Forms and the accompanying payment in relation to the Offer for Subscription must be posted to the Receiving Agent so as to be received by no later than 1.00 p.m. on 28 November 2018.</p> <p>Under the Intermediaries Offer, the Ordinary Shares are being offered to Intermediaries in the United Kingdom, the Channel Islands and the Isle of Man who will facilitate the participation of their retail investor clients located in the United Kingdom, the Channel Islands and the Isle of Man. A minimum subscription amount of £1,000 per Underlying Applicant will apply. Completed Applications from Intermediaries must be received by Peel Hunt no later than 3.00 p.m. on 28 November 2018.</p> <p>The Initial Issue is conditional upon: (a) the Share Issuance Agreement becoming unconditional as to the Initial Issue (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and (b) Admission occurring by 8.00 a.m. on 3 December 2018 (or such later date, not being later than 31 December 2018, as the Company, Peel Hunt and J.P. Morgan Cazenove may agree).</p> <p>Following the Initial Issue, Ordinary Shares which may be made available pursuant to a Subsequent Issue under the Share Issuance Programme will be issued at the Share Issuance Programme Price. The Share Issuance Programme will close on 4 November 2019 (or any other date on which it is fully subscribed, as agreed between the Company, Peel Hunt and J.P. Morgan Cazenove). Each allotment and issue of Ordinary Shares pursuant to a Subsequent Issue under the Share Issuance Programme is conditional, <i>inter alia</i>, on:</p>

		<p>(a) any Admission of Ordinary Shares occurring not later than 8.00 a.m. on such dates as may be agreed between the Company, Peel Hunt and J.P. Morgan Cazenove prior to the closing of each Subsequent Issue, not being later than 4 November 2019;</p> <p>(b) the Share Issuance Agreement becoming otherwise unconditional in all respects and not having been terminated on or before the date of such Admission;</p> <p>(c) the relevant Share Issuance Programme Price of Ordinary Shares being determined by the Directors;</p> <p>(d) the Company having sufficient Shareholder authorities in place to issue such shares; and</p> <p>(e) a valid Future Summary and/or Future Securities Note and/or Future Registration Document being published by the Company if such is required by the Prospectus Rules.</p>
E.4.	Material interests	Not applicable. There are no interests that are material to the Share Issuance Programme (including the Initial Issue) and no conflicting interests.
E.5.	Name of person selling securities and lock-up agreements	<p>Not applicable. No person or entity is offering to sell Ordinary Shares as part of the Share Issuance Programme (including the Initial Issue).</p> <p>Pursuant to the Lock-in Deed, the UK-based Directors have agreed that they will not sell, grant options over or otherwise dispose of any interest in any Ordinary Shares acquired by them in satisfaction of their entitlement to receive directors' fees (save in certain circumstances) prior to the third anniversary of the date of acquisition of the relevant Ordinary Shares.</p>
E.6.	Dilution	<p>The Initial Issue is not being made on a pre-emptive basis and existing Shareholders may participate in the Initial Issue on the same terms as any other third party investor. Shareholders who do not participate in the Initial Issue for an amount at least <i>pro rata</i> to their existing holding will have their percentage holding diluted following Admission. If 100 million Ordinary Shares are issued pursuant to the Initial Issue, there would be a dilution of approximately 24.2 per cent. in Shareholders' ownership and voting interests in the Company.</p> <p>If 200 million Ordinary Shares are issued pursuant to the Share Issuance Programme following completion of the Initial Issue, assuming that 100 million Ordinary Shares are issued under the Initial Issue, there would be a dilution of approximately 32.6 per cent. in Shareholders' ownership and voting interests in the Company immediately after the Initial Issue. It is not anticipated that there will be any dilution in the NAV per Ordinary Share as a result of the Share Issuance Programme.</p>
E.7.	Estimated expenses charged to the investor by the issuer	No expenses will be charged to investors by the Company. However, the price at which the new Ordinary Shares will be issued pursuant to the Initial Issue will be calculated by reference to the prevailing NAV (cum-income) of the existing Ordinary Shares together with a premium of 2.0 per cent. intended to cover the costs and expenses of the Initial Issue (including, without limitation, any placing commissions). The costs and expenses of the Initial Issue are not expected to exceed 2.0 per cent. of the gross proceeds of the Initial Issue, assuming that the Initial Issue is subscribed as to

		<p>100 million Ordinary Shares. The costs of issuing Ordinary Shares pursuant to the Initial Issue may be amortised over the life of the Share Issuance Programme to the extent that such costs are not covered by the premium on the Initial Issue.</p> <p>All expenses incurred by any Intermediary are for its own account. Investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer.</p> <p>The costs and expenses of each issue of Ordinary Shares pursuant to a Subsequent Issue under the Share Issuance Programme will depend on subscriptions received but it is expected that these costs will be covered by issuing Ordinary Shares at a premium to the prevailing Net Asset Value (cum-income) per Ordinary Share.</p>
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THIS REGISTRATION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

This Registration Document, the Securities Note and the Summary together comprise a prospectus relating to BB Healthcare Trust plc (the “**Company**”) (the “**Prospectus**”) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (“**FCA**”) made pursuant to section 73A of FSMA. The Prospectus has been approved by the FCA and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

This Registration Document is valid for a period of 12 months following its publication and, save in circumstances where the Company is obliged to publish a supplementary prospectus, will not be updated. A future prospectus for any issuance of additional Ordinary Shares may, for a period of up to 12 months from the date of the publication of this Registration Document, consist of this Registration Document, a Future Summary and Future Securities Note applicable to each issue and subject to a separate approval by the FCA on each issue. Persons receiving this Registration Document should read the Prospectus together as a whole and should be aware that any update in respect of a Future Summary and Future Securities Note may constitute a material change for the purpose of the Prospectus Rules.

The Company and each of the Directors, whose names appear on page 12 of this Registration Document, accept responsibility for the information contained in this Registration 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 Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

BB HEALTHCARE TRUST PLC

(Incorporated in England and Wales with company no. 10415235 and registered as an investment company under section 833 of the Companies Act 2006)

REGISTRATION DOCUMENT

Portfolio Manager

Bellevue Asset Management AG

*Sponsor, Joint Bookrunner and Intermediaries
Offer Adviser*

Peel Hunt LLP

Joint Bookrunner

J.P. Morgan Cazenove

Each of Peel Hunt LLP (“**Peel Hunt**”), which is authorised and regulated in the United Kingdom by the FCA, and J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove (“**J.P. Morgan Cazenove**”) and which is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the FCA, is acting exclusively for the Company and for no-one else and will not regard any other person (whether or not a recipient of the Prospectus) as its client and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Initial Issue, the Share Issuance Programme and any Admission and the other arrangements referred to in the Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt or J.P. Morgan Cazenove 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, neither Peel Hunt or J.P. Morgan Cazenove makes any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of the Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the Initial Issue, the Share Issuance Programme or any Admission. Peel Hunt and J.P. Morgan Cazenove (together with their respective affiliates) accordingly, to the fullest extent permissible by law, disclaim all and any

responsibility or liability (save for any statutory liability) whether arising in tort, contract or otherwise which they might otherwise have in respect of the Prospectus or any other statement.

The 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 United States Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and the recipient of this Prospectus will not be entitled to the benefits of that Act. Outside the United States, the Ordinary Shares may be sold to non-US Persons pursuant to Regulation S. This document must not be distributed into the United States or to US Persons. Neither the US Securities Exchange Commission nor any US state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a US criminal offence.

Copies of this Registration Document, the Securities Note and the Summary (along with any Future Securities Note and Future Summary) will be available on the Company’s website and the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm.

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RISK FACTORS

Investment in the Company should not be regarded as short-term in nature and involves a degree of risk. Accordingly, investors should consider carefully all of the information set out in this Registration 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 Company at the date of this Registration Document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Registration Document, may also have an adverse effect on the performance of the Company. Investors should review this Registration Document carefully and in its entirety and consult with their professional advisers before making an application to participate in the Share Issuance Programme.

Risks relating to the Company and its investment strategy

The Company may not meet its investment objective or return objectives

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. There is no guarantee that the Company will produce total returns in excess of the MSCI World Healthcare Index (in sterling) or deliver a double-digit total shareholder return per annum over a rolling 3 year period and therefore achieve its return objectives. The Company's investment objective includes the aim of providing Shareholders with an income. There is no guarantee that any dividends will be paid in respect of any financial year or period.

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 Portfolio Manager, the Investment Adviser, the Administrator 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 in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

The past performance of the Company or other investments managed or advised by the Portfolio Manager, or the Investment Adviser or the Portfolio Manager's or the Investment Adviser's investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy. The success of the Company will depend *inter alia* on the Portfolio Manager's ability to acquire and realise investments in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Portfolio Manager and the Investment Adviser to identify suitable investments for the Company to invest in. There can be no assurance that the Portfolio Manager or the Investment Adviser 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.

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 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 Portfolio Manager, currency and exchange rate fluctuations, 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 European, 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. In addition, the Company is subject to the continuing obligations imposed by the UK Listing Authority on all investment companies whose shares are listed on the Official List.

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.

UK 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**"). Subsequently, the UK parliament passed the European Union (Notification of Withdrawal) Act 2017 which gave the UK Government power to begin the formal process for Brexit. A process of negotiation, which was formally begun on 29 March 2017 when the UK submitted its Article 50 notice of intention to withdraw from the European Union, will determine the terms of the UK's European Union exit and a possible future framework agreement.

The extent of the impact 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. In addition, the macroeconomic effect of Brexit on the value of investments in the healthcare sector and, by extension, the value of investments in the Company's portfolio is unknown. As such, it is not possible to state the impact that Brexit will have on the Company and its investments. It could also potentially 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.

Risks associated with borrowings

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 or redemptions) 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.

Risks relating to the Portfolio Manager and Investment Adviser

The departure of some or all of the Portfolio Manager's or the Investment Adviser'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 Portfolio Manager's and the Investment Adviser's investment professionals, and the information they discover 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 Portfolio Manager or the Investment Adviser and the Portfolio Manager's and Investment Adviser's ability to strategically recruit, retain and motivate new talented personnel. However, the Portfolio Manager and the Investment Adviser may not be successful in their efforts to recruit, retain and motivate the required 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 manager if the Portfolio Manager resigns

Under the terms of the Delegated Portfolio Management Agreement, the Portfolio Manager may resign by giving the AIFM not less than 12 months' written notice. The Portfolio Manager shall, from the date such notice takes effect, cease to make investment decisions on behalf of the Company. The Investment Advisory Agreement and the AIFM Agreement will also terminate automatically on termination of the Delegated Portfolio Management Agreement. The Directors would, in these circumstances, have to find a replacement manager for the Company and there can be no assurance that such a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company. In this event, the Directors would have to formulate and put forward to Shareholders proposals for the future of the Company, which may include its merger with another investment company, reconstruction or winding-up.

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

The Portfolio Manager, the Investment Adviser and their 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 Portfolio Manager, the Investment Adviser and their 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 Portfolio Manager manages funds other than the Company and may provide investment management, portfolio 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 Portfolio Manager, the Investment Adviser and their affiliates may carry on investment activities for their own accounts and for other accounts in which the Company has no interest. The Portfolio Manager, the Investment Adviser and their 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.

Risks relating to the Company's portfolio

Healthcare companies

The Company invests in global healthcare equities. There are many factors that could adversely affect the performance of investee companies. The healthcare sector may be affected by government regulations and government healthcare programs, increases or decreases in the cost of medical products and services and product liability claims, among other factors. Many healthcare

companies are heavily dependent on patent protection, and the expiration of a company's patent may adversely affect that company's profitability. Healthcare companies are subject to competitive forces that may result in price discounting, and may be thinly capitalised and susceptible to product obsolescence. The market prices for securities of companies in the healthcare sector may be highly volatile.

Any failure by any of the Company's investee companies to obtain or maintain, or any delay by any investee company in obtaining or maintaining, regulatory approvals could adversely affect the business of that investee company and thereby adversely affect the performance of the Company. The level of revenues and profitability of pharmaceutical companies may be affected by the efforts of governments and regulators to contain or reduce the cost to the public of healthcare through various means. The adoption of such legislative and regulatory approaches could have an adverse effect on the business and profitability of investee companies and therefore on the performance of the Company.

The successful development of healthcare products may be highly uncertain and requires significant expenditures. Even where products are successfully developed, protecting healthcare proprietary rights is difficult and costly. Patent disputes are frequent and can preclude the commercialisation of products.

Other factors that could affect the performance of investee companies include, but are not limited to, pricing decisions, including a decision to increase or decrease the price of a product, and the pricing decisions of competitors; government and third-party payer reimbursement and coverage decisions that affect the utilisation of relevant products and services; negative data from new clinical studies and the degree of patent protection afforded to relevant products by patents granted to investee companies and by the outcome of litigation involving investee companies' patents; and the rate of market penetration by competing products. In addition, the testing and marketing of medical products entail an inherent risk of product liability. Liability exposures for pharmaceutical and other healthcare products could be extremely large and pose a material risk. The value of the Company's investments in a healthcare company may be materially and adversely affected by a successful product liability claim in relation to that company.

Sectoral diversification

The Company has no limits on the amount it may invest in the healthcare sector and is not subject to any sub-sector investment restrictions. Although the portfolio is expected to be well diversified in terms of industry sub-sector exposures, the Company may have significant exposure to portfolio companies from certain sub-sectors from time to time. Greater concentration of investments in any one sub-sector may result in greater volatility in the value of the Company's investments and consequently its NAV and may materially and adversely affect the performance of the Company and returns to Shareholders.

American depositary receipts (ADRs)

The Company may invest in American depositary receipts ("ADRs") representing ownership of foreign securities. ADRs generally evidence an ownership interest in a corresponding foreign security on deposit with a financial institution. ADRs are designed for use in the US securities markets. Because the value of a depositary receipt is dependent upon the market price of an underlying security, depositary receipts are subject to the risks associated with investing in securities directly. These are the risks that a particular share, an industry, or shares in general may fall in value. The prices of stocks change in response to many factors, including the historical and prospective earnings of an issuer, the value of its assets, management decisions, demand for an issuer's products or services, production costs, general economic conditions, interest rates, currency exchange rates, investor perceptions and market liquidity.

Convertible instruments

The Company may acquire convertibles (including convertible bonds) to obtain exposure to an issuer or to acquire the equity securities of such issuer consistent with the Company's investment policy. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying equity security). The credit standing of the issuer and other factors such as interest rates may affect the investment value of a convertible security. For example, a decline in interest rates could reduce the amount of current income the Company is able to

achieve from interest on a convertible security. An increase in interest rates could reduce the value of convertible securities. The conversion value of a convertible security is determined by the market price of the underlying equity security and therefore is exposed broadly to the same risks as that of the underlying equity security.

Derivative instruments

The Company may utilise contracts for difference for investment purposes. Such financial instruments inherently contain much greater leverage than a non-margined purchase of the underlying security. This is due to the fact that, generally, only a very small portion (and in some cases none) of the value of the underlying security is required to be paid in order to make such investments. Small changes in the value of the underlying assets may cause a relatively large change in the Net Asset Value of the Company.

Where the Company utilises derivative instruments, it is likely to take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. Accordingly, the Company's use of derivative instruments may expose the Company to greater risk and have a material adverse effect on the Company's performance.

Cash

A small proportion of the Company's portfolio may be held in cash, depending on the Portfolio Manager's view on the market, from time to time. This proportion of the Company's assets will not be invested in the market and will not benefit from positive market movements.

Currency risk

Although the Company's performance is measured in sterling, a high proportion of the Company's assets may be either denominated in other currencies or be in investments with currency exposure. Given the nature of the wider healthcare industry and the geographic location of the investable universe, it is expected that the portfolio will have a majority of its exposure to stocks with their primary listing in the United States and with a significant exposure to the US dollar in terms of their revenues and profits. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. This will not be hedged using any sort of foreign currency transactions, forward transactions or derivative instruments.

Economic conditions

Changes in general economic and market conditions including, for example, interest rates, cost increase, rates of inflation, industry conditions, competition, political events and trends, tax laws, national and international conflicts and other factors could substantially and adversely affect the Company's prospects and thereby the performance of its Ordinary Shares.

No benchmark

Although one of the Company's return objectives is to beat the total return of the MSCI World Healthcare Index (in sterling) on a rolling 3 year period, the Company does not propose to follow that or any other benchmark. Accordingly, the portfolio of investments held by the Company will not mirror the stocks and weightings that constitute any particular index or indices, which may lead to the Ordinary Shares failing to follow either the direction or extent of any moves in the financial markets generally (which may or may not be to the advantage of Shareholders). An investment in the Company is unsuitable for those who seek investments in some way correlated to a stock market index.

Risks relating to taxation

Investment trust status

It is the intention of the Directors to conduct the affairs of the Company so as to continue to satisfy the conditions for approval as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010. A failure to maintain HMRC approval as an investment trust, including as a result of a change in tax law or practice, could result in the Company not being able to

benefit from the current exemption for investment trusts from UK tax on chargeable gains and could affect the Company's ability to provide returns to Shareholders. It is not possible to guarantee that the Company will remain non-close, which is a requirement to obtain and maintain status as an investment trust, as the Ordinary Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for approval as an investment trust company, will, as soon as reasonably practicable, notify Shareholders of this fact.

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

Changes in tax legislation or practice, whether in the UK or elsewhere, could affect the value of investments held by the Company, affect the ability of the Company to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investments in the Company.

Investors should consult their tax advisers with respect to their particular tax situation and the tax effects of an investment in the Company. Statements in this Registration Document concerning the taxation of investors or prospective investors in Ordinary Shares are based on current tax law and practice, each of which is potentially subject to change. The value of particular tax reliefs, if available, will depend on each individual Shareholder's circumstances. This Registration Document is not a substitute for independent tax advice.

IMPORTANT INFORMATION

General

This Registration Document should be read in its entirety, along with the Summary and the Securities Note and any Future Summary and Future Securities Note, before making any application for Ordinary Shares. Prospective investors should rely only on the information contained in this Registration Document (together with the Summary and the Securities Note or any Future Summary and Future Securities Note).

Prospective investors should rely only on the information contained in the Prospectus (which comprises this Registration Document, together with the Summary and Securities Note). No person has been authorised to give any information or make any representations other than as contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the AIFM, the Portfolio Manager, the Investment Adviser, the Administrator, the Depositary, Peel Hunt, J.P. Morgan Cazenove or any of their respective affiliates, officers, members, directors, 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 the Prospectus nor any subscription for or purchase of Ordinary Shares made pursuant to the Share Issuance Programme shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained in the Prospectus is correct as at any time subsequent to, the date of the Prospectus.

Apart from the liabilities and responsibilities, if any, which may be imposed on Peel Hunt or J.P. Morgan Cazenove 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, neither Peel Hunt or J.P. Morgan Cazenove makes any representation, express or implied, nor accepts any responsibility whatsoever for, the contents of the Prospectus nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the Share Issuance Programme or any Admission. Peel Hunt and J.P. Morgan Cazenove (together with their respective affiliates) accordingly, to the fullest extent permitted by law, disclaim all and any liability (save for any statutory liability) whether arising in tort, contract or which they might otherwise have in respect of the Prospectus or any other statement.

All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Association and the Articles which investors should review. A summary of the Articles is contained in paragraph 3 of Part 5 of this Registration Document under the section headed "Articles of Association".

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

Forward-looking statements

This Registration 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 risk, 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 Registration 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 Market Abuse Regulation and the Disclosure Guidance and Transparency Rules.

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 herein, that the Company or the Portfolio Manager will be able to implement their investment strategies or achieve the Company's investment objective or return objectives or that the returns generated by any investments by the Company will equal or exceed any past returns presented herein.

Nothing in the preceding paragraphs qualifies or should be deemed to qualify the working capital statement in paragraph 5 of Part 7 of the Securities Note.

DIRECTORS, MANAGEMENT AND ADVISERS

Directors	Professor Justin Stebbing (<i>Chairman</i>) Josephine Dixon Randeep Grewal Paul Southgate Siddhartha Mukherjee <i>all independent and all of the registered office below</i>
Registered Office	Mermaid House 2 Puddle Dock London EC4V 3DB United Kingdom Telephone: +44 (0)20 7653 9690
Sponsor, Joint Broker, Joint Bookrunner and Intermediaries Offer Adviser	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET United Kingdom
Joint Broker and Joint Bookrunner	J.P. Morgan Cazenove 25 Bank Street London E14 5JP United Kingdom
AIFM	Mirabella Financial Services LLP 130 Jermyn Street London SW1Y 4UR United Kingdom
Portfolio Manager	Bellevue Asset Management AG Seestrasse 16 CH-8700 Kusnacht / Zurich Switzerland
Investment Adviser	Bellevue Advisors Limited 32 London Bridge Street 24th Floor London SE1 9SG United Kingdom
Company Secretary and Administrator	PraxisIFM Fund Services (UK) Limited Mermaid House 2 Puddle Dock London EC4V 3DB United Kingdom
Legal Adviser to the Company	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
Legal Adviser to the Sponsor, Joint Brokers, Joint Bookrunners and Intermediaries Offer Adviser	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
Auditors and Reporting Accountant	Ernst & Young LLP 1 More London Place London SE1 2AF United Kingdom

Depository	Caceis Bank, UK Branch Broadwalk House 5 Appold Street London EC2A 2DA United Kingdom
Registrar	Link Market Services Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Receiving Agent	Link Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom

PART 1

INFORMATION ON THE COMPANY

1 Introduction

BB Healthcare Trust plc is a closed-ended investment company incorporated on 7 October 2016 in England & Wales with an indefinite life and registered as an investment company under Section 833 of the Act. The Company carries on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010. The Company's Ordinary Shares are admitted to the premium segment of the Official List of the UK Listing Authority and are traded on the London Stock Exchange's main market.

2 Investment objective and return objectives

The investment objective of the Company is to provide Shareholders with capital growth and income over the long term, through investment in listed or quoted global healthcare companies. The Company's specific return objectives are: (i) to beat the total return of the MSCI World Healthcare Index (in sterling) on a rolling 3 year period (the index total return including dividends reinvested on a net basis); and (ii) to seek to generate a double-digit total shareholder return per annum over a rolling 3 year period.

3 Investment policy

The Company invests in a concentrated portfolio of listed or quoted equities in the global healthcare industry. The Company may also invest in ADRs, or convertible instruments issued by such companies and may invest in, or underwrite, future equity issues by such companies. The Company may utilise contracts for differences for investment purposes in certain jurisdictions where taxation or other issues in those jurisdictions may render direct investment in listed or quoted equities less effective. Any use of derivatives for investment purposes is made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described below, and such use is not expected in the normal course to form a material part of Gross Assets.

The investable universe for the Company is the global healthcare industry including companies within industries such as pharmaceuticals, biotechnology, medical devices and equipment, healthcare insurers and facility operators, information technology (where the product or service supports, supplies or services the delivery of healthcare), drug retail, consumer healthcare and distribution.

No single holding will represent more than 10 per cent. of Gross Assets at the time of investment and, when fully invested, the portfolio will have no more than 35 holdings. The Company typically seeks to maintain a high degree of liquidity in its portfolio holdings (such that 90 per cent. of the portfolio may be liquidated in a reasonable number of trading days) and as a consequence of the concentrated approach, it is unlikely that a position will be taken in a company unless a minimum holding of 1.0 per cent. of Gross Assets at the time of investment can be achieved within an acceptable level of liquidity.

There are no restrictions on the constituents of the Company's portfolio by index benchmark, geography, market capitalisation or healthcare industry sub-sector. Whilst the MSCI World Healthcare Index (in sterling) is used to measure the performance of the Company, the Company does not seek to replicate the index in constructing its portfolio. The portfolio may, therefore, diverge substantially from the constituents of this index (and, indeed, it is expected to do so). However, the portfolio is expected to be well diversified in terms of industry sub-sector exposures. Given the nature of the wider healthcare industry and the geographic location of the investable universe, it is expected that the portfolio will have a majority of its exposure to stocks with their primary listing in the United States and with a significant exposure to the US dollar in terms of their revenues and profits. Although the base currency of the Company is sterling which creates a potential currency exposure, this will not be hedged using any sort of foreign currency transactions, forward transactions or derivative instruments.

The Company will not invest in any companies which are, at the time of investment, unquoted or untraded companies and has no intention of investing in other investment funds.

Borrowing policy

The Company may deploy borrowing to enhance long-term capital growth. Gearing is deployed flexibly up to 20 per cent. of Net Asset Value, at the time of borrowing although the Portfolio Manager expects that gearing will, over the longer term, average between 5 and 10 per cent. of Net Asset Value. In the event that the 20 per cent. limit is breached as a result of market movements, and the Board considers that borrowing should be reduced, the Portfolio Manager shall be permitted to realise investments in an orderly manner so as not to prejudice Shareholders.

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

4 Portfolio

As at the Latest Practicable Date, the Company's portfolio comprised 29 investments, with an aggregate unaudited value of £436 million.

As at the Latest Practicable Date, the Company's top 10 investments, representing 54.6 per cent. of the value of the total portfolio were as follows:

<i>Company</i>	<i>Percentage of value of total portfolio</i>
Anthem	8.00%
Teladoc	7.66%
Illumina	7.49%
Align Technology	6.11%
Lonza	5.04%
Celgene	4.61%
Intuitive Surgical	4.20%
Bristol Myers Squibb	3.92%
AmerisourceBergen	3.91%
Humana	3.63%
	54.6%

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

<i>Sector</i>	<i>Percentage of portfolio</i>
Biotech	17.4%
Diagnostics	14.3%
Med-Tech	13.8%
Managed Care	11.6%
Specialty Pharma	10.2%
Healthcare IT	7.7%
Dental	6.1%
Services	5.0%
Distributors	3.9%
Pharma	3.9%
Other healthcare	3.5%
Health Tech	2.5%
	100.0%

As at the Latest Practicable Date, the Company's portfolio by geographical location of the corporate headquarters of its investee companies was as follows:

<i>Country</i>	<i>Percentage of portfolio</i>
Europe (inc. UK and Switzerland)	5.0%
Asia (inc. China and Japan)	2.5%
United States	92.5%
	100%

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

5 Net Asset Value and investment returns

As at the Latest Practicable Date, the Company had unaudited net assets of approximately £404 million (representing a cum-income Net Asset Value per Ordinary Share of 128.81 pence) and the closing price of the Ordinary Shares was 129.0 pence. Since First Admission, the Company's Ordinary Shares, including dividends paid to Shareholders, have delivered a total share price return of 35.1 per cent.

Since First Admission, the Ordinary Shares have traded at an average premium to NAV per Ordinary Share of 1.7 per cent.

6 Dividend policy

The Company will set a target dividend each financial year equal to 3.5 per cent. of Net Asset Value as at the last day of the Company's preceding financial year. The target dividend will be announced at the start of each financial year. As announced by the Company on 5 December 2017, for the financial year ending 30 November 2018, the target total dividend is 4.0 pence per Ordinary Share, this being 3.5 per cent. of the Net Asset Value per Ordinary Share as at 30 November 2017. This is a target only and not a profit forecast and there can be no assurance that it will be met.

Dividends will be financed through a combination of available net income in each financial year and other reserves. It is currently expected that most of the total annual dividend will be financed from other reserves. In order to increase the distributable reserves available to facilitate the payment of future dividends, the Company cancelled the amount of £146,412,136 standing to the credit of its share premium account immediately following First Admission in order to create a special distributable reserve. The Company may, at the discretion of the Board, pay all or part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective.

The Company intends to pay dividends on a semi-annual basis, by way of two equal dividends, with dividends declared in July and February/March and paid in August and March/April in each year.

The Company paid aggregate dividends of 3.5 pence per Ordinary Share for the year ended 30 November 2017 (amounting to £8.0 million). Since then, the Company has paid an interim dividend of 2.0 pence per Ordinary Share on 24 August 2018 (amounting to £5.2 million) in respect of the six-months ended 31 May 2018.

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

7 Share rating management

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

Premium management

The Directors have authority to issue up to 200 million Ordinary Shares until the annual general meeting of the Company to be held in 2019. As at the date of this document, 45,928,026 Ordinary Shares have already been issued pursuant to this authority. Shareholders' pre-emption rights over

this unissued share capital have been disapplied so that the Directors will not be obliged to offer any new Ordinary Shares to Shareholders on a *pro rata* basis. No Ordinary Shares will be issued at a price less than the (cum income) Net Asset Value per existing Ordinary Share at the time of their issue.

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

Treasury shares

The Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This would give the Company the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. Ordinary Shares will not be sold from treasury at a price less than the (cum income) Net Asset Value per existing Ordinary Share at the time of their sale.

Discount management

The Company may seek to address any significant discount to NAV at which its Ordinary Shares may be trading by purchasing its own Ordinary Shares in the market on an *ad hoc* basis.

The Directors have the authority to make market purchases of up to 39,494,043 Ordinary Shares (being 14.99 per cent. of the Ordinary Shares in issue as at the date of the Company's first annual general meeting). The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Ordinary Shares will be repurchased only at prices below the prevailing NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for remaining Shareholders.

It is intended that a renewal of the authority to make market purchases will be sought from Shareholders at each annual general meeting of the Company. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

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

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

Redemption facility

The Company has a redemption facility through which Shareholders will be entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. The next Redemption Point for the Ordinary Shares will be 30 November 2018.

Details of the redemption procedure can be found in Part 3 of the Securities Note accompanying this Registration Document. A general summary of the UK tax treatment of redemptions and share buybacks can also be found in Part 6 of the Securities Note accompanying this Registration Document. In particular, individuals and certain trustees who are liable to UK income tax should note that a redemption of Ordinary Shares could result in higher tax charges than would arise if the Ordinary Shares were sold in the market to a third party.

8 Valuation

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

The Net Asset Value is the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with the Association of Investment Companies' valuation guidelines and in accordance with applicable accounting standards. Publicly traded securities are valued by reference to their bid price or last traded price, if applicable, on the

relevant exchange. Where trading in the securities of an investee company is suspended, the investment is valued at the Board's estimate of its net realisable value. In making its valuations, the Board takes into account, where appropriate, latest dealing prices, valuations from reliable sources, asset values and other relevant factors. If the Directors consider that any of the above bases of valuation are inappropriate in any particular case, or generally, they may adopt such other valuation procedures as they consider reasonable in the circumstances.

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

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

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

9 Meetings, reports and accounts

The Company holds an annual general meeting in each year. The annual report and accounts of the Company are made up to 30 November in each year with copies expected to be sent to Shareholders within the following four months. The Company also publishes unaudited half-yearly reports to 31 May with copies expected to be sent to Shareholders within the following three months.

The Company's financial statements are prepared in accordance with IFRS.

10 The Takeover Code

The Takeover Code applies to the Company.

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

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

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

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

The buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with significant shareholdings. The buyback powers should enable the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any share buyback the

Board will seek to identify any Shareholders who they are aware may be deemed to be acting in concert under note 1 of Rule 37 of the Takeover Code and will seek an appropriate waiver in accordance with note 3 of Rule 37. However, neither the Company, nor any of the Directors, nor the Portfolio Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fail(s) to take appropriate action.

11 Taxation

Potential investors are referred to Part 6 of the Securities Note accompanying this Registration Document which contains a general summary of certain UK tax considerations relating to the acquisition, holding and disposal of Ordinary Shares. That summary, which is based on current UK law and the current published practice of HMRC, does not constitute tax advice. 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.

12 Risk factors

The Company's business is dependent on many factors and potential investors should read the whole of this Registration Document and in particular the section entitled "Risk Factors" on pages 4 to 9.

PART 2

BACKGROUND AND INVESTMENT PROPOSITION

1 Healthcare market overview

A long-term structural growth sector

The global market for healthcare products and services is currently estimated to be worth in excess of US\$7.9 trillion¹. The Portfolio Manager believes that the healthcare sector will remain an area of sustained structural demand growth for many decades to come. The Portfolio Manager sees this being driven by the confluence of three positive factors:

- An ageing population in developed markets. There is a longstanding relationship between age and healthcare expenditure (the elderly cost disproportionately more in healthcare spend compared to younger age groups), with the majority of expenditure per capita going to the over 60s. Improved healthcare outcomes drive longevity and that longevity in turn creates increased demand for healthcare related services through the proliferation of age-associated chronic conditions such as hypertension, cancer and type 2 diabetes.
- Increasing wealth in middle income and developing countries. The past 20 years have seen a concomitant reduction in the proportion of the global population living in absolute poverty and a rapid increase in the proportion of the world's population defined as being middle class. According to the OECD, the global "middle class" will have expanded from 1.8 billion people in 2009 to 3.2 billion by 2020 and 4.9 billion by 2030². There is a strong correlation between the rise in GDP and an increasing proportion of that wealth being spent on healthcare.
- Greater understanding of the pathogenesis of disease. New technologies facilitating the identification of patterns of gene and protein expression are allowing scientists to increasingly define disease states at the molecular level and to appreciate the variation in pathology between individuals. This is driving the development of new, more targeted interventions and thus allowing physicians to tailor treatment to individual needs.

Cost containment and healthcare reform

Inevitably, there comes a point where a society feels that the cost of the interventions above is becoming problematic and indeed that is arguably now the case in a number of developed countries, where governments and consumers chafe at the spiralling costs of healthcare. The Portfolio Manager recognises this challenge and does not expect to see significant increases in the overall proportion of GDP per capita given over to healthcare to increase materially in these developed markets.

However, the Portfolio Manager believes that healthcare delivery remains very inefficient and wasteful in many areas and expects new technologies and services to enable more efficient and targeted interventions in future, freeing up resources to accommodate the demographic pressures outlined above. For example, it is well understood that around half of all patients given a chronic drug therapy do not remain compliant beyond one year³, which costs hundreds of billions of dollars globally in worse outcomes and wasted resources and this in itself is expected to be a key area of growth for new products and services (such as outcomes based pricing and fee-for-service models).

Future innovations are both welcome and necessary, but they must deliver perceived value to become widely adopted. The Portfolio Manager believes that the increasing prevalence of electronic patient monitoring and digital health records suggests that data analysis and software tools will play an ever larger role in improving outcomes, supporting the development of the nascent "healthcare IT" segment.

Reforming healthcare delivery to improve outcomes and deliver better value for money is now a constant theme in developed economies and a particularly politicised debate in the United States, which is both the largest single market for healthcare products and services at US\$3.7 trillion per annum⁴ and an outlier in terms of the proportion of GDP spent on healthcare (approximately

1 The Economist Intelligence Unit.

2 OECD Observer.

3 US National Library of Medicine, National Institutes of Health.

4 The Economist Intelligence Unit.

17.2 per cent. in 2017 versus an OECD average of approximately 8.8 per cent. and 8.6 per cent. in the EU).

The reasons why the US spends more are complex but the data suggests it would be fair to conclude that a US payer ends up spending a higher overall amount for any given healthcare interaction or intervention than would be the case in other OECD markets, including higher prices for drugs, devices and services⁵. It has been estimated that one dollar in five spent in the US is wasted in the sense that patients derive no benefit from it.⁶

Whilst the Portfolio Manager believes that pricing convergence seems inevitable in the long-term (especially for drugs) it considers that this will be a slow trend and also that there will not be a graduated shift toward a government delivered single provider system in the US as is common in most European countries. Most of the important rapidly developing markets (e.g. India and China) remain dependent on private providers to deliver services⁷.

2 Investment case

Bellevue Asset Management AG's Investment Trust team has run the BB Biotech Trust ("BB Biotech") for 25 years, delivering significantly better total returns than the US benchmark, NASDAQ Biotechnology Index (NBI), over the same period and growing to become the largest healthcare investment trust in Europe. BB Biotech has delivered an average annualised return of 13.5 per cent. (in US dollars) over the 25 year period since its inception.

BB Biotech has tended to focus on innovative companies bringing novel treatments to market and retaining its investments in these companies through the adoption/uptake curve for these new products. The team's investment process focuses on a bottom-up, concentrated portfolio approach.

The increasing intermeshing of the various disciplines within healthcare led the team to conclude that its approach could be successfully applied to the wider healthcare sphere. The Portfolio Manager estimates BB Biotech's focus on emerging pharmaceutical and biotechnology companies probably accounts for around 20 per cent. of the investable universe of quoted healthcare companies. It has become apparent to the Portfolio Manager that many of the epidemiological trends, products and technologies in which BB Biotech was investing would have positive effects on other areas of the healthcare marketplace (e.g. companion diagnostics for novel treatments aimed at genetic population sub-types).

The Portfolio Manager believes that the same bottom-up, concentrated portfolio approach is capable of delivering superior returns to the benchmark healthcare index, whilst offering the various benefits of sub-sector diversification, for example in terms of lower volatility.

The Portfolio Manager believes that a holistic approach to re-appraising the way that healthcare is accessed and delivered is essential to addressing the cost-related issues described above. As a consequence, new approaches to accessing, delivering and paying for care are beginning to emerge. These are often being delivered by disruptive innovators rather than incumbents and the bottom-up approach described above allows the Portfolio Manager to invest in such opportunities and participate in the care transformation story.

The Company's key points of differentiation

The Portfolio Manager believes that the Company's approach remains differentiated from other existing closed-ended listed healthcare investment companies or their open-ended equivalents in the following ways.

First, the Company has a longer term investment horizon. Focussing on ideas that the Portfolio Manager believes will deliver superior total returns over a three year period and beyond should enable the Portfolio Manager to focus on the factors that will drive fundamental outperformance.

Second, the Company has a high conviction portfolio capped at 35 positions that is unconstrained with respect to a benchmark. The Portfolio Manager believes that the track record of BB Biotech demonstrates that a concentrated, portfolio has a greater probability of outperforming the wider healthcare sector over the longer term.

5 Bernstein US healthcare overview report.

6 JAMA 2012;307 (14) 1513-1516.

7 US National Library of Medicine, National Institutes of Health: The political economy of healthcare reform in China: negotiating public and private.

World Health Organisation: Private sector contributions and their effort on physician emigration in the developing world.

Third, the Directors believe that there is strong alignment of Board and Portfolio Manager interests with those of investors: an annual redemption facility offers a robust form of discount control, Board compensation in locked-in shares (for UK based Directors), and a flat management fee with no performance element.

Fourth, the Company will target an annual dividend of 3.5 per cent. of Net Asset Value as at the last day of the Company's preceding financial year, financed predominantly from capital, offering a combination of income with a capital-growth focused investment objective. This dual approach is not currently offered by any other healthcare-focused closed-ended listed fund.

3 Investment strategy and process

The Company's portfolio comprises a single pool of investments, selected for their 3 to 5 year total return potential. Organic dividend yield is not a consideration in portfolio decisions and the Portfolio Manager's focus will be on maximisation of total shareholder return. Stocks will only be considered for inclusion in the portfolio following a comprehensive multi-stage due diligence process. The Portfolio Manager's investment process is based on bottom-up fundamental analysis. Whilst the hypothetical investable universe is very broad, the Portfolio Manager's requirements around levels of daily liquidity and financial disclosure mean that the realistic investable universe is typically approximately 500 to 700 stocks at any given time. Companies in the portfolio will be selected on the basis of their merits rather than their weighting in any particular benchmark or index.

The Portfolio Manager's investment process can be summarised as consisting of four broad stages:

1. Macro considerations (thematic assessment): These include analysis of sub-sectors within the healthcare industry, including their relative valuations, growth prospects and regulatory outlook. Also, the risks and opportunities associated with the political environment and sector M&A activity. The Portfolio Manager is happy to discount ownership of certain healthcare sub-sectors for multi-year periods based on this analysis.
2. Bottom-up analysis (idea generation): This includes the use of proprietary screening tools to narrow the investable universe to the most promising candidates. Management quality and accessibility are key criteria.
3. Selection of high conviction core portfolio (stock weighting considerations): This is driven by the Portfolio Manager's fundamental analysis of the narrowed investable universe, including the relative attractiveness of sub-sectors, expected returns, downside risk and trading liquidity in potential investee company securities.
4. Risk management framework (independent oversight): This is provided by a combination of the Portfolio Manager's own risk management tools and the oversight provided by a highly experienced, independent Board of non-executive directors. An integral part of this framework is a rigorous selling discipline in relation to portfolio holdings, with position prices and valuations continuously monitored against the Portfolio Manager's views on valuations and expected returns.

A multi-factorial quantitative screening programme is used to identify the most promising candidates; generating a candidate portfolio of around 100 companies that are then subjected to a more rigorous bottom-up analysis. This analysis comprises detailed financial modelling and the Company's portfolio will be selected from this group of companies. Each individual holding will be assessed on its own merits in terms of risk and reward, but the weightings of the various investments will also include a dimension of portfolio risk management, to ensure that the holdings are appropriately diverse in terms of sub-sector exposure and systematic risks.

The factors that the Portfolio Manager considers when selecting the core portfolio include:

1. Intrinsic value ("**Growth At a Reasonable Price**" or "**GARP**"): If a stock is trading well below the implied value of its longer-term growth outlook using conservative assumptions, then it is potentially attractive.
2. Long-term compound returns: Where scale is important in an industry sub-sector creating high barriers to entry and demand inelasticity, the Portfolio Manager can foresee sustained and attractive cash flow returns.
3. Disruptive innovation: the Portfolio Manager believes that companies offering novel approaches to solving healthcare needs with better outcomes or lower costs are likely to gain market share over time.

4. Service business models: Complex products where consumables and maintenance offer the potential for recurring high margin revenues.
5. Market timing: Newsflow in the healthcare sector can be complex for the market to digest and sometimes the short-term reactions are inconsistent with the longer-term thesis. When the Portfolio Manager's conviction is high and it views the market over-reaction as material, investment may be made on a mean-reversion hypothesis.

Where the portfolio is already at its maximum number of positions (35), any new holding will need to displace one of the existing investments. The Portfolio Manager believes that this additional constraint creates a good discipline for ensuring that only the best ideas make it into the portfolio. The holdings are continually monitored for risk, maturation of the original investment thesis or realisation of an upper valuation limit, to ensure selling discipline. Even if the portfolio is static in terms of companies, weightings may change to reflect risk management or because of performance.

PART 3

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 Company's service providers. The Directors may delegate certain functions to other parties such as the AIFM, the Administrator and the Registrar. Responsibility for managing the assets comprised in the portfolio has been delegated by the AIFM to the Portfolio Manager.

All of the Directors are non-executive and are independent of the AIFM and the Portfolio Manager. The Directors meet at least four times per annum.

The Directors are as follows:

Professor Justin Stebbing (Chairman)

Justin is a clinical oncologist and has published over 500 peer-reviewed papers on cancer. He is a Fellow of the Royal College of Physicians, the American Board of Internal Medicine and the Royal College of Pathologists and sits on a number of advisory boards. He also has previous investment management experience as a healthcare analyst and also acts as a consultant to another UK-based asset management firm.

Josephine Dixon (Chair of the Audit Committee)

Josephine is a chartered accountant who sits on the boards of Standard Life Equity Income Trust plc, JP Morgan European Investment Trust plc, Strategic Equity Capital plc, F&C Global Smaller Companies Trust plc and Ventus VCT plc. Her executive experience includes finance, governance and general commercial roles in a number of sectors.

Randeep Grewal (Chair of the Management Engagement Committee)

Randeep is a London-based fund manager at Trium, with over 19 years of healthcare investment experience, including F&C Asset Management, ICAP Equities and Tudor. Randeep trained as a Vascular and General Surgeon and read both Medicine and Computer Science at Cambridge University. He sits on the board of Tissue Regenix.

Paul Southgate

Paul is a London-based managing partner at Pictet Asset Management, with 22 years' investment experience. Before joining Pictet, he was managing partner at Eisenstat Capital Partners (ECAP) and previously managed European equities for both Deephaven Capital Management and Fortress Investment Group. He began his investment career with UBS Asset Management.

Siddhartha Mukherjee

Siddhartha is a cancer physician and professor at Columbia University. In addition to his extensive academic publications, he has written several books, including *The Emperor of All Maladies* (winner of a Pulitzer Prize in 2011). He is a Rhodes scholar and graduated from Stanford University, University of Oxford, and Harvard Medical School.

2 Portfolio Manager and Investment Adviser

The Company, through the AIFM, has appointed Bellevue Asset Management AG as the Company's portfolio manager. The Portfolio Manager is an asset management company incorporated in Switzerland, specialising in the healthcare sector, and part of the Bellevue Group.

The Portfolio Manager is an authorised asset manager subject to regulation by the Swiss Financial Market Supervisory Authority, FINMA. It is also the investment manager of BB Biotech, Europe's leading biotech investment trust with a primary listing on the SIX Swiss Exchange and with net assets of approximately £2.4 billion as at 31 October 2018. The Portfolio Manager is also responsible for the management operations of Bellevue Funds (Lux) SICAV, as well as a number of other investment funds and mandates.

As at 30 June 2018, the Portfolio Manager had total funds under management of approximately £4.6 billion in the healthcare industry, in funds covering all areas of healthcare and geographies.

The Portfolio Manager has appointed Bellevue Advisors Limited, its UK subsidiary, to provide investment advisory services to it in relation to the Company and its portfolio. Bellevue Advisors Limited currently intends to seek its Part IV permission under FSMA for, *inter alia*, the regulated activity of managing investments. If Bellevue Advisors Limited obtains such permission, the Delegated Portfolio Management Agreement may be novated to Bellevue Advisors Limited.

The investment team

Dr Daniel Koller

Daniel has over 18 years of experience in the healthcare sector. He joined Bellevue Asset Management AG in 2004 and was appointed head of portfolio management for the investment company BB Biotech in 2010. Previously, he was an asset manager for equity4life Asset Management Ltd and prior to that an equity analyst at UBS Warburg, covering the biotechnology sector. Daniel has a PhD in Biotechnology from the Swiss Federal Institute of Technology (ETH) Zurich.

Paul Major

Paul has 20 years of experience in the healthcare sector on the sell-side and was top-rated by a number of institutional investment clients. He was one of the first research partners at Redburn, Europe's leading independent research firm. His work there included bespoke projects on healthcare portfolio construction for several institutions. Paul was previously an analyst and corporate financier at UBS Warburg and studied biochemistry.

Brett Darke

Brett has 17 years of experience in the healthcare sector. He joined Bellevue Advisors Limited in September 2017, having previously worked on the buy-side since 2006 at TT International, on both long-only and long/short funds. Prior to this Brett worked in corporate finance at Merrill Lynch and Bear Stearns focussing on the healthcare sector. He holds a Masters degree in Medicine and Management studies from Cambridge University and is a CFA Charterholder.

Delegated Portfolio Management Agreement

The Company, the AIFM and the Portfolio Manager have entered into the Delegated Portfolio Management Agreement, a summary of which is set out in paragraph 6.2 of Part 5 of this Registration Document, under which the Portfolio Manager has been given responsibility for the discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment policy, subject to the overall control and supervision of the AIFM.

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

3 AIFM

The Company has appointed Mirabella Financial Services LLP as the AIFM of the Company, pursuant to the AIFM Agreement (further details of which are set out in paragraph 6.3 of Part 5 of this Registration Document). The AIFM will act as the Company's alternative investment fund manager for the purposes of the AIFMD.

Pursuant to the Delegated Portfolio Management Agreement (further details of which are set out in paragraph 6.2 of Part 5 of this Registration Document), the AIFM has delegated portfolio management to the Portfolio Manager.

The AIFM is registered as a limited liability partnership in England and Wales (registered number OC309035) and is authorised and regulated by the FCA (firm reference number 415559). The principal place of business of the AIFM is 130 Jermyn Street, London SW1Y 4UR. The AIFM's telephone number is +44 (0) 207 408 2448.

4 Administration of the Company

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

5 Fees and expenses

Expenses of the Initial Issue

The costs and expenses of the Initial Issue will be paid by the Company. These costs and expenses include fees and commissions payable under the Share Issuance Agreement and to the Intermediaries, the Receiving Agent's fees, admission fees, printing, legal and accounting fees and any other applicable expenses. These will be paid by the Company on or around Admission of the Ordinary Shares issued pursuant to the Initial Issue, out of the gross proceeds of the Initial Issue.

However, the price at which new Ordinary Shares will be issued pursuant to the Initial Issue will be the NAV (cum-income), in pounds sterling, of the existing Ordinary Shares at the close of business on 27 November 2018 together with a premium of 2.0 per cent. intended to cover the costs and expenses of the Initial Issue.

For illustrative purposes only, assuming that 100 million Ordinary Shares are issued pursuant to the Initial Issue, at an illustrative Issue Price of 131.4 pence per new Ordinary Share (being the Issue Price as if it had been calculated as at the close of business on the Latest Practicable Date), the costs and expenses of the Initial Issue would be approximately £2.6 million and the net proceeds of the Initial Issue would be approximately £128.8 million.

The costs of issuing Ordinary Shares pursuant to the Initial Issue may be amortised over the life of the Share Issuance Programme to the extent that such costs are not covered by the premium on the Initial Issue.

Ongoing annual expenses

The Company's ongoing annual expenses include the following:

(i) *Portfolio Manager*

The Portfolio Manager is entitled to receive in respect of its services provided under the Delegated Portfolio Management Agreement, a management fee payable monthly in arrear calculated at the rate of one-twelfth of 0.95 per cent. per calendar month of the Market Capitalisation. No performance fee will be payable to the Portfolio Manager.

(ii) *AIFM*

The AIFM is entitled to receive from the Company, in respect of its services provided under the AIFM Agreement, an initial fee of £8,500 plus a monthly fee of £6,000 for the term of the agreement. In addition, the AIFM is entitled to fees for Annex IV reporting.

(iii) *Administrator and Company Secretary*

Under the terms of the Administration and Company Secretarial Services Agreement, the Administrator is entitled to a fixed fee of £41,360 per annum in addition to a fee calculated at the rate of 0.075 per cent. per annum of Net Asset Value up to, and including, £100 million and 0.025 per cent. per annum on Net Asset Value in excess of £100 million (subject to a minimum overall fee of £8,500 per month), exclusive of VAT.

The Administrator shall, in addition, be entitled to make reasonable charges based on time spent for work performed in connection with the operation of the Company's annual redemption facility.

The Administrator is also entitled to reimbursement of all reasonable out of pocket expenses incurred by it in connection with its duties.

(iv) *Registrar*

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.85 per Shareholder account per annum, subject to a minimum fee of £3,250 per annum (exclusive of VAT). The fee is subject to increase in line with the retail prices index. The Registrar is also entitled to activity fees under the Registrar Agreement.

(v) *Depositary*

Under the terms of the Depositary Agreement, the Depositary is entitled to be paid a fee of 0.03 per cent. per annum of Gross Assets up to, and including, £200 million and 0.02 per cent. per annum of Gross Assets in excess of £200 million, exclusive of VAT. The Depositary is also entitled to receive fees in respect of transactions for the Company's portfolio. In

addition to these fees, the Depositary is entitled to debit the Company's accounts in order to be reimbursed for all expenses properly and reasonably incurred in the performance of its duties under the Depositary Agreement.

(vi) *Directors*

Each of the Directors is entitled to receive a fee from the Company, payable quarterly in arrear, at such rate as may be determined in accordance with the Articles. Save for the Chairman of the Board, the fees are £27,500 for each Director per annum. The Chairman's fee is £40,000 per annum. In addition, the Chair of the Audit Committee will receive an additional fee of £5,000 per annum and the Chair of the Management Engagement Committee will receive an additional fee of £2,500 per annum. Each of the UK based Directors has agreed that any fees payable to them shall, save where the Company determines otherwise, be satisfied in Ordinary Shares acquired at market value, such Ordinary Shares to be acquired on behalf of the Directors and for their account by the Company's broker. Any Ordinary Shares acquired by the Directors pursuant to these arrangements shall be subject to the terms of the Lock-in Deed.

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.

(vii) *Other operational expenses*

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

6 Conflicts of interest

The Portfolio Manager and its officers and employees may from time to time act for other clients or manage other funds, which may have similar investment objectives and policies to that of the Company. Circumstances may arise where investment opportunities will be available to the Company which are also suitable for one or more of such clients of the Portfolio Manager or such other funds. The Directors have satisfied themselves that the Portfolio Manager has procedures in place to address potential conflicts of interest and that, where a conflict arises, the Portfolio Manager will allocate the opportunity on a fair basis and in accordance with the Delegated Portfolio Management Agreement described in paragraph 6.2 of Part 5 of this Registration Document.

The Portfolio Manager, any of its 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.

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.

The Financial Reporting Council ("**FRC**"), the UK's independent regulator for corporate reporting and governance responsible for the UK Corporate Governance Code, has endorsed the AIC Code

and the AIC Guide. The terms of the FRC's endorsement mean that AIC members who report against the AIC Code and the AIC Guide meet fully their obligations under the UK Corporate Governance Code and the related disclosure requirements contained in the Listing Rules.

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

The UK Corporate Governance Code includes provisions relating to: the role of the chief executive; the appointment of a senior independent director; executive directors' remuneration; and the need for an internal audit function. For the reasons set out in the AIC Guide, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company and the Company does not, therefore, comply with them.

The Company's Audit Committee is chaired by Jo Dixon, 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 the responsibilities of the Audit Committee. The Audit Committee examines the effectiveness of the Company's risk management and internal control systems. It reviews the half-yearly and annual reports and also receives information from the AIFM and/or the Portfolio Manager. It also reviews the scope, results, cost effectiveness, independence and objectivity of the external auditor.

In accordance with the AIC Code the Company has established a Management Engagement Committee which is chaired by Randeep Grewal 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 Portfolio Manager and the AIFM and it annually reviews those appointments and the terms of the Delegated Portfolio Management Agreement and the AIFM Agreement.

PART 4

FINANCIAL AND OTHER INFORMATION

1 Historical financial information incorporated by reference

The Company has published audited financial statements for the period from incorporation on 7 October 2016 to 30 November 2017 (the “**2017 Annual Report**”). The 2017 Annual Report was prepared in accordance with IFRS and was audited by Ernst & Young LLP, whose report was unqualified. Ernst & Young LLP is a member of the Institute of Chartered Accountants in England and Wales.

In addition, the Company has published: (i) unaudited interim accounts for the six months ended 31 May 2018 (the “**2018 Interim Report**”); and (ii) audited interim accounts for the period from 7 October 2016 to 31 May 2017 (the “**2017 Interim Report**”).

The 2017 Annual Report, the 2018 Interim Report and the 2017 Interim Report which have been incorporated into this document by reference and which are available online at www.bbhealthcaretrust.com and are also available for inspection at the address referred to in paragraph 11 of Part 5 of this Registration Document, included, on the pages specified in the table below, the following information.

Those parts of the 2017 Annual Report, the 2018 Interim Report and the 2017 Interim Report which are not being incorporated into this Registration Document by reference are either not relevant for investors or are covered elsewhere in this Registration Document.

<i>Nature of information</i>	<i>2017 Annual Report (page no(s))</i>	<i>2018 Interim Report (page no(s))</i>	<i>2017 Interim Report (page no(s))</i>
Investment Objective, Financial Information and Performance Summary	1	1	1
Chairman’s Statement	2-4	2-3	2-3
Portfolio Manager’s Report	5-10	4-6	4-5
Portfolio	17	7	6
Directors’ Report	18-23	—	—
Independent Auditor’s Report	37-43	—	8
Statement of Comprehensive Income	44	9	10
Statement of Financial Position	45	10	11
Statement of Changes in Equity	46	11-12	12
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Notes to the Financial Statements	48-61	14-20	14-26
Alternative Performance measures	1	21-22	—
Directors, Portfolio Manager and Advisers	64	25	27

2 Selected financial information

Selected key audited figures which summarise the financial condition of the Company in respect of the period from 7 October 2016 to 30 November 2017 are set out in the table below, together with unaudited figures for the interim financial period from 1 December 2017 to 31 May 2018 and audited figures for the interim financial period from 7 October 2016 to 31 May 2017. This information has been extracted without material adjustment from the 2017 Annual Report, 2018 Interim Report and 2017 Interim Report of the Company.

	<i>As at</i> <i>30 November</i> <i>2017</i> <i>(audited)</i> <i>(£'000)</i>	<i>As at</i> <i>31 May 2018</i> <i>(unaudited)</i> <i>(£'000)</i>	
Statement of Financial Position			
Non-current assets:			
Investments held at fair value through profit or loss	312,238	360,035	
Current assets			
Cash and cash equivalents	842	4,512	
Income receivable	228	223	
	<u>1,070</u>	<u>5,567</u>	
Total assets	<u><u>313,308</u></u>	<u><u>365,602</u></u>	
Current liabilities			
Purchases for future settlement	(484)	(3,279)	
Bank loans payable	(12,786)	(29,720)	
Other payables	(425)	(547)	
	<u>(13,695)</u>	<u>(33,546)</u>	
Total liabilities	<u><u>(13,695)</u></u>	<u><u>(33,546)</u></u>	
Total net assets	<u><u>299,613</u></u>	<u><u>332,056</u></u>	
Net assets per Ordinary Share	115.43 pence	122.09 pence	
	<i>From</i> <i>7 October</i> <i>2016 to</i> <i>30 November</i> <i>2017</i> <i>(audited)</i> <i>(£'000)</i>	<i>From</i> <i>1 December</i> <i>2017 to</i> <i>31 May 2018</i> <i>(unaudited)</i> <i>(£'000)</i>	<i>From</i> <i>7 October</i> <i>2016 to</i> <i>31 May 2017</i> <i>(audited)</i> <i>(£'000)</i>
Statement of Comprehensive Income			
Net investment gains	34,482	24,466	18,017
Income	1,919	963	956
Total income	36,401	25,429	18,973
Profit before finance costs and taxation	33,525	23,581	17,813
Operating profit before taxation	33,312	23,244	17,757
Profit for the period	33,040	23,136	17,630
Return per Ordinary Share	17.63 pence	8.72 pence	10.95 pence

3 Operating and financial review

The 2017 Annual Report, the 2018 Interim Report and the 2017 Interim Report 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 the period covered by the historical financial information.

<i>Nature of information</i>	<i>2017 Annual Report (audited) (page no(s))</i>	<i>2018 Interim Report (unaudited) (page no(s))</i>	<i>2017 Interim Report (audited) (page no(s))</i>
Chairman's Statement	2-4	2-3	2-3
Portfolio Manager's Report	5-10	4-6	4-5
Portfolio	17	7	6

4 Significant change

Since 31 May 2018, the Company has issued a total of 41,898,026 new Ordinary Shares, raising in aggregate £58,765,513 before expenses. On 24 August 2018, the Company paid a dividend of 2.0 pence per Ordinary Share for the six-month period ended 31 May 2018.

Save as disclosed above, there has been no significant change in the financial or trading position of the Company since 31 May 2018, being the date to which the latest unaudited interim financial information of the Company has been prepared.

PART 5

ADDITIONAL INFORMATION

1 The Company, the Portfolio Manager and the AIFM

- 1.1 The Company was incorporated in England and Wales as a public limited company on 7 October 2016, with registered number 10415235. The Company is registered as an investment company under section 833 of the Act. The Company has received a certificate under section 761 of the Act entitling it to commence business and to exercise its borrowing powers. The Company is domiciled in England and Wales and currently has no employees.
- 1.2 The principal activity of the Company is to invest in global healthcare equities in accordance with the Company's investment policy with a view to achieving its investment objective.
- 1.3 As at the date of this Registration Document, the Company does not have any subsidiaries.
- 1.4 The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is Mermaid House, 2 Puddle Dock, London EC4V 3DB. The Company's telephone number is +44 (0)20 7653 9690.
- 1.5 As a Company with its shares admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market, the Company is subject to the Listing Rules, the Prospectus Rules, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and to the rules of the London Stock Exchange.
- 1.6 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the conditions that must be met for approval by HMRC as an investment trust, and which must continue to be met for each accounting period in respect of which the Company is approved as an investment trust are that:
 - (i) the Company is not a close company at any time during the accounting period;
 - (ii) the Company is resident in the UK throughout that accounting period;
 - (iii) each class of the Company's ordinary share capital is admitted to trading on a regulated market throughout the accounting period; and
 - (iv) the Company must not retain in respect of the accounting period an amount greater than the higher of: (a) 15 per cent. of its income for the period; and (b) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (a) and (b) above, it may retain an amount equal to the amount of such losses.
- 1.7 The Portfolio Manager is an asset management company incorporated in Switzerland with number CHE-107.402.972. The Portfolio Manager is an authorised asset manager subject to regulation by the Swiss Financial Market Supervisory Authority, FINMA. The address of the registered office of the Portfolio Manager is Seestrasse 16 CH-8700 Kusnacht / Zurich Switzerland and its telephone number is +41 44 267 67 00.
- 1.8 The AIFM is a limited liability partnership registered in England and Wales with registered number OC309035. The AIFM is authorised and regulated by the FCA to act as the manager of the Company for the purposes of the AIFMD (firm reference number 415559). The address of the registered office of the AIFM is 130 Jermyn Street, London SW1Y 4UR and the AIFM's telephone number is +44 (0) 207 408 2448.

2 Share capital

- 2.1 The Company was incorporated with an initial capital of £0.01 comprising 1 non-redeemable ordinary share (the "**Subscriber Share**"). Since the date of incorporation until the date of this Registration Document, there have been the following changes in the issued share capital of the Company.

- 2.2 To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under Section 761 of the Act, on 2 November 2016 the Company allotted 50,000 Management Shares of £1.00 each to the Portfolio Manager. These Management Shares were paid up as to one quarter of their nominal value.
- 2.3 On 30 November 2016, the Company allotted 99 non-redeemable ordinary shares of 1 penny each to the subscriber to the Company's memorandum of association. On 2 December 2016, the 100 non-redeemable ordinary shares of £0.01 each were consolidated into one non-redeemable ordinary share of £1.00 which was thereupon re-designated as a Management Share and subsequently transferred to the Portfolio Manager.
- 2.4 On 2 December 2016, the Company completed an issue of 150,000,000 Ordinary Shares at £1.00 per share.
- 2.5 Between 2 December 2016 and 30 November 2017 the Company issued 109,569,268 Ordinary Shares at a weighted average price of 112.81 pence.
- 2.6 The issued share capital of the Company as at 30 November 2017 comprised 50,001 Management Shares and 259,569,268 Ordinary Shares.
- 2.7 Since 30 November 2017, the Company has issued 54,308,526 Ordinary Shares at a weighted average price of 134.19 pence.
- 2.8 Set out below is the issued share capital of the Company as at the date of this Registration Document:

	<i>Nominal Value (£)</i>	<i>Number</i>
Management Shares	50,001	50,001
Ordinary Shares	3,138,777.94	313,877,794

50,000 of the Management Shares are paid up as to one quarter of their nominal value and one Management Share is fully paid up. The Ordinary Shares are fully paid up.

- 2.9 By resolutions passed on 22 March 2018:
- (A) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act (in substitution for all subsisting authorities to the extent unused) to exercise all the powers of the Company to allot up to 200,000,000 Ordinary Shares, such authority to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2019 or, if earlier, on the expiry of 15 months from the passing of the resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;
- (B) the Directors were empowered (pursuant to sections 570 and 573 of the Act) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 2.9(A) above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2019, or, if earlier, on the expiry of 15 months from the passing of the resolution, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired; and
- (C) the Company was authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares, provided that the maximum number of Ordinary Shares authorised to be purchased is 39,494,043 (representing 14.99 per cent. of the Company's issued Ordinary Share capital (excluding shares held in treasury) at the date of the notice of the meeting). The minimum price which may be paid for an Ordinary Share is 1 penny. The maximum price which may be paid for an Ordinary Share must not be more than the higher of: (a) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days

before the purchase is made; or (b) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Such authority will expire at the conclusion of the annual general meeting of the Company to be held in 2019 or, if earlier, on the expiry of 15 months from the passing of the resolution, save that the Company may contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase its Ordinary Shares in pursuance of such contract.

- 2.10 In accordance with the authorities referred to in paragraphs 2.9(A) and 2.9(B) above, it is expected that the Ordinary Shares in respect of the Initial Issue will be allotted pursuant to a resolution of the Board to be passed shortly before, and conditional upon, Admission.
- 2.11 The provisions of section 561 of the Act (which, to the extent not disapplied pursuant to section 570 or section 573 of the Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash) shall apply to any unissued share capital of the Company, except to the extent disapplied by the resolution referred to in paragraph 2.9(B) above.
- 2.12 Save as disclosed in this paragraph 1, since the date of its incorporation: (i) there has been no alteration in the share capital of the Company; (ii) no share or loan capital of the Company has been issued or agreed to be issued, or, save in respect of the Share Issuance Programme, is now proposed to be issued for cash or any other consideration; and (iii) 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.
- 2.13 The Ordinary Shares expected to be issued on 3 December 2018 in the case of the Initial Issue and the Ordinary Shares which may be issued in the period from 4 December 2018 to 4 November 2019 in the case of any Subsequent Issues under the Share Issuance Programme, will be in registered form. Temporary documents of title will not be issued.
- 2.14 Applicants who have signed and returned Application Forms in respect of the Offer for Subscription may not withdraw their applications for Ordinary Shares subject to their statutory right of withdrawal in the event of the publication of a supplementary prospectus.

3 Articles of Association

A summary of the main provisions of the Articles is set out below. The Articles also contain provisions relating to the redemption of the Ordinary Shares. A summary of these provisions is set out in Part 3 of the Securities Note.

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 or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of 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:

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

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

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

Where a shareholder vote is required to be taken in accordance with the Listing Rules, that vote must be decided by a resolution of the holders of the shares that have been admitted to the premium listing. Where the provisions of the Listing Rules require that any resolution must, in addition, be approved by the independent shareholders (as defined in the Listing Rules), only independent shareholders who hold shares that have a premium listing shall be entitled to vote on the relevant resolution.

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:

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

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

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

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

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any Benefit Plan Investor; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the US Securities Act and/or the US Exchange Act and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the US Exchange Act; (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the US Tax Code; (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation); or (vi) creates a significant legal or regulatory issue for the Company under the US Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, then the Directors may declare the Shareholder in question a “Non-Qualified Holder” and the Directors may require that any shares held by such Shareholder (“**Prohibited Shares**”) shall (unless the Shareholder concerned satisfies the Directors that he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder as provided below. The Directors may at any time give notice in writing to the holder of a share requiring such holder to make a declaration as to whether or not the share is a Prohibited Share.

The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring such holder within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at the Chairman's discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by such former holder of the relevant share certificate (if applicable).

Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a US Person.

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 Borrowings

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

3.14 Voting at board meetings

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

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

3.15 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.

3.16 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.

3.17 Indemnity

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

3.18 **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.

3.19 **C Shares and Deferred Shares**

The rights and restrictions attaching to the C Shares and the Deferred Shares arising on their conversion are summarised below.

(I) The following definitions apply for the purposes of this paragraph 3.19 only:

Calculation Date means the earliest of the:

- (i) close of business on the date to be determined by the Directors occurring not more than 10 Business Days after the day on which the Portfolio Manager shall have given notice to the Directors that at least 90 per cent. of the Net Proceeds (or such other percentage as the Directors and Portfolio Manager shall agree) shall have been invested; 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 VIII 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 net asset value per C Share to the net asset value per Ordinary Share, which is calculated as:

$$\text{Conversion Ratio} = \frac{A}{B}$$

$$A = \frac{C - D}{E}$$

$$B = \frac{F - C - G + D}{H}$$

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 (ii) below) which are listed or dealt in 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 or 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 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 (ii) below) which are listed or 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 or 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 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 Auditors 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 Shares means deferred shares of 1 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).

References to the Auditors confirming any matter should be construed to mean confirmation of their opinion as to such matter whether qualified or not.

References to ordinary shareholders, C Shareholders and deferred shareholders should be construed as references to holders for the time being of Ordinary Shares, C Shares and Deferred Shares respectively.

- (II) The holders of the Ordinary Shares, the Management 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 annual 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 on which such Deferred Shares were created in accordance with paragraph VIII (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 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. It should be noted that given the proposed repurchase of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;
 - (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 to the C Shares;
 - (c) a holder of Management Shares shall be entitled (in priority to any payment of dividend on any other class of share) to a fixed cumulative preferential dividend of 0.01 per cent. per annum on the nominal amount of the Management Shares held

by him, such dividend to accrue annually and to be payable in respect of each accounting reference period of the Company within 21 days of the end of such period;

- (d) the Existing Ordinary Shares shall confer the right to dividends declared in accordance with the Articles;
 - (e) the Ordinary Shares into which C Shares shall convert shall rank *pari passu* with the Existing Ordinary Shares for dividends and other distributions made or declared by reference to a record date falling after the Calculation Date; and
 - (f) 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 such C Shares (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).
- (III) The holders of the Ordinary Shares, the Management 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 be applied, 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 first, amongst the Management Shareholders *pro rata* according to the nominal capital paid up on their holdings of Management Shares and, second, amongst the existing Ordinary Shareholders *pro rata* according to the nominal capital paid up on their holdings of Existing Ordinary Shares **provided** however that the holders of the Management Shares shall only receive an amount up to the capital paid up on such Management Shares and the Management Shares shall not confer the right to participate in any surplus remaining following payment of such amount. For the purposes of this paragraph III (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 1 penny in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders; and
 - (ii) secondly, the surplus shall be divided, first, amongst the Management Shareholders *pro rata* according to the nominal capital paid up on their holdings of Management Shares and, second, amongst the Ordinary Shareholders *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares provided however that the holders of the Management Shares shall only receive an amount up to the capital paid up on such Management Shares and the Management Shares shall not confer the right to participate in any surplus remaining following payment of such amount.
- (IV) 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 and the Management Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company unless, in the case of the Management Shares, no other shares are in issue at that time.
- (V) 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 (but not the Ordinary Shares arising on 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 pence for every 1,000,000 Deferred Shares and the notice referred to in paragraph (VIII) (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 pence for each holding of 1,000,000 Deferred Shares. On repurchase, each Deferred Share shall be treated as cancelled in accordance with section 706 of the Act without further resolution or consent; 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.
- (VI) 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 Company's 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, as described above, 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 or redemption of any shares by the Company (whether or not such shares are to be held in treasury).
- (VII) 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 fairly consider to be attributable to the C Shares; and

- (c) give appropriate instructions to the Portfolio Manager to manage the Company's assets so that such undertakings can be complied with by the Company.
- (VIII) 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 VIII:
- (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 Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion shall be calculated; and
 - (ii) the Auditors 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 convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph I 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 such C Shareholder will be entitled on Conversion.
 - (c) On conversion each C Share shall automatically subdivide into 10 conversion shares of 1 penny each and such conversion shares of 1 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 1 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 1 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.
 - (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.

4 Interests of Directors, major shareholders and related party transactions

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

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.

- 4.2 The Directors' current level of remuneration is £27,500 per annum for each Director other than the Chairman, who receives £40,000 per annum. In addition, the Chair of the Audit Committee will receive an additional fee of £5,000 per annum and the Chair of the Management Engagement Committee will receive an additional fee of £2,500 per annum. The aggregate of the remuneration (including any contingent or deferred compensation) paid and benefits in kind granted to the Directors by the Company in respect of the financial period ended 30 November 2017 was £157,500. Each of the UK based Directors has agreed that any fees payable to them shall, save where the Company determines otherwise, be satisfied in Ordinary Shares acquired at market value, such Ordinary Shares to be acquired on behalf of the Directors and for their account by the Company's broker. Any Ordinary Shares acquired by the Directors pursuant to these arrangements shall be subject to the terms of the Lock-in Deed.

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

- 4.3 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.
- 4.4 Over the five years preceding the date of this Registration 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:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Professor Justin Stebbing	Curemark, LLC Justin Stebbing Ltd Stebbing Investments Consulting Limited	MPPD Syndication LLP
Josephine Dixon	F&C Global Smaller Companies plc JP Morgan European Investment Trust plc Market Place Limited Standard Life Equity Income Trust plc Strategic Equity Capital plc Ventus VCT plc	Back Up Energy Generation Baring Emerging Europe plc Dialtime Plus Limited Eden Regeneration Limited Fanmailuk.com Limited Open Clasp Theatre Company Plutus Powergen plc Sustainable Allendale CIC The Road to Happiness Limited Worldwide Healthcare Trust plc Places for People Group Limited Places for People Ventures Operations Limited Places for People Ventures Limited Places Impact Places for People Finance PLC Places for People Treasury PLC
Randeep Grewal	Tissue Regenix Group plc	None
Paul Southgate	None	Eisenstat Capital Partners (UK) LLP
Siddhartha Mukherjee	Vice Media Vor Pharma	None

- 4.5 The Directors in the five years before the date of this Registration Document:
- (i) do not have any convictions in relation to fraudulent offences;
 - (ii) 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
 - (iii) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

- 4.6 Save as set out in this paragraph 4.6, no Director has any interests (beneficial or non-beneficial) in the share capital of the Company as at the Latest Practicable Date:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>
Justin Stebbing	31,056	0.0099
Josephine Dixon	49,544	0.0158
Randeep Grewal	49,857	0.0159
Paul Southgate	46,449	0.0148
Siddhartha Mukherjee	25,000	0.0080

Each of the UK based Directors has agreed that any directors' fees payable to them shall, save where the Company determines otherwise, be satisfied in Ordinary Shares acquired at market value, such Ordinary Shares to be acquired on behalf of the Directors and for their account by the Company's broker. Any Ordinary Shares acquired by the Directors pursuant to these arrangements shall be subject to the terms of the Lock-in Deed.

- 4.7 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 issued Ordinary Shares or the Company's voting rights:

<i>Name</i>	<i>Number of Ordinary Shares held</i>	<i>% of voting rights</i>
Schroders plc	15,482,819	4.93%
Quilter plc	15,375,614	4.90%
Erich Hunziker	14,750,000	4.70%
Heartwood Wealth Management Limited	13,256,667	4.22%
J.M. Finn & Co Ltd	10,995,350	3.50%

- 4.8 All Shareholders have the same voting rights in respect of shares of the same class in the share capital of the Company.
- 4.9 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.
- 4.10 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.
- 4.11 Save as disclosed in: (i) note 17 on page 57 of the 2017 Annual Report; and (ii) note 12 on page 20 of the 2018 Interim Report, which are incorporated by reference into this Registration Document, there have been no related party transactions entered into by the Company at any time during the period covered by the historical financial information incorporated by reference into this Registration Document.

4.12 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 Portfolio Manager, any of its 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.

5 Investment restrictions

The Company will at all times invest and manage its assets with the objective of spreading risk and in accordance with its published investment policy as set out in Part 1 of this Registration Document.

The Company will not invest in other listed closed-ended investment funds.

In the event of a breach of the investment policy set out in Part 1 of this Registration Document and the investment restrictions set out therein, the Portfolio 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.

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

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 date of this Registration 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 Registration Document.

6.1 Share Issuance Agreement

A Share Issuance Agreement dated 5 November 2018 between the Company, the Portfolio Manager, the Directors, Peel Hunt and J.P. Morgan Cazenove whereby each of Peel Hunt and J.P. Morgan Cazenove has undertaken, as agent for the Company, to use their respective reasonable endeavours to procure subscribers under the Initial Placing and Subsequent Placings for Ordinary Shares. In the event of oversubscription of the Initial Issue, applications under the Initial Placing, Offer for Subscription and/or the Intermediaries Offer will be scaled back at the Company’s discretion (in consultation with Peel Hunt, J.P. Morgan Cazenove and the Portfolio Manager).

The Share Issuance Agreement is subject to, *inter alia*, the Ordinary Shares to be issued pursuant to the Initial Issue being admitted to the premium segment of the Official List and to trading on the London Stock Exchange’s main market by 3 December 2018 (or such later date as the Company, Peel Hunt and J.P. Morgan Cazenove may agree but no later than 8.00 a.m. on 31 December 2018). Conditional upon completion of the Initial Issue, Peel Hunt and J.P. Morgan Cazenove are entitled to be paid an aggregate commission by the Company of up to 1.5 per cent. of the value of any Ordinary Shares issued pursuant to the Initial Issue, in consideration for their services in relation to the Initial Issue. Peel Hunt is also entitled to receive a sponsor fee in connection with the Initial Issue.

Each of Peel Hunt and J.P. Morgan Cazenove is also entitled to receive a commission based on the value of any Ordinary Shares issued pursuant to any Subsequent Placings.

Under the Share Issuance Agreement, which may be terminated by Peel Hunt and/or J.P. Morgan Cazenove in certain circumstances prior to Admission, the Company and the Portfolio Manager have given certain warranties and indemnities to Peel Hunt and J.P. Morgan Cazenove and the Directors have given certain warranties to Peel Hunt and J.P. Morgan Cazenove. These warranties and indemnities are customary for an agreement of this nature.

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

6.2 ***Delegated Portfolio Management Agreement***

A Delegated Portfolio Management Agreement dated 10 November 2016 between the Company, the AIFM and the Portfolio Manager, pursuant to which the Portfolio Manager is appointed to act as portfolio manager of the Company with responsibility to manage the assets of the Company and to advise the AIFM on a day to day basis in accordance with the investment policy of the Company and subject to the overall policies and communicated directions of the AIFM, which shall at all times be in accordance with the investment policy and investment restrictions of the Company. Under the terms of the Delegated Portfolio Management Agreement, the Portfolio Manager has discretion to buy, sell, retain, exchange or otherwise deal in investment assets for the account of the Company.

The Portfolio Manager is entitled to receive from the Company in respect of its services provided under the Delegated Portfolio Management Agreement, a management fee payable monthly in arrear calculated at the rate of one-twelfth of 0.95 per cent. per calendar month of the Market Capitalisation.

The Delegated Portfolio Management Agreement may be terminated on 12 months' written notice, such notice to expire, in the case of notice given by the AIFM to the Portfolio Manager, on or at any time after the third anniversary of First Admission. The Delegated Portfolio Management Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency, on a change of control of the Portfolio Manager or in the event of a material breach which fails to be remedied within 30 days of receipt of notice. The Delegated Portfolio Management Agreement shall terminate immediately if the AIFM Agreement is terminated for whatever reason. The Delegated Portfolio Management Agreement may also be terminated by the AIFM on not less than 6 months' notice in writing to the Portfolio Manager if, without the prior written consent of the Company, a Key Man Event occurs prior to the third anniversary of First Admission. For these purposes, a "Key Man Event" will be deemed to occur if: (a) either of Daniel Koller or Paul Major ceases to be employed full time by the Portfolio Manager or any member of its group; or (b) Daniel Koller ceases to be actively involved in respect of the Portfolio Manager's obligations under the Delegated Portfolio Management Agreement; or (c) Paul Major ceases to be actively involved in respect of the Investment Adviser's obligations under the Investment Advisory Agreement.

The Company has given an indemnity in favour of the Portfolio Manager in respect of the Portfolio Manager's potential losses in carrying on its responsibilities under the Delegated Portfolio Management Agreement, except as shall arise from the fraud, wilful default or negligence of the Portfolio Manager or any material breach of the Delegated Portfolio Management Agreement by the Portfolio Manager.

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

6.3 ***AIFM Agreement***

The AIFM Agreement dated 10 November 2016 between the Company and the AIFM, pursuant to which the AIFM is appointed to act as alternative investment fund manager of the Company for the purposes of the AIFMD subject to the overall control and supervision of the Board. The AIFM has delegated responsibility for the management of the Company's portfolio to the Portfolio Manager, by way of the Delegated Portfolio Management Agreement.

Under the terms of the AIFM Agreement, the AIFM is entitled to receive from the Company an initial fee of £8,500 plus a monthly fee of £6,000 for the term of the agreement. In addition, the AIFM is entitled to fees for Annex IV reporting. The AIFM is also entitled to reimbursement of reasonable expenses incurred by it in the performance of its duties.

The AIFM Agreement is terminable by either the AIFM or the Company giving to the other not less than 6 months' written notice. The AIFM Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency, on a change of control of the AIFM or in the event of a material breach which fails to be remedied within 30 days of receipt of notice. The AIFM Agreement shall terminate immediately if the Delegated Portfolio Management Agreement is terminated for whatever reason.

The Company has agreed to hold harmless and indemnify the AIFM against all actions, proceedings, claims and costs, demands and expenses incidental thereto which may be brought against, suffered or incurred by the AIFM by reason of the proper performance of its

duties in accordance with the terms of the AIFM Agreement in each case including all reasonable legal, professional and other expenses properly incurred in connection therewith, except as shall arise from the fraud, wilful default or negligence of the AIFM or directly from any material breach of the AIFM Agreement or the rules of the FCA by the AIFM.

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

6.4 Administration and Company Secretarial Services Agreement

The Administration and Company Secretarial Services Agreement between the Company and PraxisIFM Fund Services (UK) Limited dated 10 November 2016, pursuant to which PraxisIFM Fund Services (UK) Limited has agreed: (i) to provide certain company secretarial services to the Company and is the named company secretary of the Company; and (ii) to provide certain administrative services to the Company (including calculation of the NAV), bookkeeping and accounts preparation.

Under the terms of the Administration and Company Secretarial Services Agreement, the Administrator is entitled to a fixed fee of £41,360 per annum in addition to a fee calculated at the rate of 0.075 per cent. per annum of Net Asset Value up to, and including, £100 million and 0.025 per cent. per annum on Net Asset Value in excess of £100 million (subject to a minimum overall fee of £8,500 per month), exclusive of VAT.

The Administrator shall, in addition, be entitled to make reasonable charges based on time spent for work performed in connection with the operation of the Company's annual redemption facility.

The Administrator will also be entitled to reimbursement of all reasonable out of pocket expenses incurred by it in providing its services under the agreement.

Either party may terminate the Administration and Company Secretarial Services Agreement on six months' written notice. The agreement is also subject to immediate termination on the occurrence of certain events, including material and continuing breach or insolvency.

The Company has agreed to indemnify, defend and hold harmless the Administrator, its directors, officers, employees, agents, sub-contractors or delegates from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal costs, reasonable expenses or disbursements (other than those resulting from fraud, negligence or wilful default on the part of the Administrator and any agent, sub-contractor or delegate appointed by it), which may be imposed on, incurred by or asserted against the Administrator as a result of or in connection with performing its services under the agreement. This indemnity is customary for an agreement of this nature.

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

6.5 Depositary Agreement

The Depositary Agreement dated 10 November 2016, between the Company, the AIFM and the Depositary, pursuant to which the Depositary is appointed as the Company's depositary for the purposes of the AIFM Directive.

The Depositary Agreement provides for the Depositary and its employees, officers and directors to be indemnified by the Company from all costs, liabilities and reasonable expenses resulting from the Depositary, or its employees, officers and directors acting on behalf of the Depositary, carrying out its obligations under the Depositary Agreement, except in the case of negligence or wilful misconduct.

In accordance with the terms of the Depositary Agreement, and subject to the provisions of the AIFM Directive, the Depositary may delegate its safe-keeping functions in relation to financial instruments and other assets of the Company. Except where liability has been transferred or discharged in accordance with the AIFM Directive, the liability of the Depositary shall not be affected by any delegation of its custody function and the Depositary shall be liable to the Company or its investors for the loss of financial instruments by the Depositary or a third party to whom the custody of financial instruments has been delegated. The Depositary may discharge its responsibility in case of a loss of a financial instrument held by a third party if the Depositary has transferred its liability to such third party and has satisfied the requirements of the AIFM Directive for such transfer of liability.

Otherwise than in respect of a loss of financial instruments the Depositary shall only be liable to the Company for any damages incurred by the Company or its investors as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement. Under no circumstances shall the Depositary be liable to the Company or any other person for indirect or consequential damages.

The Depositary is entitled to a fee of 0.03 per cent. per annum of Gross Assets up to, and including, £200 million and 0.02 per cent. per annum of Gross Assets in excess of £200 million, exclusive of VAT. The Depositary is also entitled to receive fees in respect of transactions for the Company's portfolio.

The Depositary Agreement may be terminated on not less than 3 months' written notice. The Depositary Agreement may be terminated earlier by the Company, the AIFM or the Depositary on the occurrence of certain events, including material and continuing breach or insolvency.

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

6.6 Receiving Agent Agreement

The Receiving Agent Agreement between the Company and the Receiving Agent dated 1 November 2018, pursuant to which the Receiving Agent has agreed to provide receiving agent duties and services to the Company in respect of the Initial Issue.

The Receiving Agent Agreement limits the Receiving Agent's liability thereunder to the lesser of £250,000 or an amount equal to five times the annual fee payable to the Receiving Agent pursuant to the Receiving Agent Agreement.

The Receiving Agent Agreement contains a provision whereby the Company indemnifies the Receiving Agent and its affiliates, and their directors, officers, employees and agents against any and all losses, damages, liabilities, professional fees, court costs and reasonably incurred expenses resulting or arising from the Company's breach of the agreement and, in addition, any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the agreement or the services provided thereunder, except to the extent such losses are determined to have resulted solely from fraud, wilful default or negligence on the Receiving Agent's part. The indemnity is customary for an agreement of this nature.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a fixed fee and the reimbursement of all out of pocket expenses reasonably incurred by it connection with its duties.

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

6.7 Registrar Agreement

The Registrar Agreement between the Company and the Registrar dated 10 November 2016, pursuant to which the Registrar has been appointed as registrar to the Company.

Either party may terminate the Registrar Agreement on 12 months' written notice. The agreement is also subject to immediate termination on the occurrence of certain events, including material and continuing breach or insolvency.

The Registrar Agreement limits the Registrar's liability thereunder to the lesser of £500,000 or an amount equal to five times the annual fee payable to the Registrar pursuant to the Registrar Agreement.

The Company indemnifies the Registrar and its affiliates against all losses resulting or arising from or in connection with the Registrar Agreement, save in the case of fraud, wilful default or negligence on the part of the Registrar or its affiliates. The indemnity is customary for an agreement of this nature.

Under the terms of the Registrar Agreement, the Registrar is entitled to customary fees.

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

6.8 Lock-in Deed

By way of a deed between each of the UK based Directors, the Company and Peel Hunt dated 10 November 2016, the UK based Directors have agreed that they will not sell, grant options over or otherwise dispose of any interest in any Ordinary Shares acquired by them in satisfaction of their entitlement to directors' fees (save in certain circumstances, including: (i) in

acceptance of a general offer made for the entire issued share capital of the Company; or (ii) pursuant to an intervening court order) prior to the third anniversary of the date of issue of the relevant Ordinary Shares.

The Lock-in Deed is governed by the laws of England and Wales.

6.9 *Revolving credit facility agreement*

On 23 February 2017 the Company entered into an agreement with Scotiabank (Ireland) Designated Activity Company in respect of a revolving credit facility with a total commitment of £30,000,000 (with uncommitted options to increase the total commitments to £50,000,000).

All amounts drawn under the facility are to be used in or towards the making of investments and for the Company's general corporate purposes. Interest on amounts drawn under the facility is charged at a rate of LIBOR or EURIBOR (as applicable) plus the margin plus any mandatory costs charged by the lender. The margin is 1.20 per cent. per annum. A commitment fee is payable on undrawn commitments. An arrangement fee was levied upon signing of the facility agreement.

The facility agreement imposes various financial covenants on the Company.

The facility is available for a term of two years from the date of the agreement unless the agreement is terminated earlier, by either party, in accordance with its terms.

The agreement is governed by English law.

6.10 *Share issuance agreement*

A share issuance agreement dated 10 November 2016 between the Company, the Portfolio Manager, the Directors, Peel Hunt and Enclave Capital LLC whereby each of Peel Hunt and Enclave Capital LLC undertook, as agent for the Company, to use its respective reasonable endeavours to procure subscribers for Ordinary Shares and/or C Shares.

Under the share issuance agreement, the Company and the Portfolio Manager gave certain warranties and indemnities to Peel Hunt and Enclave Capital LLC and the Directors gave certain warranties to Peel Hunt and Enclave Capital LLC. These warranties and indemnities were customary for an agreement of this nature.

The share issuance agreement is governed by the laws of England and Wales.

6.11 *Share issuance agreement*

A share issuance agreement dated 13 September 2017 between the Company, the Portfolio Manager, the Directors and Peel Hunt pursuant to which Peel Hunt undertook, as agent for the Company, to use its reasonable endeavours to procure subscribers for Ordinary Shares and/or C Shares.

Under the share issuance agreement, the Company and the Portfolio Manager gave certain warranties and indemnities to Peel Hunt and the Directors gave certain warranties to Peel Hunt. These warranties and indemnities were customary for an agreement of this nature.

The share issuance agreement is governed by the laws of England and Wales.

6.12 *Receiving agent agreement*

A receiving agent agreement dated 13 September 2017 between the Company and the Receiving Agent pursuant to which the Receiving Agent agreed to provide receiving agent duties and services to the Company in connection with the Company's second offer for subscription.

The agreement contained a provision whereby the Company indemnified the Receiving Agent and its affiliates against any and all losses, damages, liabilities, professional fees, court costs and reasonable expenses resulting or arising from the Company's breach of the agreement and, in addition, any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the agreement or the services provided thereunder, except to the extent such losses were determined to have resulted from fraud, wilful default or negligence on the Receiving Agent's (or its affiliate's) part. The indemnity was customary for an agreement of this nature.

The agreement is governed by the laws of England and Wales.

6.13 *Receiving agent agreement*

A receiving agent agreement dated 10 November 2016, pursuant to which the Receiving Agent agreed to provide receiving agent duties and services to the Company in connection with the Company's initial offer for subscription.

The receiving agent agreement contained a provision whereby the Company indemnified the Receiving Agent and its affiliates against any and all losses, damages, liabilities, professional fees, court costs and reasonable expenses resulting or arising from the Company's breach of the agreement and, in addition, any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the agreement or the services provided thereunder, except to the extent such losses were determined to have resulted from fraud, wilful default or negligence on the Receiving Agent's (or its affiliate's) part. The indemnity was customary for an agreement of this nature.

The agreement is governed by the laws of England and Wales.

7 **Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had a significant effect on the Company's financial position or profitability 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. The sources of information have been disclosed.
- 8.2 Bellevue Asset Management AG has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which they appear.
- 8.3 Bellevue Asset Management AG accepts responsibility for and has authorised the inclusion (in the form and context in which it is included) of the information attributed to it in this Registration Document, including without limitation the information contained in Part 2 and the paragraph entitled "Portfolio Manager and Investment Adviser" in Part 3 of this Registration Document, and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Registration Document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.
- 8.4 Bellevue Advisors Limited has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which they appear.
- 8.5 Mirabella Financial Services LLP has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which they appear.
- 8.6 Peel Hunt is acting as sponsor and joint bookrunner to the Share Issuance Programme and intermediaries offer advisor in relation to the Intermediaries Offer and has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which they appear.
- 8.7 J.P. Morgan Cazenove is acting as joint bookrunner to the Share Issuance Programme and has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which they appear.
- 8.8 The effect of the Initial Issue will be to increase the net assets of the Company. On the assumption that the Initial Issue is subscribed as to 100 million Ordinary Shares, the Initial Issue is expected to increase the net assets of the Company by approximately £128.8 million.
- 8.9 The Ordinary Shares are designed to be suitable for institutional investors, professional investors, high net worth investors, professionally advised private investors and retail investors seeking exposure to global healthcare equities. Investors should understand the risks and merits of such an investment and have sufficient resources to be able to bear any losses

(which may equal the whole amount invested) that may result from such an investment. Furthermore, an investment in the Ordinary Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of Ordinary Shares and the income from them can go down as well as up.

Potential investors should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. Private investors who are unsure whether to invest should consider consulting a financial adviser authorised under the Financial Services and Markets Act 2000 to assess whether an investment in the Company is suitable.

9 Auditors

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

10 Depositary

Caceis Bank Luxembourg, London Branch, whose UK establishment office address is located at Broadwalk House, 5 Appold Street, London EC2A 2DA, acts as the Company's depositary. The Depositary is a branch of an EEA credit institution, registered with number B91985 (UK establishment number BR016481) and its telephone number is +44 (0) 207 858 0860. The Depositary was incorporated on 28 February 2003 under the laws of Luxembourg. The Depositary maintains its registered office and place of central administration in Luxembourg.

The Depositary is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this Registration Document and accepts no responsibility for any information contained in this Registration Document.

Where laws of a third country require that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirements under the AIFM Directive, the Depositary can discharge itself of liability in certain circumstances under certain conditions.

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 Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH until 4 November 2019:

11.1 this Registration Document;

11.2 the Summary;

11.3 the Securities Note;

11.4 the Company's memorandum of association and the Articles; and

11.5 the 2017 Annual Report, the 2018 Interim Report and the 2017 Interim Report.

Dated 5 November 2018

PART 6

DEFINITIONS

2017 Annual Report	the published audited financial statements of the Company for the period from incorporation on 7 October 2016 to 30 November 2017
2017 Interim Report	the published audited interim accounts of the Company for the period from 7 October 2016 to 31 May 2017
2018 Interim Report	the published unaudited interim accounts of the Company for the six-months ended 31 May 2018
Act	the Companies Act 2006, as amended from time to time
Administration and Company Secretarial Services Agreement	the administration and company secretarial services agreement dated 10 November 2016, between the Company and the Administrator, summarised in paragraph 6.4 of Part 5 of this Registration Document
Administrator	PraxisIFM Fund Services (UK) Limited
Admission	the admission of the Ordinary Shares to be issued pursuant to the Share Issuance Programme to: (i) the premium segment of the Official List; and (ii) trading on the London Stock Exchange's main market, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
ADRs	American depository receipts
AIC Code	the Association of Investment Companies' Code of Corporate Governance, as amended from time to time
AIC Guide	the Association of Investment Companies' Corporate Governance Guide for Investment Companies, as amended from time to time
AIFM	alternative investment fund manager, being, at the date of this Registration Document, Mirabella Financial Services LLP
AIFM Agreement	the agreement dated 10 November 2016 between the Company and the AIFM, summarised in paragraph 6.3 of Part 5 of this Registration Document
AIFM Directive or AIFMD	Directive 2011/61/EU on Alternative Investment Fund Managers
Articles	the articles of association of the Company as at the date of this Registration Document or, in the context of the Share Issuance Programme (other than the Initial Issue), as at the date of the relevant issue under the Share Issuance Programme
Auditors	Ernst & Young LLP or such other auditor as the Company may appoint from time to time
Audit Committee	the audit committee of the Board
BB Biotech	BB Biotech AG
Benefit Plan Investor	a "benefit plan investor" as defined in Section 3(42) of ERISA and any regulations promulgated by the US Department of Labor thereunder, being "employee benefit plans" as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, "plans" that are subject to the prohibited transaction provisions of Section 4975 of the US Tax Code, and entities the assets of which are treated as "plan assets" under Section 3(42) of ERISA and any regulations promulgated thereunder
Business Day	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

C Shareholder	a holder of C Shares
C Shares	C Shares of 10 pence each in the capital of the Company having the rights and restrictions set out in paragraph 3.19 of Part 5 of this Registration Document
certificated form	not in uncertificated form
Company	BB Healthcare Trust plc
Company Secretary	PraxisIFM Fund Services (UK) Limited
CREST	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
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
CSSF	the Commission de Surveillance du Secteur Financier
Delegated Portfolio Management Agreement	the delegated portfolio management agreement dated 10 November 2016, between the Portfolio Manager, the AIFM and the Company, summarised in paragraph 6.2 of Part 5 of this Registration Document
Depository	Caceis Bank Luxembourg, London Branch
Depository Agreement	the depository agreement dated 10 November 2016, between the Company, the AIFM and the Depository, summarised in paragraph 6.5 of Part 5 of this Registration Document
Directors or Board	the board of directors of the Company
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules contained in the FCA's Handbook of Rules and Guidance
EEA	European Economic Area
ERISA	the United States Employee Retirement Income Security Act of 1974, as amended
Euroclear	Euroclear UK & Ireland Limited
EURIBOR	Euro Interbank Offered Rate
FATCA	the United States Foreign Account Tax Compliance Act
FCA	the UK Financial Conduct Authority
First Admission	the first admission of the Company's Ordinary Shares to: (i) the premium segment of the Official List; and (ii) trading on the London Stock Exchange's main market, which became effective on 2 December 2016
FSMA	the UK Financial Services and Markets Act 2000, as amended
Future Registration Document	any registration document required to be issued in the future by the Company and subject to separate approval by the FCA
Future Securities Note	a securities note to be issued in the future by the Company in respect of each issue, if any, of Ordinary Shares (other than pursuant to the Initial Issue or a Subsequent Placing) made pursuant to this Registration Document and subject to separate approval by the FCA
Future Summary	a summary to be issued in future by the Company in respect of each issue, if any, of Ordinary Shares (other than pursuant to the Initial Issue or a Subsequent Placing) made pursuant to this Registration Document and subject to separate approval by the FCA

Gross Assets	the gross assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time
HMRC	HM Revenue & Customs
IFRS	International Financial Reporting Standards
Initial Issue	the Initial Placing, the Offer for Subscription and the Intermediaries Offer
Initial Placing	the conditional placing of Ordinary Shares by Peel Hunt and J.P. Morgan Cazenove at the Issue Price pursuant to the Share Issuance Agreement as described in Part 1 of the Securities Note
Intermediaries	the entities listed in paragraph 8 of Part 7 of the Securities Note, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of the Securities Note and “ Intermediary ” shall mean any one of them
Intermediaries Offer	the offer of Ordinary Shares by the Intermediaries to retail investors
Intermediaries Offer Adviser	Peel Hunt LLP
Investment Advisory Agreement	the investment advisory agreement dated 10 November 2016, between the Portfolio Manager and the Investment Adviser
Issue Price	the price at which Ordinary Shares are being issued pursuant to the Initial Issue, being a premium of 2.0 per cent. to the Net Asset Value (cum-income) per Ordinary Share at the close of business on 27 November 2018, or such other date to be determined and which will be announced via a Regulatory Information Service
J.P. Morgan Cazenove	J.P. Morgan Cazenove Securities plc, which conducts its UK investment banking activities trading as J.P. Morgan Cazenove, the Company’s joint broker and joint bookrunner
Latest Practicable Date	close of business on 31 October 2018, being the latest practicable date prior to the publication of the Prospectus to ascertain certain information contained therein
LIBOR	London Interbank Offered Rate
Listing Rules	the listing rules made by the UK Listing Authority under section 73A of FSMA
Lock-in Deed	the lock-in deed dated 10 November 2016, between each of the UK based Directors, the Company and Peel Hunt, summarised in paragraph 6.8 of Part 5 of this Registration Document
London Stock Exchange Management Shares	London Stock Exchange plc non-redeemable preference shares of £1.00 each in the capital of the Company held, at the date of this Registration Document, by the Portfolio Manager
Market Abuse Regulation	regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
Market Capitalisation	the average of the mid-market prices for an Ordinary Share, as derived from the Daily Official List of the London Stock Exchange on each Business Day in the relevant calendar month multiplied by the number of Ordinary Shares in issue on the last Business Day of the relevant calendar month excluding any Ordinary Shares held by the Company in treasury
Member State	any member state of the EEA
NAV or Net Asset Value	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

NAV per Ordinary Share or Net Asset Value per Ordinary Share	the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (excluding any Ordinary Shares held in treasury)
Offer for Subscription	the offer for subscription for Ordinary Shares at the Issue Price as more fully described in the Securities Note
Official List	the official list maintained by the UK Listing Authority
Ordinary Shares	redeemable ordinary shares of 1 penny each in the capital of the Company
Peel Hunt	Peel Hunt LLP, the Company's sponsor, joint broker, joint bookrunner and intermediaries offer adviser
Portfolio Manager	Bellevue Asset Management AG
Prospectus Rules	the rules and regulations made by the FCA under Part VI of FSMA
Receiving Agent	Link Asset Services, a trading name of Link Market Services Limited
Receiving Agent Agreement	the agreement dated 1 November 2018 between the Company and the Receiving Agent, summarised in paragraph 6.6 of Part 5 of this Registration Document
Redemption Point	5.00 p.m. on the last Business Day in November each year on which date holders of Ordinary Shares which have submitted valid Redemption Requests to have their Ordinary Shares redeemed will be considered for redemption at the discretion of the Board
Redemption Request	a notice to the Company to redeem Ordinary Shares in the form from time to time prescribed by the Company
Register	the register of members of the Company
Registrar	Link Market Services Limited
Registrar Agreement	the agreement dated 10 November 2016, between the Company and the Registrar, summarised in paragraph 6.7 of Part 5 of this Registration Document
Regulatory Information Service or RIS	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange
SEC	the United States Securities and Exchange Commission
Securities Note	the securities note dated 5 November 2018 issued by the Company in respect of the Ordinary Shares made available pursuant to this Registration Document and approved by the FCA
Share Issuance Agreement	the share issuance agreement dated 5 November 2018, between the Company, the Directors, the Portfolio Manager, Peel Hunt and J.P. Morgan Cazenove, summarised in paragraph 6.1 of Part 5 of this Registration Document
Share Issuance Programme	the Initial Issue and the proposed programme of Subsequent Issues of Ordinary Shares on the terms set out in the Securities Note (and any Future Securities Note)
Share Issuance Programme Price	the applicable price at which new Ordinary Shares will be issued to prospective investors under the Share Issuance Programme (other than the Initial Issue), as described in the Securities Note
Shareholder	a holder of Ordinary Shares
Subsequent Admission	Admission of any Ordinary Shares issued pursuant to the Share Issuance Programme (other than the Initial Issue)
Subsequent Issue	any placing, open offer, offer for subscription and/or intermediaries offer of Ordinary Shares pursuant to the Share Issuance Programme (other than the Initial Issue)

Subsequent Placing	any placing of Ordinary Shares pursuant to the Share Issuance Programme (other than the Initial Placing) described in the Securities Note
Summary	the summary dated 5 November 2018 issued by the Company pursuant to this Registration Document and the Securities Note and approved by the FCA
Takeover Code	The City Code on Takeovers and Mergers
UK	the United Kingdom of Great Britain and Northern Ireland
UK based Directors	each of Justin Stebbing, Josephine Dixon, Paul Southgate and Randeep Grewal
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List
uncertificated or in uncertificated form	a 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
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Exchange Act	the United States Securities Exchange Act of 1934, as amended
US Investment Company Act	the United States Investment Company Act of 1940, as amended
US Person	a US Person as defined for the purposes of Regulation S
US Securities Act	the United States Securities Act of 1933, as amended
US Tax Code	the US Internal Revenue Code of 1986, as amended

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

This Securities Note, the Registration Document and the Summary together comprise a prospectus relating to BB Healthcare Trust plc (the “**Company**”) (the “**Prospectus**”) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (“**FCA**”) made pursuant to section 73A of FSMA. The Prospectus has been approved by the FCA and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

This Securities Note has been issued in connection with the issue of up to 345 million Ordinary Shares in aggregate throughout the period from 5 November 2018 to 4 November 2019 in connection with the Share Issuance Programme.

Applications will be made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares of the Company to be issued pursuant to the Share Issuance Programme (including the Initial Issue) to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange’s main market. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares issued pursuant to the Initial Issue will commence on 3 December 2018. It is expected that any Subsequent Admissions pursuant to Subsequent Issues of Ordinary Shares will become effective and that dealings for normal settlement in such Ordinary Shares will commence between 4 December 2018 and 4 November 2019. All dealings in Ordinary Shares will be at the sole risk of the parties concerned. The Ordinary Shares will not be dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

BB HEALTHCARE TRUST PLC

(Incorporated in England and Wales with company no. 10415235 and registered as an investment company under section 833 of the Companies Act 2006)

SECURITIES NOTE

Share Issuance Programme

including

an Initial Placing, Offer for Subscription and Intermediaries Offer of Ordinary Shares

Portfolio Manager

Bellevue Asset Management AG

*Sponsor, Joint Bookrunner and
Intermediaries Offer Adviser*
Peel Hunt LLP

Joint Bookrunner
J.P. Morgan Cazenove

The Company and each of the Directors, whose names appear on page 14 of this Securities Note, accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the whole of this Securities Note, together with the Registration Document and the Summary and, in particular, the section headed “Risk Factors” of this Securities Note and those set out in the Registration Document.

Each of Peel Hunt LLP (“**Peel Hunt**”), which is authorised and regulated in the United Kingdom by the FCA, and J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove (“**J.P. Morgan Cazenove**”) and which is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the FCA, is acting exclusively for the Company and for no-one else and will not regard any other person (whether or not a recipient of the Prospectus) as its client and will not be responsible to anyone other than the

Company for providing the protections afforded to its clients or for providing any advice in relation to the Initial Issue, the Share Issuance Programme and any Admission and the other arrangements referred to in the Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt or J.P. Morgan Cazenove 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, neither Peel Hunt or J.P. Morgan Cazenove makes any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of the Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the Initial Issue, the Share Issuance Programme or any Admission. Peel Hunt and J.P. Morgan Cazenove (together with their respective affiliates) accordingly, to the fullest extent permissible by law, disclaim all and any responsibility or liability (save for any statutory liability) whether arising in tort, contract or otherwise which they might otherwise have in respect of the Prospectus or any other statement.

Prospective investors should rely only on the information contained in the Prospectus. No person has been authorised to give any information or make any representations other than those contained in the Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, the AIFM, the Portfolio Manager, the Investment Adviser, Peel Hunt or J.P. Morgan Cazenove or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules neither the delivery of the Prospectus nor any subscription for or purchase of Ordinary Shares made pursuant to the Share Issuance Programme shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of the Prospectus.

The 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 United States Investment Company Act of 1940, as amended (the "**US Investment Company Act**"), and the recipient of this Prospectus will not be entitled to the benefits of that Act. Outside the United States, the Ordinary Shares may be sold to non-US Persons pursuant to Regulation S. This document must not be distributed into the United States or to US Persons. Neither the US Securities Exchange Commission nor any US state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a US criminal offence.

The Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, 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, the AIFM, the Portfolio Manager, Peel Hunt or J.P. Morgan Cazenove. The Ordinary Shares have not been, and will not be, registered under the securities laws, or with any securities regulatory authority of, any member state of the EEA other than the United Kingdom, or any province or territory of any Restricted Jurisdiction. Subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from any member state of the EEA other than the United Kingdom, any Restricted Jurisdiction or to or for the account or benefit of any national, resident or citizen or any person resident in any member state of the EEA other than the United Kingdom, or any Restricted Jurisdiction. The Prospectus does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The distribution of the Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession the Prospectus comes should inform themselves of and observe any restrictions.

Copies of this Securities Note, the Registration Document and the Summary (along with any Future Securities Note, Future Summary and/or Future Registration Document) will be available on the Company's website and the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm.

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RISK FACTORS

Investment in the Company should not be regarded as short-term in nature and involves a 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 an investment in the Ordinary Shares at the date of this Securities Note. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Securities Note, may also have an adverse effect on the performance of the Company and the value of the Ordinary Shares. Investors should review this Securities Note, as well as the information contained in the Registration Document (including the section entitled “Risk Factors”), carefully and in its entirety and consult with their professional advisers before making an application to invest in 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 therefore 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. Consequently, the share price may be subject to greater fluctuation on small volumes of trading of Ordinary Shares and the Ordinary Shares may be difficult to sell at a particular price. The market price of the Ordinary Shares may not reflect their underlying Net Asset Value.

While the Directors retain the right to effect redemptions and repurchases of Ordinary Shares in accordance with the Articles, 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 so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Ordinary Shares in 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.

Redemption facility

Shareholders should be aware that the operation of the annual redemption facility may lead to a more concentrated and less liquid portfolio which may adversely affect the Company’s performance and value. Further, redemptions may also adversely affect the secondary market liquidity of the Ordinary Shares.

Investors should note that the realisation value of the Redemption Pool will only be known once the investments therein have been realised. Accordingly, where Shareholders submit valid elections for the redemption of their Ordinary Shares they will only receive the amount actually realised on the investments in the Redemption Pool irrespective of what the NAV of their Ordinary Shares may have been at the relevant Redemption Point. The value of such investments will be subject to movements in the value of those assets in the period between the Redemption Point and such time as the investments are realised and, consequently, Shareholders submitting valid redemption requests may receive redemption proceeds which are substantially less than the NAV of their Ordinary Shares as at the Redemption Point.

Shareholders should note that Dealing Value per Ordinary Share may not always equal published unaudited NAV per Ordinary Share.

Shareholders holding Ordinary Shares in uncertificated form making valid elections to redeem their Ordinary Shares will be required to transfer their Ordinary Shares being redeemed to escrow in CREST. It will not, therefore, be possible to trade those Ordinary Shares which will be held in escrow pending completion of the relevant redemption and the subsequent cancellation of those Ordinary Shares. Shareholders holding Ordinary Shares in certificated form making valid elections to redeem their Ordinary Shares will be required to deliver their share certificates to the Company's receiving agent with the relevant Redemption Request. It will not, therefore, be possible to transfer those Ordinary Shares pending completion of the relevant redemption and the subsequent cancellation of such Ordinary Shares.

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

The Ordinary Shares are subject to certain provisions that may cause the Board to refuse to register, or require the transfer of, Ordinary Shares

Although the Ordinary Shares are freely transferable, there are certain circumstances in which the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of the Ordinary Shares. These circumstances include where the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any Benefit Plan Investor; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the US Securities Act and/or the US Exchange Act and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the US Exchange Act; (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the US Tax Code; (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation); or (vi) creates a significant legal or regulatory issue for the Company under the US Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder.

Dilution risk

Following the Initial Issue, the Company may issue new equity in the future pursuant to the Share Issuance Programme or otherwise. While the Act contains statutory pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, the Company currently has authority to issue up to 200 million Ordinary Shares on a non-pre-emptive basis. At the date of this Securities Note, 45,928,026 Ordinary Shares have already been issued pursuant to this authority. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.

Future sales of Ordinary Shares could cause the market price of the Ordinary Shares to fall

Sales of Ordinary Shares or interests in the Ordinary Shares by significant investors could depress the market price of the Shares. A substantial amount of Ordinary Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Ordinary Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

Forward-looking statements

This Securities Note 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 risk, 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 Securities Note. 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 Market Abuse Regulation and the Disclosure Guidance and Transparency Rules.

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 the Registration Document, that the Company or the Portfolio Manager will be able to implement their investment strategies or achieve the Company's investment objective or return objectives or that the returns generated by any investments by the Company will equal or exceed any past returns presented herein.

Nothing in the preceding paragraphs or elsewhere in the Prospectus qualifies or should be deemed to qualify the working capital statement in paragraph 5 of Part 7 of this Securities Note. The information contained in the Prospectus will be updated as required by the Listing Rules, the Prospectus Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules.

IMPORTANT INFORMATION

General

This Securities Note should be read in its entirety, along with the Summary and the Registration Document before making any application for Ordinary Shares.

Prospective investors should rely only on the information contained in the Prospectus (which comprises this Securities Note, together with the Summary and the Registration Document). No person has been authorised to give any information or make any representations other than as contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the AIFM, the Portfolio Manager, the Investment Adviser, the Administrator, the Depositary, Peel Hunt, J.P. Morgan Cazenove 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 the Prospectus nor any subscription for or purchase of Ordinary Shares made pursuant to the Share Issuance Programme shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of the Prospectus, or that the information contained herein is correct as at any time subsequent to the date of the Prospectus.

Apart from the liabilities and responsibilities, if any, which may be imposed on Peel Hunt or J.P. Morgan Cazenove 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, neither Peel Hunt or J.P. Morgan Cazenove makes any representation, express or implied, nor accepts any responsibility whatsoever for, the contents of the Prospectus nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the Share Issuance Programme or any Admission. Peel Hunt and J.P. Morgan Cazenove (together with their respective affiliates) accordingly, to the fullest extent permitted by law, disclaim all and any liability (save for any statutory liability) whether arising in tort, contract or which they might otherwise have in respect of the Prospectus or any other statement.

In connection with the Share Issuance Programme, Peel Hunt, J.P. Morgan Cazenove and any of their respective affiliates, acting as investors for its or their own account(s), may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Ordinary Shares and other securities of the Company or related investments in connection with the Share Issuance Programme or otherwise. Accordingly, references in the Prospectus to the Ordinary Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by Peel Hunt, J.P. Morgan Cazenove and any of their respective affiliates acting as an investor for its or their own account(s). Neither Peel Hunt, J.P. Morgan Cazenove nor any of their respective affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, Peel Hunt or J.P. Morgan Cazenove may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Peel Hunt or J.P. Morgan Cazenove may from time to time acquire, hold or dispose of shareholdings in the Company.

All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Association and the Articles which prospective investors should review. A summary of the Articles is contained in paragraph 2 of Part 7 of this Securities Note.

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

Under the Intermediaries Offer, the Ordinary Shares are being offered to Intermediaries who will facilitate the participation of their retail investor clients (and any member of the public who wishes to become a client of that Intermediary) located in the United Kingdom, the Channel Islands and the Isle of Man. The Company consents to the use of the Prospectus in connection with any subsequent resale or final placement of securities by financial intermediaries in the United Kingdom, the Channel Islands and the Isle of Man on the following terms: (i) in respect of the Intermediaries who have been appointed prior to the date of this Securities Note, as listed in paragraph 8 of Part 7 of this Securities Note; and (ii) in respect of Intermediaries who are

appointed after the date of this Securities Note, a list of which appears on the Company's website, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of securities and, in each case, until the closing of the period for the subsequent resale or final placement of securities by financial intermediaries at 3.00 p.m. on 28 November 2018, unless closed prior to that date.

The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use the Prospectus is given commences on 5 November 2018 and closes on 28 November 2018, unless closed prior to that date (any such prior closure to be announced via a Regulatory Information Service).

Any Intermediary that uses the Prospectus must state on its website that it uses the Prospectus in accordance with the Company's consent. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. **Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

The Company consents to the use of the Prospectus and accepts responsibility for the information contained in the Prospectus with respect to subsequent resale or final placement of securities by any financial intermediary given consent to use the Prospectus.

Any new information with respect to financial intermediaries unknown at the time of approval of the Prospectus will be available on the Company's website at www.bbhealthcaretrust.com.

Data protection

The information that a prospective investor in the Company provides in documents in relation to a subscription for Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party in 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) the Company's privacy notice, a copy of which is available for review on the Company's website www.bbhealthcaretrust.com (and if applicable any other third party delegate's privacy notice) ("**Privacy Notice**").

Without limitation to 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 Company's Privacy Notice for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company; and
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere or any third party functionary or agent appointed by the Company.

For the purposes set out above, 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 Company's Privacy Notice.

Regulatory information

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

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

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

The distribution of the Prospectus and the offering of Ordinary Shares in jurisdictions other than the United Kingdom, the Channel Islands and the Isle of Man may be restricted by law and persons into whose possession the Prospectus comes should inform themselves about and observe any such restrictions.

The Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

Persons receiving this document may not distribute or send it to any US Person or in or in to 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 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 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 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 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 Ordinary Shares or the accuracy or adequacy of the Prospectus. Any representation to the contrary is a criminal offence in the United States and the offer or re-sale of any of the Ordinary Shares in the United State may constitute a violation of US law.

Notice to prospective investors in the European Economic Area

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

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

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

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and the amendments thereto, including 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.

Notice to prospective investors in Guernsey

Securities in the Company may only be offered or sold in or from within the Bailiwick of Guernsey either: (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the “**POI Law**”); or (ii) to persons licensed under the POI Law or persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Managers and Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000, as amended.

Notice to prospective investors in Jersey

Subject to certain exemptions (if applicable), the Company shall not raise money in Jersey by the issue anywhere of Ordinary Shares, and this Prospectus relating to the Ordinary Shares shall not be circulated in Jersey, without first obtaining consent from the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1958, as amended. No such consents have been obtained by the Company. Subject to certain exemptions (if applicable), offers for securities in the Company may only be distributed and promoted in or from within Jersey by persons with appropriate registration under the Financial Services (Jersey) Law 1998, as amended. It must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company.

Notice to prospective investors in the Isle of Man

The Share Issuance Programme (including the Initial Issue) is available, and is and may be made, in or from within the Isle of Man and this document is being provided in or from within the Isle of Man only:

- (i) by an Isle of Man financial services licenceholder licensed under section 7 of the Financial Services Act 2008 in order to do so; or
- (ii) in accordance with any relevant exclusion contained within the Regulated Activities Order 2011 (as amended) or exemption contained in the Financial Services (Exemptions) Regulations 2011 (as amended).

The Share Issuance Programme (including the Initial Issue) referred to in the Prospectus and the Prospectus are not available in or from within the Isle of Man other than in accordance with paragraphs (i) and (ii) above and must not be relied upon by any person unless made or received in accordance with such paragraphs.

Additional information for Swiss investors

This document is being made to and directed only at qualified investors within Article 10 (3), 10 (3^{bis}) and (3^{ter}) of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (the “**CISA**”) and independent asset managers as per Art. 3 (2)(c) CISA registered in Switzerland and should not be passed on to any other person. The Company has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA).

Qualified investors according to Art. 10 (3), (3^{bis}) and (3^{ter}) CISA are (i) regulated financial intermediaries, such as banks, securities dealers, fund management companies and asset managers of collective investment schemes as well as central banks, (ii) regulated insurance companies, (iii) public entities and retirement benefits institutions with professional treasury facilities, (iv) companies with professional treasury facilities, (v) investors who have concluded a written asset management agreement with a financial intermediary according to Article 10 (3)(a) CISA and whom they have not informed in writing that they do not wish to be considered as qualified investors, (vi) investors who have concluded a written asset management agreement with an independent asset manager and whom they have not informed in writing that they do not wish to be considered as qualified investors and (vii) high net worth individuals according to Article 10 (3^{bis}) and (3^{ter}) CISA and Article 6 (1) of the Collective Investment Schemes Ordinance who have confirmed in writing to a financial intermediary or an independent asset manager that they wish to be considered as qualified investors (opting-in) and that they (a) have disposable wealth of at least 500,000 Swiss francs and by virtue of their personal education and professional experience or because of a similar experience in the financial sector have the necessary knowledge to understand the risks of the investments or (b) have disposable wealth of at least 5 million Swiss francs.

Independent asset managers according to Art. 3 (2)(c) CISA are (a) financial intermediaries according to Article 2 (3) that are subject to the Money Laundering Act of 10 October 1997, (b) asset managers that are subject to a professional code of conduct which is recognised as a minimum standard by the supervisory authority and (c) asset managers with an asset management contract that complies with the recognised guidelines of a professional organisation which are recognised as a minimum standard by the supervisory authority.

The representative of the Company in Switzerland is CACEIS (Switzerland) SA, with its registered office at Route de Signy 35, 1260 Nyon, Switzerland (the “**Representative**”). The offering documents and annual or semi-annual reports can be obtained free of charge from the Representative. The place of performance for Ordinary Shares offered or distributed in or from Switzerland is the registered office of the Representative. The courts of the canton of Vaud shall have jurisdiction in relation to any disputes arising out of the duties of the Representative. Any dispute related to the distribution of Ordinary Shares in and from Switzerland shall be subject to the jurisdiction of the registered office of the distributor. The paying agent in Switzerland is Caceis Bank, Paris, Nyon branch, Switzerland, with its registered office at Route de Signy 35, 1260 Nyon, Switzerland (the “**Paying Agent**”). The Ordinary Shares may be subscribed and/or redeemed with the Paying Agent.

The fees and expenses associated with the representation, paying agency and other distribution items may be charged to the Company. As applicable, the actual amount of such fees and expenses will be disclosed in the audited annual report.

The Portfolio Manager has not been authorised by FINMA for public offering in or from Switzerland. Accordingly, the investment and investment activity may not be offered to the public in or from Switzerland and neither the Prospectus nor any other offering materials relating to the investment and investment activity may be distributed in connection with any such public offering. This Prospectus as well as any other material relating to the investment and investment activity does not constitute a prospectus within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations.

Notice to prospective investors in other jurisdictions

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

Distribution to retail investors

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 FCA's rules in relation to non-mainstream pooled investment products. The Company's Ordinary Shares are expected to be excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

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 Company's Ordinary Shares and that, accordingly, the Ordinary Shares should be considered "non-complex" for the purposes of MiFID II.

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 ("**Directive 2014/65/EU**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU; 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 Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares to be issued pursuant to the Issue 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 Directive 2014/65/EU; and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the 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 Initial Issue or any Subsequent Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt and J.P. Morgan Cazenove will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Directive 2014/65/EU; 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 Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

Key information document

In accordance with the PRIIPs Regulation, a key information document prepared in relation to the Ordinary Shares is available on the Company's website: www.bbhealthcaretrust.com. It is the responsibility of each distributor of 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 Ordinary Shares for the purposes of the PRIIPs Regulation and neither of Peel Hunt or J.P. Morgan Cazenove is a manufacturer for these purposes. Neither of Peel Hunt or J.P. Morgan Cazenove makes any representations, express or implied, or accepts any responsibility whatsoever for the contents of the key information document prepared by the AIFM in relation to the 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 Ordinary Shares. Each of Peel Hunt and J.P. Morgan Cazenove and their respective 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 document prepared by the AIFM.

DIRECTORS, MANAGEMENT AND ADVISERS

Directors	Professor Justin Stebbing (<i>Chairman</i>) Josephine Dixon Randeep Grewal Paul Southgate Siddhartha Mukherjee
	<i>all independent and all of the registered office below</i>
Registered Office	Mermaid House 2 Puddle Dock London EC4V 3DB United Kingdom Telephone: +44 (0)20 7653 9690
Sponsor, Joint Broker, Joint Bookrunner and Intermediaries Offer Adviser	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET United Kingdom
Joint Broker and Joint Bookrunner	J.P. Morgan Cazenove 25 Bank Street London E14 5JP United Kingdom
AIFM	Mirabella Financial Services LLP 130 Jermyn Street London SW1Y 4UR United Kingdom
Portfolio Manager	Bellevue Asset Management AG Seestrasse 16 CH-8700 Kusnacht / Zurich Switzerland
Investment Adviser	Bellevue Advisors Limited 32 London Bridge Street 24th Floor London SE1 9SG United Kingdom
Company Secretary and Administrator	PraxisIFM Fund Services (UK) Limited Mermaid House 2 Puddle Dock London EC4V 3DB United Kingdom
Legal Adviser to the Company	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
Legal Adviser to the Sponsor, Joint Brokers, Joint Bookrunners and Intermediaries Offer Adviser	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
Auditors and Reporting Accountant	Ernst & Young LLP 1 More London Place London SE1 2AF United Kingdom

Depository

Caceis Bank, UK Branch
Broadwalk House
5 Appold Street
London EC2A 2DA
United Kingdom

Registrar

Link Market Services Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Receiving Agent

Link Asset Services
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

EXPECTED TIMETABLE

2018

Initial Issue opens	5 November
Latest time and date for receipt of completed Application Forms in respect of the Offer for Subscription	1.00 p.m. on 28 November
Latest time and date for receipt of completed applications from the Intermediaries in respect of the Intermediaries Offer	3.00 p.m. on 28 November
Latest time and date for commitments under the Initial Placing	5.00 p.m. on 28 November
Publication of results of the Initial Issue	29 November
Publication of the Issue Price	29 November
Admission and dealings in Ordinary Shares issued pursuant to the Initial Issue commence	8.00 a.m. on 3 December
CREST accounts credited with uncertificated Ordinary Shares	3 December
Where applicable, definitive share certificates despatched by post in the week commencing*	10 December

* *Underlying Applicants who apply to Intermediaries for Ordinary Shares under the Intermediaries Offer will not receive share certificates.*

Subsequent Issues under the Share Issuance Programme

Subsequent Issues under the Share Issuance Programme	between 4 December 2018 and 4 November 2019
Publication of Share Issuance Programme Price in respect of each Subsequent Issue	as soon as practicable following the closing of a Subsequent Issue
Admission and crediting of CREST accounts in respect of each Subsequent Issue	as soon as practicable following the allotment of shares pursuant to a Subsequent Issue
Definitive share certificates in respect of the Ordinary Shares issued pursuant to each Subsequent Issue despatched by post	approximately one week following the Admission of any Ordinary Shares pursuant to a Subsequent Issue

Any changes to the expected timetable set out above will be notified by the Company through a Regulatory Information Service. All references to times in this Securities Note are to London times.

SHARE ISSUANCE PROGRAMME STATISTICS

Initial Issue Statistics

Expected net proceeds of the Initial Issue* £131.4 million

Issue Price a premium of 2.0 per cent. to the NAV
(cum-income) per Ordinary Share at close
of business on 27 November 2018

* Assuming that 100 million new Ordinary Shares are issued pursuant to the Initial Issue. The Directors have reserved the right, following consultation with the Joint Bookrunners, to increase the size of the Initial Issue to a maximum of 145 million Ordinary Shares if overall demand exceeds 100 million Ordinary Shares, with any such increase being announced through a Regulatory Information Service. The costs and expenses of the Initial Issue are not expected to exceed 2.0 per cent. of the gross proceeds of the Initial Issue, assuming that the Initial Issue is subscribed as to 100 million Ordinary Shares. The costs of issuing Ordinary Shares pursuant to the Initial Issue may be amortised over the life of the Share Issuance Programme to the extent that such costs are not covered by the premium on the Initial Issue.

Share Issuance Programme Statistics

Maximum size of the Share Issuance Programme (including the Initial Issue) 345 million Ordinary Shares

Share Issuance Programme Price not less than the prevailing Net Asset Value
(cum-income) per Ordinary Share at the
time of issue plus a premium to cover the
expenses of such issue

Dealing Codes

Ordinary Share ISIN GB00BZCNLL95
Ordinary Share SEDOL BZCNLL9
Ordinary Share Ticker BBH

PART 1

THE INITIAL ISSUE

1 Introduction

The Company is proposing to issue new Ordinary Shares through the Initial Placing, the Offer for Subscription and the Intermediaries Offer for a target issue size of 100 million Ordinary Shares. The Directors have reserved the right, in consultation with the Joint Bookrunners, to increase the size of the Initial Issue to a maximum of 145 million Ordinary Shares if overall demand exceeds 100 million Ordinary Shares. In this Securities Note, the Initial Placing, the Offer for Subscription and the Intermediaries Offer are together referred to as the Initial Issue. The maximum number of Ordinary Shares that may be issued under the Share Issuance Programme (including the Initial Issue) is 345 million, subject to the appropriate Shareholder authorities being in place for such issue. At the Company's annual general meeting held on 22 March 2018, Shareholders approved the issue of up to 200 million Ordinary Shares on a non-pre-emptive basis. As at the date of this document, 45,928,026 Ordinary Shares have already been issued pursuant to this authority.

The Initial Issue is not being underwritten.

No expenses will be charged to investors by the Company in connection with the Initial Issue. However, the price at which new Ordinary Shares will be issued pursuant to the Initial Issue will be the NAV (cum-income), in pounds sterling, of the existing Ordinary Shares at the close of business on 28 November 2018 together with a premium of 2.0 per cent. intended to cover the costs and expenses of the Initial Issue. For illustrative purposes only, if the Issue Price had been calculated as at the close of business on the Latest Practicable Date, the Issue Price would have been 131.4 pence.

The Issue Price will be announced via a Regulatory Information Service not later than 29 November 2018.

For illustrative purposes only, assuming that 100 million Ordinary Shares are issued pursuant to the Initial Issue, at the illustrative issue price of 131.4 pence per new Ordinary Share set out above:

- the gross proceeds of the Initial Issue would be approximately £131.4 million;
- the costs and expenses of the Initial Issue would be approximately £2.6 million; and
- the net proceeds of the Initial Issue would be approximately £128.8 million.

The costs of issuing Ordinary Shares pursuant to the Initial Issue may be amortised over the life of the Share Issuance Programme to the extent that such costs are not covered by the premium on the Initial Issue.

The actual number of Ordinary Shares to be issued pursuant to the Initial Issue is not known as at the date of this Securities Note but will be notified by the Company through a Regulatory Information Service prior to Admission.

2 The Initial Placing

Each of Peel Hunt and J.P. Morgan Cazenove has agreed to use its respective reasonable endeavours to procure subscribers pursuant to the Initial Placing for the Ordinary Shares at the Issue Price on the terms and subject to the conditions set out in the Share Issuance Agreement.

The terms and conditions which shall apply to any subscription for Ordinary Shares procured by Peel Hunt and J.P. Morgan Cazenove are set out in Part 4 of this Securities Note. The Initial Placing will close at 5.00 p.m. on 28 November 2018 (or such later date, not being later than 24 December 2018, as the Company, Peel Hunt and J.P. Morgan Cazenove may agree). If the Initial Placing is extended, the revised timetable will be notified through a Regulatory Information Service.

Each placee agrees to be bound by the Articles once the Ordinary Shares, which the placee has agreed to subscribe for pursuant to the Initial Placing, have been acquired by the placee. The contract to subscribe for the Ordinary Shares under the Initial Placing and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Peel Hunt, J.P. Morgan Cazenove, the Company, the AIFM and the Registrar, each placee irrevocably submits to the jurisdiction of the courts of England

and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the placee in any other jurisdiction.

Commitments under the Initial Placing, once made, may not be withdrawn without the consent of the Directors.

3 The Offer for Subscription

The Directors are also proposing to offer new Ordinary Shares under the Offer for Subscription, subject to the terms and conditions of the Offer for Subscription set out in Part 5 of this Securities Note. These terms and conditions and the Offer for Subscription Application Form attached as Appendix 1 to this Securities Note should be read carefully before an application is made. The Offer for Subscription will close at 1.00 p.m. on 28 November 2018. If the Offer for Subscription is extended, the revised timetable will be notified through a Regulatory Information Service.

The minimum subscription amount for new Ordinary Shares pursuant to the Offer for Subscription is £1,000 and, if the application is for a higher amount, the amount must be a multiple of £1,000, although the Board may accept applications below these minimum amounts in their absolute discretion. The aggregate subscription price is payable in full on application. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted.

Completed Application Forms and the accompanying payment in relation to the Offer for Subscription must be posted to Link Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 1.00 p.m. on 28 November 2018. For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 1.00 p.m. on 28 November 2018 and a certified copy of the proof of source of funds should be sent to Link Asset Services together with your Application Form at the address provided. Applicants choosing to settle via CREST on a delivery versus payment (“DVP”) basis, will need to put in their instructions in the CREST GUI in favour of Link Asset Services’ participant account RA06 to settle by no later than 1.00 p.m. on 28 November 2018, allowing for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share, following the CREST matching criteria set out in the Application Form.

Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Directors.

Please also refer to the section below in this Part 1 headed “CREST”.

4 The Intermediaries Offer

Investors may also subscribe for Ordinary Shares at the Issue Price pursuant to the Intermediaries Offer. Only the Intermediaries’ retail investor clients in the United Kingdom, the Channel Islands and the Isle of Man are eligible to participate in the Intermediaries Offer. Investors may apply to any one of the Intermediaries to be accepted as their client.

No Ordinary Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom, the Channel Islands or the Isle of Man. A minimum subscription amount of £1,000 per Underlying Applicant will apply. Allocations to Intermediaries will be determined solely by the Company (following consultation with Peel Hunt and the Portfolio Manager).

An application for Ordinary Shares in the Intermediaries Offer means that the Underlying Applicant agrees to acquire the Ordinary Shares applied for at the Issue Price. Each Underlying Applicant must comply with the appropriate money laundering checks required by the relevant Intermediary and all other laws and regulations applicable to their agreement to subscribe for Ordinary Shares. Where an application is not accepted or there are insufficient Ordinary Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the Underlying Applicant as required and all such refunds shall be made without interest. The Company, the Portfolio Manager and Peel Hunt accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions, which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms and provide for the payment of a commission and/or fee (to the extent permissible by the

rules of the FCA) to Intermediaries from the Intermediaries Offer Adviser acting on behalf of the Company if such Intermediary elects to receive a commission and/or fee. Pursuant to the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant that they are not located in the United States and are not acting on behalf of anyone located in the United States.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom, subject to the terms of the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the relevant Intermediary and will not be reviewed or approved by any of the Company, the Portfolio Manager or the Intermediaries Offer Adviser. Any liability relating to such documents shall be for the relevant Intermediaries only.

The Intermediaries Terms and Conditions provide for the Intermediaries to have an option (where the payment of such commission and/or fee is not prohibited) to be paid a commission and/or fee by the Intermediaries Offer Adviser (acting on behalf of the Company) in respect of the Ordinary Shares allocated to and paid for by them pursuant to the Intermediaries Offer.

5 Conditions

The Initial Issue is conditional, *inter alia*, on:

- (i) the Share Issuance Agreement becoming unconditional in respect of the Initial Issue (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (ii) Admission occurring by 8.00 a.m. on 3 December 2018 (or such later date, not being later than 31 December 2018, as the Company, Peel Hunt and J.P. Morgan Cazenove may agree).

If the Initial Issue does not proceed, application monies received will be returned to applicants without interest within 14 days at the applicants' risk.

There will be no priority given to applications under the Initial Placing, applications under the Offer for Subscription or applications under the Intermediaries Offer pursuant to the Initial Issue.

6 Scaling back

In the event that commitments under the Initial Issue exceed the maximum number of Ordinary Shares available, applications under the Initial Issue will be scaled back at the Company's discretion in consultation with Peel Hunt, J.P. Morgan Cazenove and the Portfolio Manager.

7 Dilution

If 100 million Ordinary Shares are issued pursuant to the Initial Issue, there would be a dilution of approximately 24.2 per cent. in Shareholders' ownership and voting interests in the Company.

8 The Share Issuance Agreement

The Share Issuance Agreement contains provisions entitling Peel Hunt and J.P. Morgan Cazenove to terminate the Initial Issue (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Initial Issue and these arrangements will lapse and any monies received in respect of the Initial Issue will be returned to applicants without interest within 14 days at the applicant's risk.

The Share Issuance Agreement provides for Peel Hunt and J.P. Morgan Cazenove to receive an aggregate commission of up to 1.5 per cent. of the value of any Ordinary Shares to be allotted pursuant to the Initial Issue. In addition, Peel Hunt is entitled to receive a sponsor fee in connection with the Initial Issue. Any Ordinary Shares subscribed for by Peel Hunt or J.P. Morgan Cazenove may be retained or dealt in by it for its own benefit.

Under the Share Issuance Agreement, Peel Hunt and J.P. Morgan Cazenove are entitled at their discretion and out of their own resources at any time to rebate to some or all investors, or to other parties, part or all of their fees relating to the Initial Issue. Peel Hunt and J.P. Morgan Cazenove are also entitled under the Share Issuance Agreement to retain agents and may pay commission in respect of the Initial Issue to any or all of those agents out of their own resources.

Further details of the terms of the Share Issuance Agreement are set out in paragraph 6.1 of Part 5 of the Registration Document.

9 General

The number of Ordinary Shares to be issued pursuant to an application under the Initial Placing or the Offer for Subscription will be calculated by dividing the subscription amount received in respect of that application by the Issue Price and rounding the resulting amount down to the nearest whole number. Accordingly, fractions of Ordinary Shares will not be issued.

To the extent that the subscription monies received by the Company in relation to any application for new Ordinary Shares pursuant to the Offer for Subscription exceed the aggregate value, at their Issue Price, of the Ordinary Shares issued pursuant to such application, the balance of such sum will be returned by cheque to the applicant concerned, save that amounts, otherwise returnable, of £5.00 or less will be retained for the benefit of the Company.

New Ordinary Shares issued pursuant to the Initial Issue will be issued fully paid and will rank *pari passu* with the Ordinary Shares already in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the issue of the relevant new Ordinary Shares).

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents (and their agents) or the Portfolio Manager may require evidence in connection with any application for Ordinary Shares, including further identification of the applicant(s), before any Ordinary Shares are issued to that applicant.

10 Admission, clearing and settlement

The Company's Ordinary Shares are admitted to the premium segment of the Official List of the UK Listing Authority and are traded on the London Stock Exchange's main market. Applications will be made to the UK Listing Authority for all of the Ordinary Shares to be issued pursuant to the Initial Issue to be admitted to the premium segment of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market. It is expected that Admission will become effective and dealings will commence on 3 December 2018.

Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Ordinary Shares to be issued in uncertificated form pursuant to the Initial Issue, these will be transferred to successful applicants through the CREST system.

Where applicable, definitive share certificates in respect of the Ordinary Shares are expected to be despatched by post at the risk of recipients to the relevant holders in the week beginning 10 December 2018. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfer of those Ordinary Shares will be certified against the Register. No temporary documents of title will be issued.

The ISIN number of the Ordinary Shares is GB00BZCNLL95 and the SEDOL code is BZCNLL9.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the Net Asset Value per Ordinary Share.

11 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 Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

12 Reasons for the Initial Issue and use of proceeds

The Board, as advised by the Portfolio Manager, believes that there continue to be attractive opportunities for the Company to deliver returns for Shareholders through exposure to global healthcare equities, due to the long-term structural growth of the industry and compelling valuations.

The Directors intend to use the net proceeds of the Initial Issue to acquire investments in accordance with the Company's investment objective and investment policy.

13 Material interests

There are no interests that are material to the Initial Issue and no conflicting interests.

14 Profile of a typical investor

The Ordinary Shares are designed to be suitable for institutional investors, professional investors, high net worth investors, professionally advised private investors and retail investors seeking exposure to global healthcare equities. Investors should understand the risks and merits of such an investment and have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Furthermore, an investment in the Ordinary Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of Ordinary Shares and the income from them can go down as well as up.

Potential investors should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. Private investors who are unsure whether to invest should consider consulting a financial adviser authorised under the Financial Services and Markets Act 2000 to assess whether an investment in the Company is suitable.

15 Overseas persons

Potential investors in any territory other than the United Kingdom should refer to the notices set out in the section entitled "Important Information" of this Securities Note.

The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares under the Initial Issue if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

PART 2

THE SHARE ISSUANCE PROGRAMME

1 Details of the Share Issuance Programme

The Company may (subject to the appropriate Shareholder authorities being in place) issue up to 345 million Ordinary Shares pursuant to the Share Issuance Programme (including in relation to the Initial Issue) without first offering those Ordinary Shares to existing Shareholders.

The Share Issuance Programme has been implemented to enable the Company to raise additional capital in the period from 4 December 2018 to 4 November 2019. The net proceeds of the Share Issuance Programme will be used to make investments in accordance with the Company's investment objective and policy.

The number of Ordinary Shares available under the Share Issuance Programme is intended to be flexible and should not be taken as an indication of the number of shares to be issued. Any issues of Ordinary Shares will be notified by the Company through a Regulatory Information Service and the Company's website, prior to each Admission. The Share Issuance Programme has not been underwritten.

The Share Issuance Programme may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares over the duration of the Share Issuance Programme. Ordinary Shares may be issued under the Share Issuance Programme, following the Initial Issue, from 8.00 a.m. on 4 December 2018 until 8.00 a.m. on 4 November 2019. Applications will be made to the UK Listing Authority for all of the Ordinary Shares to be issued pursuant to the Share Issuance Programme to be admitted to the premium segment of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market. The issue of Ordinary Shares pursuant to the Share Issuance Programme is at the discretion of the Directors.

In the event that there are any significant changes affecting any of the matters described in this Securities Note or where any significant new matters have arisen after the publication of this Securities Note and prior to any Subsequent Admission of any Ordinary Shares issued pursuant to the Share Issuance Programme, the Company will publish a Future Summary and/or a Future Securities Note and/or a Future Registration Document. Any Future Summary, Future Securities Note or Future Registration Document published will give details of the significant change(s) or the significant new matter(s).

2 Conditions

Each allotment and issue of Ordinary Shares under the Share Issuance Programme (following completion of the Initial Issue) is conditional, *inter alia*, on:

- (i) the Share Issuance Programme Price being determined by the Directors as described below;
- (ii) Admission of the Ordinary Shares being issued pursuant to such issue;
- (iii) the Share Issuance Agreement becoming otherwise unconditional in all respects and not having been terminated on or before the date of such Admission;
- (iv) a valid Future Summary and/or Future Securities Note and/or Future Registration Document being published by the Company if such is required by the Prospectus Rules; and
- (v) the Company having in place appropriate Shareholder authorities to issue such Ordinary Shares.

In circumstances where these conditions are not fully met, the relevant Subsequent Issue of Ordinary Shares pursuant to the Share Issuance Programme will not take place.

3 Share Issuance Programme Price

The Share Issuance Programme Price will be determined by the Company and will be not less than the prevailing Net Asset Value (cum-income), in pounds sterling, per Ordinary Share at the time of issue plus a premium to cover the expenses of such issue.

The Directors will determine the Share Issuance Programme Price on the basis described above so as to cover the costs and expenses of each issue of Ordinary Shares under the Share Issuance Programme and to thereby avoid any dilution of the Net Asset Value of the existing

Ordinary Shares. In determining the Share Issuance Programme Price, the Directors will also take into consideration, *inter alia*, the prevailing market conditions at that time.

The Share Issuance Programme Price will be announced through a Regulatory Information Service as soon as is practicable in conjunction with each Subsequent Issue.

4 Dilution

If 200 million Ordinary Shares are issued pursuant to the Share Issuance Programme following completion of the Initial Issue, assuming that 100 million Ordinary Shares are issued under the Initial Issue, there would be a dilution of approximately 32.6 per cent. in Shareholders' ownership and voting interests in the Company immediately after the Initial Issue. It is not anticipated that there will be any dilution in the NAV per Ordinary Share as a result of the Share Issuance Programme.

5 The Share Issuance Agreement

Peel Hunt and J.P. Morgan Cazenove are entitled to terminate the Share Issuance Agreement at any time prior to any Subsequent Admission in certain circumstances. If this right is exercised, the Share Issuance Programme and these arrangements will lapse and any monies received in respect of the Share Issuance Programme will be returned to applicants without interest within 14 days at the applicant's risk.

The Share Issuance Agreement provides for Peel Hunt and J.P. Morgan Cazenove to be paid a commission based on the value of any Ordinary Shares issued pursuant to any Subsequent Placing. Any Ordinary Shares subscribed for by Peel Hunt or J.P. Morgan Cazenove may be retained or dealt in by it for its own benefit.

Under the Share Issuance Agreement, Peel Hunt and J.P. Morgan Cazenove are entitled at their discretion and out of their own resources at any time to rebate to some or all investors, or to other parties, part or all of their fees relating to a Subsequent Issue. Peel Hunt and J.P. Morgan Cazenove are also entitled under the Share Issuance Agreement to retain agents and may pay commission in respect of a Subsequent Issue to any or all of those agents out of their own resources.

Further details of the terms of the Share Issuance Agreement are set out in paragraph 6.1 of Part 5 of the Registration Document.

6 Scaling back

In the event of oversubscription of a Subsequent Issue, applications under the Subsequent Issue will be scaled back at the Company's discretion (in consultation with Peel Hunt, J.P. Morgan Cazenove and the Portfolio Manager).

7 Costs of the Share Issuance Programme

The costs and expenses of each issue of Ordinary Shares under the Share Issuance Programme will depend on subscriptions received but are not expected to exceed 2.0 per cent. of the gross proceeds of each such issue under the Share Issuance Programme. The costs and expenses of any issue of Ordinary Shares will be covered by issuing such Ordinary Shares at a premium to the prevailing (cum-income) Net Asset Value per Ordinary Share at the time of issue.

8 General

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents (and their agents) or the Portfolio Manager may require evidence in connection with any application for Ordinary Shares, including further identification of the applicant(s), before any Ordinary Shares are issued.

Any Ordinary Shares issued pursuant to the Share Issuance Programme will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Ordinary Shares).

9 Clearing and settlement

Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Ordinary Shares to be issued in uncertificated form pursuant to

the Share Issuance Programme, these will be transferred to successful applicants through the CREST system.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the underlying Net Asset Value per Ordinary Share.

The ISIN of the Ordinary Shares is GB00BZCNLL95 and the SEDOL code is BZCNLL9.

10 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 Ordinary Shares following the relevant Admission may take place within the CREST system if any Shareholder so wishes.

11 Reasons for the Share Issuance Programme and use of proceeds

The Board, as advised by the Portfolio Manager, believes that there continue to be attractive opportunities for the Company to deliver returns for Shareholders through exposure to global healthcare equities, due to the long-term structural growth of the industry and compelling valuations.

The Directors intend to use the net proceeds of any Subsequent Issue under the Share Issuance Programme to acquire investments in accordance with the Company's investment objective and investment policy.

12 Material interests

There are no interests that are material to the Share Issuance Programme and no conflicting interests.

13 Profile of typical investor

The Ordinary Shares are designed to be suitable for institutional investors, professional investors, high net worth investors, professionally advised private investors and retail investors seeking exposure to global healthcare equities. Investors should understand the risks and merits of such an investment and have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Furthermore, an investment in the Ordinary Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of Ordinary Shares and the income from them can go down as well as up.

Potential investors should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. Private investors who are unsure whether to invest should consider consulting a financial adviser authorised under the Financial Services and Markets Act 2000 to assess whether an investment in the Company is suitable.

14 Overseas persons

Potential investors in any territory other than the United Kingdom should refer to the notices set out in the section entitled "Important Information" of this Securities Note.

The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares under the Share Issuance Programme if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

PART 3

REDEMPTION OF ORDINARY SHARES

The rights and restrictions attaching to the Ordinary Shares are set out in the Articles and are summarised at paragraph 2 of Part 7 of this Securities Note. The provisions of the Articles relating to the redemption of Ordinary Shares are detailed below.

1 Redemption procedure

The Directors shall be entitled at their absolute discretion to determine the procedures for the redemption of the Ordinary Shares (subject to the facilities and requirements of CREST and the Act). Without prejudice to the Directors' discretion, it is intended that the procedure described below shall apply.

Redemptions may take place on any Redemption Point. Upon redemption all Ordinary Shares so redeemed shall be cancelled.

Shareholders may request the redemption of all or any of their Ordinary Shares on any Redemption Point.

The right of Shareholders to request the redemption of all or any of their Ordinary Shares on any Redemption Point shall be exercised by the Shareholder delivering to the Receiving Agent (or to such other person as the Directors may designate for this purpose) a duly completed Redemption Request.

A Redemption Request shall be deemed to include a representation and warranty to the Directors that the Ordinary Shares which are the subject of the Redemption Request are free from and clear of all liens, charges and other encumbrances whatsoever.

Shareholders holding Ordinary Shares in certificated form shall also be required to deliver with the Redemption Request the certificate(s) in respect of the Ordinary Shares which are the subject of the Redemption Request and such other evidence or information as the Directors may request and the due execution by him of the Redemption Request or, if the Redemption Request is executed by some other person on his behalf, the authority of that other person to do so. Redemption Request forms will be available upon request from the Registrar.

Shareholders holding Ordinary Shares in uncertificated form (that is, in CREST) must send a properly authenticated Transfer to Escrow ("TTE") instruction to effect the transfer of the number of Ordinary Shares which the Shareholder wishes to redeem from his CREST account to the Receiving Agent's specified CREST account, together with such other evidence or information as the Directors may request. The transfer to the Receiving Agent's CREST stock account must be effected no later than 3.00 p.m. on the day falling 20 Business Days before the relevant Redemption Point. Such transfers of Ordinary Shares shall be at the risk and the expense of the relevant Shareholder. Following the transfer to the Receiving Agent's CREST stock account and pending redemption of all or part of the Ordinary Shares, Shareholders shall not be entitled to dispose of, encumber, charge or deal in any way whatsoever with the Ordinary Shares which have been so transferred except in the circumstances described below. In order for a TTE instruction to be valid, it will need to comply with the requirements set out in paragraph 6 of this Part 3.

Redemption Requests for Ordinary Shares held in certificated or uncertificated form shall not be valid (unless the Company otherwise agrees) unless they are received by the Receiving Agent not later than 20 Business Days before the relevant Redemption Point.

Other than during any period of suspension of trading of the Ordinary Shares or during any period when the calculation of the Net Asset Value is suspended, a Redemption Request once given may not be withdrawn otherwise than with the prior consent of the Company (which the Directors shall be entitled in their absolute discretion to withhold), but shall only be deemed to have effect in relation to the next Redemption Point following its valid delivery and receipt and not in relation to any subsequent Redemption Point.

During any period of suspension of trading of the Ordinary Shares or during any period when the calculation of the Net Asset Value is suspended an applicant may, by notice in writing, withdraw his Redemption Request. If the request is not withdrawn it shall have effect, subject to the Directors' discretion, on the Redemption Point immediately following the date on which trading of the Ordinary Shares or calculation of the Net Asset Value, as appropriate, ceases to be suspended.

The Directors reserve the right to treat as valid Redemption Requests which are not entirely in order and which are not accompanied (in the case of Ordinary Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof and shall be entitled (in their sole discretion) to accept late Redemption Requests.

2 Directors' discretion

Investors should note that the Directors have absolute discretion to operate the annual redemption facility on any given Redemption Point and to accept or decline in whole or part any Redemption Request. Examples of circumstances where this may be the case include: large redemption requests (including requests such that the Directors may instead propose an alternative future for the Company rather than allowing it to continue at a size that is uneconomic to run); a suspension of trading or volatility in the markets in which the Company's assets are invested; corporate actions, including those to which the Takeover Code applies; or where obligations to comply with regulatory requirements so necessitate. Accordingly, whilst the Board does not generally expect to exercise this discretion, existing and prospective Shareholders should place no reliance on the Directors exercising their discretion to permit a Redemption Request in any particular case. The Directors' determination as to whether to permit or decline a Redemption Request (in whole or in part), together with their reasoning for their decision, will be documented. In the event that the Directors decline Redemption Requests for a particular Redemption Point, the Directors shall be permitted to propose an additional Redemption Point at their absolute discretion.

The Ordinary Shares may only be redeemed or purchased by the Company out of distributable reserves or the proceeds of a fresh issue of shares made for that purpose. It is important to note that in order to maintain its status as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010, the Company must retain not more than 15 per cent. of the income it receives in an accounting period and is required to pay dividends in order to be able to meet this condition. Accordingly, to the extent that income is required to be distributed by way of dividend in this way, it will not be available to fund redemptions or repurchases of the Ordinary Shares.

3 Redemption Price

The Directors may elect, at their absolute discretion, to calculate the Redemption Price applying on any Redemption Point on either of the following bases:

(i) *Redemption Price calculated by reference to Dealing Value per Ordinary Share*

The Redemption Price shall be equal to the Dealing Value per Ordinary Share calculated as at the appropriate Valuation Point on the appropriate Redemption Point in accordance with the procedure set out in paragraph 7 of this Part 3, or

(ii) *Redemption Price calculated by reference to a separate Redemption Pool*

The Directors may elect to calculate the Redemption Price by reference to the amount generated upon the realisation of a Redemption Pool created for the purpose of funding the redemption. In these circumstances the Redemption Price shall be calculated in the manner specified in paragraph 8 of this Part 3.

The Directors intend to use the Redemption Pool method of calculating the Redemption Price whenever they consider it is in the best interests of the continuing Shareholders to do so.

Ordinary Shareholders should note that Dealing Value per Ordinary Share may not always equal published unaudited NAV per Ordinary Share largely because published unaudited NAV per Ordinary Share does not take into account current financial year net income.

Ordinary Shareholders should note that the final realised value of the *pro rata* share of the portfolio in the Redemption Pool will not equal the published, unaudited NAV per Ordinary Share at the relevant Redemption Point. This is largely because the realised value will be subject to movements in the markets on which the underlying assets of the Company are traded over the period in which the assets are realised. This period is envisaged to be up to three months although it may be longer if the Board considers it to be in the best interests of redeeming Shareholders for the realisation period to be extended. The Board may make interim distributions of the realisation proceeds during this period. In addition, expenses of realisation of the underlying assets will be charged against the Redemption Pool. Accordingly, Ordinary Shareholders should note that the final realised value per Ordinary Share for which a valid Redemption Request has been made may

be materially different to the published unaudited NAV per Ordinary Share at the relevant Redemption Point.

4 Settlement of Redemption Requests

If the Redemption Price is calculated by reference to the Dealing Value, within 10 Business Days after the relevant Redemption Point the Company shall notify relevant Shareholders of the number of Ordinary Shares redeemed in respect of such holdings and the price at which such shares have been redeemed, and shall dispatch redemption monies to those Shareholders whose Ordinary Shares have been redeemed.

If the Redemption Price is determined by reference to a Redemption Pool, within 10 Business Days after the relevant Redemption Point the Company shall notify relevant Shareholders of the number of Ordinary Shares redeemed in respect of such holdings. As soon as practicable after the realisation of the assets comprised in the Redemption Pool, the Company shall notify the relevant Shareholders of the Redemption Price per Ordinary Share and shall dispatch the net redemption monies to those Shareholders whose Ordinary Shares have been redeemed. The Company may make interim distributions in respect of the Redemption Price in the event that there is a delay in realising all the assets comprising the Redemption Pool.

The Company shall not be liable for any loss or damage suffered or incurred by any Shareholder or other person as a result of or arising out of late settlement, howsoever such loss or damage may arise.

Payment of the Redemption Price in respect of any Ordinary Shares in certificated form will be made by cheque made payable to the relevant Shareholder(s) and shall be sent to the address specified by that Shareholder, or in the case of joint holders, to the joint holder first named in the register of members, (or, if none is specified, to the address (being an address outside a Restricted Jurisdiction) of the Shareholder as entered in the register of members in respect of such Ordinary Shares). Due payment of the cheques or warrants shall be in satisfaction of the Redemption Price represented thereby. Every such cheque or warrant which is sent through the post shall be sent by first class post (at the risk of the relevant Shareholders).

The Company shall procure that in relation to any Ordinary Shares held in certificated form which have not been redeemed, a balance certificate in respect of such number of unredeemed Ordinary Shares shall be sent (at the risk of the Shareholder) to the address specified by that Shareholder, or in the case of joint holders, to the joint holder first named in the register of members, (or, if none is specified, to the address (being an address outside a Restricted Jurisdiction) of the Shareholder(s) as entered in the register of members) within 20 Business Days after the relevant Redemption Point.

Each payment in respect of Ordinary Shares held in uncertificated form will take place through CREST by means of a CREST payment in favour of the relevant Shareholder's payment bank in respect of the redemption monies due, in accordance with the CREST payment arrangements.

If the Directors exercise their discretion not to redeem all or any of the Ordinary Shares which are the subject of a Redemption Request, the Company shall procure that in relation to Ordinary Shares held in uncertificated form which have not been redeemed the Receiving Agent will, as soon as reasonably practicable after the relevant Redemption Point, transfer by means of a TFE Instruction such Ordinary Shares to the original available balance from which those Ordinary Shares came.

All documents, instructions and remittances sent by, to or from a Shareholder or their appointed agents will be sent at their own risk.

5 Matched bargains

The Company may, prior to a Redemption Point, in its sole discretion, invite investors to purchase Ordinary Shares which are the subject of Redemption Requests.

The price at which such transfers will be made will not be less than the Redemption Price which the Shareholder requesting redemption would have received if the Redemption Price had been determined by reference to the Dealing Value per Ordinary Share applicable on the relevant Redemption Point.

In circumstances where there are investors willing to acquire Ordinary Shares, all or some of the Ordinary Shares which are the subject of Redemption Requests will not be redeemed by the

Company but instead shall be transferred to the incoming investor(s), as appropriate, with effect from the relevant Redemption Point.

Shareholders submitting Redemption Requests are deemed to have agreed that the Company may sell all or any of their Ordinary Shares that are the subject of the Redemption Request to an incoming investor at a Redemption Point. Under the terms of a Redemption Request, a redeeming Shareholder shall be deemed to authorise the Company to sell the Ordinary Shares that are the subject of the Redemption Request to an incoming investor as the Directors may determine.

If there is sufficient demand from incoming investors to acquire all of the Ordinary Shares that are the subject of Redemption Requests as at a Redemption Point, the Company may sell all of the Ordinary Shares to incoming investors.

If there is demand from incoming investors to acquire some of the Ordinary Shares that are the subject of Redemption Requests as at a Redemption Point, the Company may select holdings of Ordinary Shares that are the subject of Redemption Requests from Shareholders as at the Valuation Point to satisfy incoming investor demand. Selection of such holdings of Ordinary Shares may be *pro rata* to redeeming Shareholders holdings or such other equitable means as the Directors determine in their discretion such as first come/first served basis or by random ballot. Shareholders who are selected shall have all of their Ordinary Shares that are the subject of the Redemption Requests sold to incoming investors, except for the final Shareholder that is selected who will have such proportion of his or her Ordinary Shares sold to incoming investors and/or purchased by the Company, as appropriate, to satisfy the remaining demand. The remainder of the Ordinary Shares that are the subject of the Redemption Requests may be redeemed by the Company pursuant to the redemption facility.

Following the relevant Redemption Point, Shareholders will be notified in writing whether their Ordinary Shares have been redeemed by the Company under the redemption facility at the Redemption Price or sold to incoming investors under the matched bargain facility.

Shareholders should note that certain Shareholders may experience a different tax treatment depending on whether they have their Ordinary Shares redeemed by the Company or purchased by incoming investors under the matched bargain facility. Shareholders who are in any doubt as to their tax position should refer to Part 6 of this Securities Note and seek professional advice from their own independent financial adviser authorised under the Financial Services and Markets Act 2000.

6 Redemption of Ordinary Shares held in uncertificated form: additional information

6.1 Shareholders who wish to redeem Ordinary Shares held in CREST will need to send a properly authenticated TTE instruction. A valid TTE instruction will need to include the following particulars:

- 6.1.1 the ISIN for the Ordinary Shares. This is GB00BZCNLL95;
- 6.1.2 the number of Ordinary Shares being tendered for redemption;
- 6.1.3 the participant ID of the holder of the Ordinary Shares;
- 6.1.4 the member account ID of the holder of the Ordinary Shares, being the account from which the Ordinary Shares are to be debited;
- 6.1.5 the participant account ID of the Receiving Agent (RA10);
- 6.1.6 the member account ID of the Receiving Agent. This is BBHREDMD;
- 6.1.7 the corporate action number allocated by Euroclear;
- 6.1.8 the intended settlement date which must be on or before 3.00 p.m. on the day falling 20 Business Days before the relevant Redemption Point;
- 6.1.9 a delivery priority of at least 80; and
- 6.1.10 a contact number in the shared note field.

Details of the particulars referred to in 6.1.7 and 6.1.8 above can be obtained by viewing CREST prior to submission of the TTE instruction.

CREST members and (where applicable) CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timing and limitations will therefore apply in relation to the input of a TTE instruction and its settlement in connection with the exercise of the rights attaching to the Ordinary

Shares held in CREST. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a TTE instruction is effected and settled by 3.00 p.m. on the day falling 20 Business Days before the relevant Redemption Point. In this connection, CREST members and (where applicable) their CREST sponsors, are referred in particular to those sections of the CREST Manual concerning the practical limitation of the CREST system and timings.

6.2 The Company in its sole discretion may:

- 6.2.1 accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor in substitution for or in addition to a TTE instruction and subject to such further terms and conditions as the Company may determine;
- 6.2.2 treat a properly authenticated instruction (in this paragraph 6.2.2, the “first instruction”) as not constituting a valid TTE instruction if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or the Receiving Agent has received actual notice from Euroclear of any matters referred to in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- 6.2.3 accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a TTE instruction or notification, in the event that, for reasons or due to circumstances outside the control of the CREST member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable to validly request the redemption of his Ordinary Shares by means of the procedures described above. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

7 Calculation of Dealing Value

The Dealing Value of the Company and the Dealing Value per Ordinary Share shall be expressed in pounds sterling and shall be determined in accordance with the valuation principles and procedures from time to time adopted by the Board and notified to Shareholders and, in the absence of such adoption as aforesaid, the following valuation principles and procedures shall apply.

7.1 The Dealing Value of the Company shall be calculated as at the Valuation Point applicable to each Redemption Point and such other time and/or day as the Directors may determine. The Dealing Value will be calculated as the value of all the assets of the Company (excluding any assets attributable to any C Shares prior to their conversion, if any are in issue) less its liabilities (excluding any liabilities of the Company attributable to any C Shares prior to their conversion, if any are in issue).

The value of the assets of the Company shall be calculated on the following bases:

- 7.1.1 securities trading on a stock exchange are to be valued generally at the latest available bid-market price quoted on such exchange or, in the absence of such bid-market price, the last known price quoted on such exchange;
- 7.1.2 unlisted securities (other than equities) for which there is an ascertainable market value are to be valued generally at the last known bid price quoted on the principal market on which the securities are traded;
- 7.1.3 unlisted securities (other than equities) for which there is no ascertainable market value will be valued at cost plus interest (if any) accrued from purchase to (but excluding) the Redemption Point plus or minus the premium or discount (if any) from par value written off over the life of the security;

- 7.1.4 any other unlisted securities will be valued initially at cost and thereafter with any reduction or increase in value (as the case may be) as the Directors shall in their absolute discretion deem appropriate in the light of the circumstances;
- 7.1.5 any value otherwise than in pounds sterling shall be converted into pounds sterling at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard, *inter alia*, to any premium or discount which they consider may be relevant and to the costs of exchange;
- 7.1.6 the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest accrued and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof;
- 7.1.7 the value of units in any unit trust shall be derived from the last prices published by the investment managers thereof;
- 7.1.8 if in any case a particular value is not ascertainable as above provided, or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investments, then in such case the method of valuation of the relevant investment shall be such as the Directors shall determine;
- 7.1.9 where any investments do not fall to be valued in accordance with any of the foregoing provisions, they shall be valued by such method as the Directors shall determine; and
- 7.1.10 for the purposes of ascertaining or obtaining any price, quotation, rate or other value referred to in the preceding paragraphs for use in determining the value of any asset, the Portfolio Manager shall be entitled to use the services of any reputable information or pricing service but only to the extent designated by the Directors.

In respect of calculating the Dealing Value of the Company by reference to which Redemption Requests may be satisfied there will be deducted all liabilities of the Company and such provisions and allowances for contingencies and accrued costs and expenses payable by the Company, including a provision for the costs that would be incurred in disposing of the Company's investments. In addition, the Shareholder whose Ordinary Shares are acquired by an incoming investor will bear any applicable dealing and/or market impact costs.

Where the current price of an investment held by the Company is quoted 'ex' any dividend (including stock dividend), interest or other rights to which the Company is entitled but such dividend, interest or the property to which such rights relate has not been received and is not taken into account under any other provisions of the Articles, the amount of such dividend, interest, property or cash shall be taken into account.

- 7.2 The Dealing Value per Ordinary Share shall be the Dealing Value of the Company at the relevant Valuation Point applicable to the relevant Redemption Point divided by the number of Ordinary Shares in issue or deemed to be in issue at the Valuation Point. For this purpose:
 - 7.2.1 Ordinary Shares which have been allotted on or prior to the relevant Redemption Point shall be deemed to be in issue at the relevant Valuation Point;
 - 7.2.2 Ordinary Shares which have been repurchased (whether or not held in treasury) or redeemed prior to the relevant Redemption Point shall be deemed to cease to be in issue at the relevant Valuation Point;
 - 7.2.3 monies paid or payable to the Company in respect of the allotment of Ordinary Shares shall be deemed to be an asset of the Company as of the time at which such Ordinary Shares are deemed to be in issue; and
 - 7.2.4 monies payable by the Company on the repurchase or redemption by the Company of Ordinary Shares pursuant to repurchases or Redemption Requests shall be deemed to be a liability of the Company from the time at which such Ordinary Shares are deemed to cease to be in issue.
- 7.3 The Directors may temporarily suspend the determination of the Dealing Value of the Company during the whole or any part of any period when:

- 7.3.1 any principal market or stock exchange on which not less than 10 per cent. of the investments of the Company from time to time are quoted or traded is closed other than for ordinary holidays or during which dealings therein are restricted or suspended generally;
- 7.3.2 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 Dealing Value of the Company cannot fairly be calculated;
- 7.3.3 there is a breakdown of the means of communication normally employed in determining the Dealing Value of the Company;
- 7.3.4 to a material extent the Company is unable to repatriate funds for the purpose of making payments on the repurchase or redemption of Ordinary Shares or during which the realisation of investments involved in the repurchase or redemption of Ordinary Shares cannot in the opinion of the Board be effected at normal prices or normal rates of exchange; or
- 7.3.5 it is not reasonably practicable to determine the Dealing Value of the Company on an accurate and timely basis.

8 Calculation of Redemption Price by reference to separate Redemption Pool

- 8.1 Where the Board has decided to fund redemptions through the use of a Redemption Pool, in accordance with the Articles, the Company will notionally divide its assets and liabilities into two pools (in addition to any pool of assets and liabilities attributable to any C Shares for the time being in issue):
 - 8.1.1 the Redemption Pool, which will consist of cash, assets and liabilities attributable to the Ordinary Shares which are the subject of valid Redemption Requests and which the Directors have exercised their discretion to redeem on the relevant Redemption Point; and
 - 8.1.2 the Continuing Pool, which will contain all the other cash, assets and liabilities of the Company other than those attributable to any C Shares for the time being in issue.
- 8.2 The Redemption Pool and the Continuing Pool will include a proportionate share of each investment held by the Company (excluding any investment attributable to any C Shares for the time being in issue). The Portfolio Manager will be entitled to transfer assets between the pools at fair market value.
- 8.3 The investment portfolios of the Continuing Pool and the Redemption Pool will be reorganised in the period leading up to the date on which the Redemption Price is settled as follows:
 - 8.3.1 the assets of the Redemption Pool shall be liquidated and the proceeds retained solely as cash in sterling; and
 - 8.3.2 the assets of the Continuing Pool shall be adjusted so that the Continuing Pool complies with the investment policy of the Company.
- 8.4 The liabilities attributable to the Redemption Pool, to the extent that they cannot be satisfied prior to the date on which the Redemption Price is to be settled, will be transferred to the Continuing Pool together with an equivalent amount in cash. In calculating such liabilities any debt liability that the Company may have from time to time will be valued on a pre-payment basis, including any early repayment costs.
- 8.5 The costs of the portfolio reorganisations (including costs relating to the sale of the assets and tax liabilities that may arise, or be deemed to arise, as a result of the sale of those assets) will be borne by the relevant pool, together with a *pro rata* share of costs and expenses of the Company not attributable to a particular pool. Such costs, as determined by the Board in its sole discretion, will be deducted before payments are made to the relevant Shareholders whose Ordinary Shares are being redeemed.

8.6 The Redemption Price per Ordinary Share when calculated by reference to the Redemption Pool shall be equal to the aggregate cash received by the Company upon the realisation of the Redemption Pool (less the costs) in accordance with paragraph 8.3.1 less the costs and liabilities referred to in paragraphs 8.4 and 8.5 above divided by the number of Ordinary Shares to be redeemed on the relevant Redemption Point.

9 Liability

Any determination of the Dealing Value of the Company or Dealing Value per Ordinary Share made in accordance with the valuation guidelines from time to time adopted by the Board shall be binding on all parties. Neither the Directors, the AIFM nor the Portfolio Manager shall be responsible to any Shareholder or any other person in respect of all or any acts done in carrying out their duties in relation thereto in the absence of fraud, negligence or wilful default.

PART 4

TERMS AND CONDITIONS OF APPLICATION UNDER THE INITIAL PLACING AND ANY SUBSEQUENT PLACING UNDER THE SHARE ISSUANCE PROGRAMME

1 Introduction

- 1.1 Each placee which confirms its agreement to the Company and/or Peel Hunt and/or J.P. Morgan Cazenove to subscribe for Ordinary Shares under the Initial Placing and/or to subscribe for Ordinary Shares under a Subsequent Placing will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 The Company and/or Peel Hunt and/or J.P. Morgan Cazenove may require any placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) see(s) fit.
- 1.3 The commitment to acquire Ordinary Shares under the Initial Placing and/or a Subsequent Placing will be agreed orally with Peel Hunt and/or J.P. Morgan Cazenove as agent for the Company and further evidenced in a contract note ("**Contract Note**") or placing confirmation ("**Placing Confirmation**") or subscription letter.

2 Agreement to subscribe for Ordinary Shares and conditions

- 2.1 A placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it at the Issue Price or the relevant Share Issuance Programme Price, conditional on:
 - 2.1.1 the Share Issuance Agreement becoming unconditional in respect of the relevant placing (save for any condition relating to Admission) and not having been terminated on or before the date of Admission of the relevant Ordinary Shares being issued;
 - 2.1.2 (in respect of the Initial Placing) Admission of the Ordinary Shares occurring and becoming effective by 8.00 a.m. on or prior to 3 December 2018 (or such later time and/or date as the Company, Peel Hunt and J.P. Morgan Cazenove may agree and, in any event, no later than 8.00 a.m. on 31 December 2018) and (in respect of a Subsequent Placing) any Admission of Ordinary Shares occurring not later than 8.00 a.m. on such other dates as may be agreed between the Company, Peel Hunt and J.P. Morgan Cazenove prior to the closing of each Subsequent Placing, not being later than 4 November 2019;
 - 2.1.3 in the case of any Subsequent Placing, the relevant Share Issuance Programme Price being determined by the Directors;
 - 2.1.4 a valid Future Summary and/or Future Securities Note and/or Future Registration Document being published by the Company if such is required by the Prospectus Rules; and
 - 2.1.5 the Company having sufficient Shareholder authorities in place to issue such Ordinary Shares.
- 2.2 To the fullest extent permitted by law, each placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the placee may have.

3 Payment for Ordinary Shares

- 3.1 Each placee must pay the Issue Price or relevant Share Issuance Programme Price for the Ordinary Shares issued to the placee, as applicable, in the manner and by the time directed by Peel Hunt and/or J.P. Morgan Cazenove. If any placee fails to pay as so directed and/or by the time required, the relevant placee's application for Ordinary Shares may, at the discretion of Peel Hunt and/or J.P. Morgan Cazenove, either be rejected or accepted and, in the latter case, paragraph 3.2 of these terms and conditions shall apply.
- 3.2 Each placee is deemed to agree that if it does not comply with its obligation to pay the Issue Price or relevant Share Issuance Programme Price for the Ordinary Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Peel Hunt and/or J.P. Morgan Cazenove elects to accept that placee's application, Peel Hunt and/or J.P. Morgan

Cazenove may sell all or any of the Ordinary Shares allocated to the placee on such placee's behalf and retain from the proceeds, for Peel Hunt's and/or J.P. Morgan Cazenove's own account and profit, an amount equal to the aggregate amount owed by the placee plus any interest due. The placee will, however, remain liable for any shortfall below the aggregate amount owed by such placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Ordinary Shares on such placee's behalf.

4 Representations and warranties

By agreeing to subscribe for Ordinary Shares, each placee which enters into a commitment to subscribe for Ordinary Shares will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to represent, warrant and acknowledge to each of the Company, the Portfolio Manager, the Registrar, Peel Hunt and J.P. Morgan Cazenove that:

- 4.1 in agreeing to subscribe for Ordinary Shares under the Initial Placing and/or under a Subsequent Placing, it is relying solely on the Prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Initial Placing and/or a Subsequent Placing, including, without limitation, the key information document. It agrees that none of the Company, the Portfolio Manager, Peel Hunt, J.P. Morgan Cazenove or the Registrar, nor any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Initial Placing and/or under a Subsequent Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Portfolio Manager, Peel Hunt, J.P. Morgan Cazenove or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Initial Placing and/or a Subsequent Placing;
- 4.3 it has carefully read and understands the Prospectus in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 4 and the Articles as in force at the date of Admission of the relevant Ordinary Shares and agrees that in accepting a participation in the Initial Placing and/or any Subsequent Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Ordinary Share;
- 4.4 it has not relied on Peel Hunt or J.P. Morgan Cazenove or any person affiliated with Peel Hunt or J.P. Morgan Cazenove in connection with any investigation of the accuracy of any information contained in the Prospectus;
- 4.5 the content of the Prospectus is exclusively the responsibility of the Company and its Directors and none of Peel Hunt or J.P. Morgan Cazenove nor any person acting on behalf of either or both of them nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in the Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a placee to participate in the Initial Placing and/or a Subsequent Placing based on any information, representation or statement contained in the Prospectus or otherwise;
- 4.6 it acknowledges that no person is authorised in connection with the Initial Placing and/or a Subsequent Placing to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Portfolio Manager, Peel Hunt or J.P. Morgan Cazenove;

- 4.7 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- 4.8 it accepts that none of the Ordinary Shares has been or will be registered under the laws of any Restricted Jurisdiction. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Jurisdiction unless an exemption from any registration requirement is available;
- 4.9 it is entitled to subscribe for the Ordinary Shares under the laws of all relevant jurisdictions and it has fully observed the laws of all relevant jurisdictions, has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Ordinary Shares and will honour such obligations, and it has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- 4.10 if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Ordinary Shares may otherwise lawfully be offered under such Order or is a person who is a “professional client” or an “eligible counterparty” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction’s laws and regulations;
- 4.11 if it is a resident in the EEA (other than the United Kingdom): (a) it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive 2003/71/EC; and (b) if that relevant Member State has implemented the AIFMD, that it is a person to whom the Ordinary Shares may lawfully be marketed under the AIFMD or under the applicable implementing legislation (if any) of that relevant Member State;
- 4.12 in the case of any Ordinary Shares acquired by a placee as a financial intermediary within the EEA as that term is used in Article 3(2) of the Prospectus Directive: (a) the Ordinary Shares acquired by it in the Initial Placing and/or a Subsequent Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State (other than the United Kingdom) other than qualified investors, as that term is defined in the Prospectus Directive 2010/73/EU, or in circumstances in which the prior consent of Peel Hunt and/or J.P. Morgan Cazenove has been given to the offer or resale; or (b) where Ordinary Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 4.13 if it is outside the United Kingdom, neither the Prospectus nor any other offering, marketing or other material in connection with the Initial Placing and/or a Subsequent Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Initial Placing and/or a Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or material could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.14 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- 4.15 if the placee is a natural person, such placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such placee’s agreement to subscribe for Ordinary Shares under the Initial Placing and/or under a Subsequent Placing and will not be any such person on the date any such agreement to subscribe under the Initial Placing or a Subsequent Placing is accepted;

- 4.16 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other offering materials concerning the Initial Placing and/or a Subsequent Placing or the Ordinary Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- 4.17 it acknowledges that neither Peel Hunt nor J.P. Morgan Cazenove nor any of their respective affiliates, nor any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing and/or a Subsequent Placing or providing any advice in relation to the Initial Placing and/or a Subsequent Placing and participation in the Initial Placing and/or a Subsequent Placing is on the basis that it is not and will not be a client of Peel Hunt or J.P. Morgan Cazenove and that neither Peel Hunt or J.P. Morgan Cazenove has any duties or responsibilities to it for providing the protections afforded to their respective clients or for providing advice in relation to the Initial Placing and/or a Subsequent Placing nor in respect of any representations, warranties, undertakings or indemnities otherwise required to be given by it in connection with its application under the Initial Placing and/or a Subsequent Placing;
- 4.18 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Ordinary Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no documents are being issued by either Peel Hunt or J.P. Morgan Cazenove in its capacity as an authorised person under section 21 of FSMA and such documents may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
- 4.19 it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Ordinary Shares in, from or otherwise involving, the United Kingdom;
- 4.20 it acknowledges that no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Ordinary Shares or possession of the Prospectus in any country or jurisdiction where action for that purpose is required;
- 4.21 it acknowledges that neither of Peel Hunt or J.P. Morgan Cazenove nor any of their respective affiliates nor any person acting on Peel Hunt or J.P. Morgan Cazenove's behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing or any Subsequent Placing or providing any advice in relation to the Initial Placing or any Subsequent Placing and participation in the Initial Placing or any relevant Subsequent Placing is on the basis that it is not and will not be a client of Peel Hunt or J.P. Morgan Cazenove and that neither of them has any duties or responsibilities to it for providing protection afforded to its respective clients or for providing advice in relation to the Initial Placing or any Subsequent Placing (as applicable);
- 4.22 it acknowledges that, save in the event of fraud on the part of Peel Hunt or J.P. Morgan Cazenove, as the case may be, neither of Peel Hunt or J.P. Morgan Cazenove, their respective ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees, shall be responsible or liable to a placee or any of its clients for any matter arising out of its role as joint bookrunner or otherwise in connection with the Initial Placing or any Subsequent Placing and that where any such responsibility or liability nevertheless arises as a matter of law the placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the placee or any of its clients may have in respect thereof;
- 4.23 it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (a) to subscribe for the Ordinary Shares for each such account; (b) to make on each such account's behalf the representations, warranties and agreements set out in this Securities Note; and (c) to receive on behalf of each such account any documentation relating to the Initial Placing and/or a Subsequent Placing in the form provided by the Company and/or Peel Hunt and/or J.P. Morgan Cazenove. It agrees that the provisions of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;

- 4.24 if it is acting as a “distributor” (for the purposes of the MiFID II Product Governance Requirements):
- 4.24.1 it acknowledges that the Target Market Assessment undertaken by the Portfolio Manager, Peel Hunt and J.P. Morgan Cazenove 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 Ordinary Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels;
 - 4.24.2 notwithstanding any Target Market Assessment undertaken by the Portfolio Manager, Peel Hunt and J.P. Morgan Cazenove, it confirms that it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Ordinary Shares and that it has considered the compatibility of the risk/reward profile of such Ordinary Shares with the end target market;
 - 4.24.3 it acknowledges that the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the 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; and
 - 4.24.4 it agrees that if so required by Peel Hunt or J.P. Morgan Cazenove or the Portfolio Manager, it shall provide aggregate summary information on sales of the Ordinary Shares as contemplated under rule 3.3.30(R) of the PROD Sourcebook and information on the reviews carried out under rules 3.3.26(R) to 3.3.28(R) of the PROD Sourcebook;
- 4.25 it irrevocably appoints any director of the Company and any director of Peel Hunt or J.P. Morgan Cazenove to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares for which it has given a commitment under the Initial Placing and/or a Subsequent Placing, in the event of its own failure to do so;
- 4.26 it accepts that if the Initial Placing and/or a Subsequent Placing does not proceed or the conditions to the Share Issuance Agreement are not satisfied or the Ordinary Shares for which valid applications are received and accepted are not admitted to the Official List and to trading on the London Stock Exchange’s main market for any reason whatsoever then none of Peel Hunt, J.P. Morgan Cazenove nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.27 in connection with its participation in the Initial Placing and/or a Subsequent Placing it has observed all relevant legislation and regulations and in particular it has complied with all applicable provisions of the Criminal Justice Act 1993 and of MAR with respect to anything done by it in relation to the Initial Placing and/or any Subsequent Placing and/or the Ordinary Shares;
- 4.28 it acknowledges that Peel Hunt, J.P. Morgan Cazenove and the Company are entitled to exercise any of their rights under the Share Issuance Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.29 the representations, undertakings and warranties contained in the Prospectus are irrevocable. It acknowledges that Peel Hunt, J.P. Morgan Cazenove and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Ordinary Shares are no longer accurate, it shall promptly notify Peel Hunt, J.P. Morgan Cazenove and the Company;

- 4.30 where it or any person acting on behalf of it is dealing with Peel Hunt or J.P. Morgan Cazenove, any money held in an account with Peel Hunt or J.P. Morgan Cazenove on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Peel Hunt or J.P. Morgan Cazenove to segregate such money, as that money will be held by Peel Hunt or J.P. Morgan Cazenove under a banking relationship and not as trustee;
- 4.31 any of its clients, whether or not identified to Peel Hunt or J.P. Morgan Cazenove, will remain its sole responsibility and will not become clients of Peel Hunt or J.P. Morgan Cazenove for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.32 it accepts that the allocation of Ordinary Shares shall be determined by the Company in its absolute discretion (in consultation with Peel Hunt, J.P. Morgan Cazenove and the Portfolio Manager) and that the Company may scale down any commitments for this purpose on such basis as it may determine;
- 4.33 time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Initial Placing and/or a Subsequent Placing;
- 4.34 its commitment to acquire Ordinary Shares will be agreed orally with Peel Hunt or J.P. Morgan Cazenove as agent for the Company and that a Contract Note or Placing Confirmation will be issued by Peel Hunt or J.P. Morgan Cazenove as soon as possible thereafter. That oral confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a placee) in favour of the Company and either Peel Hunt or J.P. Morgan Cazenove to subscribe for the number of Ordinary Shares allocated to it at the Issue Price or the Share Issuance Programme Price on the terms and conditions set out in this Part 4 and, as applicable, in the Contract Note or Placing Confirmation. Except with the consent of Peel Hunt or J.P. Morgan Cazenove, such oral commitment will not be capable of variation or revocation after the time at which it is made;
- 4.35 its allocation of Ordinary Shares under the Initial Placing and any Subsequent Placing will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming: (i) the number of Ordinary Shares that such placee has agreed to subscribe for; (ii) the aggregate amount that such placee will be required to pay for such Ordinary Shares; and (iii) settlement instructions to pay Peel Hunt or J.P. Morgan Cazenove as agent for the Company. The terms of this Part 4 will be deemed to be incorporated into that Contract Note or Placing Confirmation;
- 4.36 it acknowledges and agrees to the representations, warranties and agreements set out under the heading "United States purchase and transfer restrictions" in paragraph 7 below;

The Company, the Portfolio Manager, the Registrar, Peel Hunt, J.P. Morgan Cazenove and their respective directors, officers, agents, employees, members, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the placee are no longer accurate or have not been complied with, the placee will immediately notify the Company, Peel Hunt and/or J.P. Morgan Cazenove.

The Company reserves the right to reject all or part of any offer to purchase Ordinary Shares for any reason. The Company also reserves the right to sell fewer than all of the Ordinary Shares offered by this Prospectus or to sell to any purchaser less than all of the Ordinary Shares a purchaser has offered to purchase.

5 Money Laundering

Each placee:

- 5.1 represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("**Money Laundering Regulations**") and any other applicable law concerning the prevention of money laundering and, if it is making payment on behalf of a third party, that: (i) satisfactory evidence has been obtained and recorded by it to verify the

identity of the third party; and (ii) arrangements have been entered into with the third party to obtain from the third party copies of any identification and verification data immediately on request as required by the Money Laundering Regulations and, in each case, agrees that pending satisfaction of such obligations, definitive certificates (or allocation under the CREST system) in respect of the Ordinary Shares comprising the placee's allocation may be retained at Peel Hunt's or J.P. Morgan Cazenove's discretion; and

- 5.2 acknowledges and agrees that, due to anti-money laundering and the countering of terrorist financing requirements, Peel Hunt and/or J.P. Morgan Cazenove and/or the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Peel Hunt and/or J.P. Morgan Cazenove and/or the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Peel Hunt, J.P. Morgan Cazenove and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis.

6 Data protection

- 6.1 Each placee acknowledges that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the "**DP Legislation**") the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a reasonable period after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out below (collectively, the "**Purposes**"), being to:
- 6.1.1 process its personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
 - 6.1.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - 6.1.3 to comply with the legal and regulatory obligations of the Company and/or the Registrar; and
 - 6.1.4 process its personal data for the Registrar's internal administration.
- 6.2 In order to meet the Purposes, it will be necessary for the Company and the Registrar to provide personal data to:
- 6.2.1 third parties located either within, or outside of the EEA, if necessary for the Registrar to perform its functions, or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
 - 6.2.2 its affiliates, the Company or the Portfolio Manager and their respective associates, some of which may be located outside of the EEA.
- 6.3 By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar with information, each placee hereby represents and warrants to the Registrar that it has (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of any data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Registrar and its associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 6).
- 6.4 Each placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the placee is a natural person he or she has read and understood the terms of the Company's privacy notice which is available for review on the Company's website www.bbhealthcaretrust.com ("**Privacy Notice**").

- 6.5 Each placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the placee is not a natural person it represents and warrants that:
- 6.5.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the placee may act or whose personal data will be disclosed to the Company as a result of the placee agreeing to subscribe for Ordinary Shares;
 - 6.5.2 the placee has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company; and
 - 6.5.3 it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the placee to comply with the provisions of this paragraph 6.5.

7 United States purchase and transfer restrictions

- 7.1 By participating in the Initial Placing and/or a Subsequent Placing, each placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to each of the Company, the Portfolio Manager, the Registrar, Peel Hunt and J.P. Morgan Cazenove that:
- 7.1.1 it is not a US Person and it is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the Ordinary Shares for the account or benefit of a US Person;
 - 7.1.2 it acknowledges that the 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 and may not be offered or sold into or within the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the US Securities Act;
 - 7.1.3 it acknowledges that the Company has not been and will not be registered under the US Investment Company Act and that the Company has elected to impose transfer and offering restrictions with respect to persons in the United States and US Persons so that the Company will have no obligation to register as an "investment company" under the US Investment Company Act;
 - 7.1.4 unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of: (a) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (b) a "plan" as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (c) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code. In addition, if a placee is, or is acting for the account or benefit of, an investor that is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
 - 7.1.5 if in the future it decides to offer, resell, pledge or otherwise transfer any Ordinary Shares, it may do so only in compliance with an exemption from the registration requirements of the US Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act;

- 7.1.6 if any Ordinary Shares offered and sold pursuant to Regulation S are issued to it in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:
- “BB HEALTHCARE TRUST PLC HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.”;**
- 7.1.7 it acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- 7.1.8 it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
- 7.1.9 it acknowledges and understands that the Company is required to comply with FATCA and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA;
- 7.1.10 it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Portfolio Manager, the Registrar, Peel Hunt, J.P. Morgan Cazenove or their respective directors, officers, agents, employees, members and advisers being in breach of the laws of any jurisdiction in connection with the Initial Placing and/or a Subsequent Placing or its acceptance of participation in the Initial Placing and/or a Subsequent Placing; and
- 7.1.11 if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- 7.2 The Company, the Portfolio Manager, the Registrar, Peel Hunt, J.P. Morgan Cazenove and their respective directors, officers, agents, employees, members, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.
- 7.3 If any of the representations, warranties, acknowledgments or agreements made by the placee are no longer accurate or have not been complied with, the placee will immediately notify the Company, Peel Hunt and/or J.P. Morgan Cazenove.
- 7.4 The Company reserves the right to reject all or part of any offer to purchase Ordinary Shares for any reason. The Company also reserves the right to sell fewer than all of the Ordinary Shares offered by this Prospectus or to sell to any purchaser less than all of the Ordinary Shares a purchaser has offered to purchase.

8 Supply and disclosure of information

If Peel Hunt, J.P. Morgan Cazenove, the Registrar or the Company or any of their agents request any information about a placee's agreement to subscribe for Ordinary Shares under the Initial Placing and/or a Subsequent Placing, such placee must promptly disclose it to them.

9 Miscellaneous

- 9.1 The rights and remedies of the Company, the Portfolio Manager, Peel Hunt, J.P. Morgan Cazenove and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 9.2 On application, if a placee is a discretionary fund manager, that placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Initial Placing and/or a Subsequent Placing will be sent at the placee's risk. They may be returned by post to such placee at the address notified by such placee.
- 9.3 Each placee agrees to be bound by the Articles once the Ordinary Shares, which the placee has agreed to subscribe for pursuant to the Initial Placing and/or a Subsequent Placing, have been acquired by the placee. The contract to subscribe for Ordinary Shares under the Initial Placing and/or a Subsequent Placing and the appointments and authorities mentioned in the Prospectus and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, Peel Hunt, J.P. Morgan Cazenove and the Registrar, each placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the placee in any other jurisdiction.
- 9.4 In the case of a joint agreement to subscribe for Ordinary Shares under the Initial Placing and/or a Subsequent Placing, references to a "placee" in these terms and conditions are to each of the placees who are a party to that joint agreement and their liability is joint and several.
- 9.5 Peel Hunt, J.P. Morgan Cazenove and the Company expressly reserve the right to modify the Initial Placing and/or a Subsequent Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined.
- 9.6 The Initial Placing and/or a Subsequent Placing are/is subject to the satisfaction of the conditions contained in the Share Issuance Agreement and the Share Issuance Agreement not having been terminated. Further details of the terms of the Share Issuance Agreement are contained in paragraph 6.1 of Part 5 of the Registration Document.

PART 5

TERMS AND CONDITIONS OF APPLICATION OF THE OFFER FOR SUBSCRIPTION UNDER THE INITIAL ISSUE

1 Introduction

- 1.1 Ordinary Shares are available under the Offer for Subscription at the Issue Price. The Ordinary Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.2 Applications to acquire Ordinary Shares must be made on the Offer for Subscription Application Form attached as Appendix 1 to this document or otherwise published by the Company.
- 1.3 In addition to completing and returning the Application Form to the Receiving Agent, new investors who intend to hold Ordinary Shares in certificated form will also need to complete and return a Tax Residency Self Certification Form. The “individual tax residency self-certification – sole holding” form can be found at the end of this Securities Note and further copies of this form and the relevant form for joint holdings or Corporate Entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

It is a condition of application that (where applicable) a completed version of that form is provided with the Offer for Subscription Application Form before any application can be accepted.

2 Offer for Subscription to acquire shares

- 2.1 By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:
 - 2.1.1 offer to subscribe for such number of new Ordinary Shares (rounded down to the nearest whole number) as shall have an aggregate value, at the Issue Price, equal (as nearly as practicable) to the amount specified in Box 1 of your Application Form, or such lesser number for which such application is accepted, on the terms, and subject to the conditions, set out in this Securities Note, including these terms and conditions of application and the Articles;
 - 2.1.2 agree that, in consideration for the Company agreeing that it will not offer any Ordinary Shares to any person other than by means of the procedures referred to in this Securities Note, your application may not be revoked, subject to your statutory right of withdrawal in the event of publication of a supplementary prospectus by the Company, and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;
 - 2.1.3 undertake to pay the Issue Price for the Ordinary Shares (in full on application) in respect of which your application is accepted and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company, Peel Hunt and J.P. Morgan Cazenove against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may

- have) avoid the agreement to allot the Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were first received at your risk of any proceeds of the remittance which accompanied your Application Form, without interest);
- 2.1.4 agree that, where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST account (a) the Receiving Agent may in its absolute discretion amend the form so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST account or in receiving your remittance in cleared funds); and (b) the Receiving Agent, the Company, Peel Hunt or J.P. Morgan Cazenove may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST account in respect of, the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;
- 2.1.5 agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1.4 of this paragraph 2.1 to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled (and any monies returnable to you) may be retained by the Receiving Agent:
- (a) pending clearance of your remittance;
 - (b) pending investigation of any suspected breach of the warranties contained in paragraphs 6.1, 6.2, 6.3, 6.8, 6.13, 6.15 or 6.16 below or any other suspected breach of these terms and conditions of application; or
 - (c) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the Money Laundering Regulations and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 2.1.6 agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- 2.1.7 agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account name on which the payment accompanying the application was first drawn without interest and at your risk;
- 2.1.8 agree that you are not applying on behalf of a person engaged in money laundering;
- 2.1.9 undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 2.1.10 undertake to pay interest at the rate described in paragraph 3.3 below if the remittance accompanying your Application Form is not honoured on first presentation;

- 2.1.11 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed section 3B on your Application Form, but subject to paragraph 2.1.4) above, to deliver the number of Ordinary Shares for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing bank to the bank account name from which such monies were first received without interest and at your risk;
- 2.1.12 confirm that you have read and complied with paragraph 8 below;
- 2.1.13 agree that all subscription cheques will be processed through a bank account (the “**Acceptance Account**”) in the name of “**Link Market Services Limited Re: BBH – OFS 2018 A/C**” opened by the Receiving Agent;
- 2.1.14 agree that your Application Form is addressed to the Company and the Receiving Agent; and
- 2.1.15 agree that any application may be rejected in whole or in part at the sole discretion of the Company.

3 Acceptance of your offer

- 3.1 The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received (accompanied by the validly completed Tax Residency Self-Certification Form if required), valid (or treated as valid), processed and not rejected) by notifying the UK Listing Authority through a Regulatory Information Service of the basis of allocation (in which case the acceptance will be on that basis).
- 3.2 The basis of allocation will be determined by the Company in consultation with Peel Hunt, J.P. Morgan Cazenove and the Portfolio Manager. The right is reserved, notwithstanding the basis as so determined, to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept:
 - 3.2.1 an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these terms and conditions of application; and
 - 3.2.2 an application for less than £1,000, or which is for more than £1,000 but not a multiple of £1,000.
- 3.3 The Receiving Agent will present all cheques and bankers’ drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants’ payment. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be two percentage points above the then published bank base rate of a clearing bank selected by Link Asset Services.
- 3.4 All payments must be in pounds sterling and cheques or banker’s drafts should be payable to “**Link Market Services Limited Re: BBH – OFS 2018 A/C**”. Cheques or banker’s drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker’s drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Third party cheques may not be accepted, with the exception of building society cheques or banker’s drafts where the building society or bank has inserted the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as

the name of the current shareholder or prospective investor. Please do not send cash. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. It is a term of the Offer for Subscription that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.

- 3.5 For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 1.00 p.m. on 28 November 2018 to the CHAPS bank account details of Link Asset Services, given on section 5(b) of the Application Form. Applicants wishing to make a CHAPS payment must provide Link with proof of source of funds as per the notes on section 5(b) of the Application Form.

The terms and conditions of application require that applicants provide cleared funds in support of each application. You should instruct the bank to transfer funds so that they will have taken place (and funds settled) to coincide with the delivery of your Application Form to the Receiving Agent and by no later than 1:00 p.m. on 28 November 2018. It is recommended that such transfers are actioned within 24 hours of posting your application.

When arranging the transfer, **you must instruct your bank to provide a reference with the transfer** which is the same as the reference you enter in section 5B of the Application Form (using your initials and contact telephone number e.g. MJSmith 01234 5678910). This reference is used by Link to match your payment with an application, and failure to provide a matching reference may delay Link's ability to process your application and result in it not being accepted. If your reference can not be matched by Link to an application, this will be rejected back to the remitting account before the Offer for Subscription closes.

Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

Please Note – you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

- 3.6 Should you wish to apply for Ordinary Shares by delivery versus payment method (“DVP”), you will need to input the DVP instructions into the CREST system in accordance with your Application. The input returned by Link Asset Services of a matching or acceptance instruction to our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Issue Price through the CREST system upon the relevant settlement date.
- 3.7 By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 1.00 p.m. on 28 November 2018 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of two percentage points above the then published bank base rate of a clearing bank selected by the Receiving Agent.

4 Conditions

- 4.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:
- (a) Admission occurring by 8.00 a.m. on 3 December 2018 (or such later time or date as the Company, Peel Hunt and J.P. Morgan Cazenove and may agree (not being later than 8.00 a.m. on 31 December 2018)); and
 - (b) the Share Issuance Agreement becoming otherwise unconditional in respect of the Initial Issue, and not being terminated in accordance with its terms before Admission.
- 4.2 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

5 Return of Application Monies

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest within 14 days. In the meantime, application monies will be retained by the Receiving Agent in a separate non-interest bearing account.

6 Warranties

By completing an Application Form, you:

- 6.1 undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 6.2 warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;
- 6.3 confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- 6.4 agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- 6.5 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Peel Hunt, J.P. Morgan Cazenove, the Portfolio Manager or the Receiving Agent;
- 6.6 warrant that you are not under the age of 18 on the date of your application;
- 6.7 agree that all documents and monies sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;
- 6.8 confirm that you have reviewed the restrictions contained in paragraph 8 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or complied with the provisions therein;
- 6.9 agree that, in respect of those Ordinary Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- 6.10 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription and any non-contractual obligations existing under or in connection therewith shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree

that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

- 6.11 irrevocably authorise the Company, Peel Hunt, J.P. Morgan Cazenove or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or Peel Hunt and/or J.P. Morgan Cazenove and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- 6.12 agree to provide the Company with any information which it, Peel Hunt, J.P. Morgan Cazenove or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations;
- 6.13 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, Peel Hunt, J.P. Morgan Cazenove, the Portfolio Manager or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;
- 6.14 agree that Peel Hunt, J.P. Morgan Cazenove and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or be responsible to you for the protections afforded to their customers;
- 6.15 warrant that the information contained in the Application Form is true and accurate;
- 6.16 agree that if you request that Ordinary Shares are issued to you on a date other than Admission and such Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Ordinary Shares on a different date; and
- 6.17 acknowledge that the key information document prepared by the Portfolio Manager pursuant to the PRIIPs Regulation can be provided to you in paper or by means of a website, but that where you are applying under the Offer for Subscription directly and not through an adviser or other intermediary, unless requested in writing otherwise, the lodging of an Application Form represents your consent to being provided the key information document via the website at www.bbhealthcaretrust.com, or on such other website as has been notified to you. Where your application is made on an advised basis or through another intermediary, the terms of your engagement should address the means by which the key information document will be provided to you.

7 Money Laundering

- 7.1 You agree that, in order to ensure compliance with the Money Laundering Regulations, the Receiving Agent may at its absolute discretion require verification of identity of you as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:
 - 7.1.1 the owner(s) and/or controller(s) (the “**payor**”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
 - 7.1.2 where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons, such person or persons.
- 7.2 Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are undertaken to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that Link itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money.

Whist Link may carry out checks on any application, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is the sterling equivalent of €15,000 (currently approximately £13,000).

Link will make enquiries to credit reference agencies to meet its anti-money laundering obligations and the applicant may be required to provide an original or certified copy of their passport, driving licence and recent bank statements to support such enquiries. Anti-money laundering checks do not mean the investor is suspected of anything illegal and there is nothing to worry about.

The checks made at credit reference agencies leave an “enquiry footprint” – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit. Anti-money laundering checks appear as an enquiry/soft search on the investor’s credit report. The report may contain a note saying “Identity Check to comply with Anti-Money Laundering Regulations”.

- 7.3 Failure to provide the necessary evidence of identity may result in your application being rejected or delays in the despatch of documents or CREST account being credited.
- 7.4 Without prejudice to the generality of this paragraph 7, verification of the identity of holders and payors will be required if the value of the Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (approximately £13,000). If, in such circumstances, you use a building society cheque or banker’s draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker’s draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and payor an original or copy of that person’s passport or driving licence certified by a solicitor and an original or certified copy of two of the following documents, no more than 3 months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressee’s risk) together with a signed declaration as to the relationship between the payor and you, the applicant.
- 7.5 For the purpose of the UK’s Money Laundering Regulations, a person making an application for Ordinary Shares will not be considered as forming a business relationship with either the Company or with the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent.
- 7.6 The person(s) submitting an application for Ordinary Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).
- 7.7 If the amount being subscribed exceeds €15,000 (approximately £13,000) you should endeavour to have the declaration contained in Section 6 of the Application Form signed by an appropriate firm as described in that box.

8 Non United Kingdom investors

- 8.1 If you receive a copy of the Prospectus, including this Securities Note, or an Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for Ordinary Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

8.2 None of the Ordinary Shares has been or will be registered under the laws of any Restricted Jurisdiction or under the US Securities Act or with any securities regulatory authority of any state or other political subdivision of any Restricted Jurisdiction. Accordingly, unless an exemption under such act or laws is applicable, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within any Restricted Jurisdiction. If you subscribe for Ordinary Shares you will, unless the Company and the Registrar agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person or a resident of any Restricted Jurisdiction or a corporation, partnership or other entity organised under the laws of any Restricted Jurisdiction and that you are not subscribing for such Ordinary Shares for the account of any US Person or resident of any Restricted Jurisdiction and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into any Restricted Jurisdiction or to any US Person or any resident in a Restricted Jurisdiction. No application will be accepted if it shows the applicant or a payor having an address in a Restricted Jurisdiction.

9 Data protection

- 9.1 Each applicant acknowledges that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the “**DP Legislation**”) the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a reasonable period after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out below (collectively, the “**Purposes**”), being to:
- 9.1.1 process its personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
 - 9.1.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - 9.1.3 to comply with the legal and regulatory obligations of the Company and/or the Registrar; and
 - 9.1.4 process its personal data for the Registrar’s internal administration.
- 9.2 In order to meet the Purposes, it will be necessary for the Company and the Registrar to provide personal data to:
- 9.2.1 third parties located either within, or outside of the EEA, if necessary for the Registrar to perform its functions, or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
 - 9.2.2 its affiliates, the Company or the Portfolio Manager and their respective associates, some of which may be located outside of the EEA.
- 9.3 By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar with information, each applicant hereby represents and warrants to the Registrar that it has: (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of any data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Registrar and its associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 9).
- 9.4 Each applicant acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the applicant is a natural person he or she has read and understood the terms of the Company’s privacy notice which is available for review on the Company’s website www.bbhealthcaretrust.com (“**Privacy Notice**”).
- 9.5 Each applicant acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the applicant is not a natural person it represents and warrants that:

- 9.5.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the applicant may act or whose personal data will be disclosed to the Company as a result of the applicant agreeing to subscribe for Ordinary Shares;
- 9.5.2 the applicant has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company; and
- 9.5.3 it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or Registrar in connection with any failure by the placee to comply with the provisions of this paragraph 9.5.

10 United States purchase and transfer restrictions

- 10.1 By participating in the Offer for Subscription, each applicant acknowledges and agrees that it will be further deemed to represent and warrant to each of the Company, the Portfolio Manager and the Registrar that:
 - 10.1.1 it is not a US Person and it is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the Ordinary Shares for the account or benefit of a US Person;
 - 10.1.2 it acknowledges that the 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 and may not be offered or sold into or within the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the US Securities Act;
 - 10.1.3 it acknowledges that the Company has not been and will not be registered under the US Investment Company Act and that the Company has elected to impose transfer and offering restrictions with respect to persons in the United States and US Persons so that the Company has no obligation to register as an "investment company" under the US Investment Company Act;
 - 10.1.4 unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of: (a) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (b) a "plan" as defined in Section 4975 of the Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Tax Code; or (c) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Tax Code. In addition, if an applicant is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Tax Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
 - 10.1.5 if in the future it decides to offer, resell, pledge or otherwise transfer any Ordinary Shares it may do so only in compliance with an exemption from the registration requirements of the US Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act;
 - 10.1.6 if any Ordinary Shares offered and sold pursuant to Regulation S are issued to it in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:

“BB HEALTHCARE TRUST PLC (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES”;

- 10.1.7 it acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
 - 10.1.8 it is purchasing the Ordinary Shares for its own account for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
 - 10.1.9 it acknowledges and understands that the Company is required to comply with FATCA and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA;
 - 10.1.10 it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Portfolio Manager, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Offer for Subscription or its acceptance of participation in the Offer for Subscription;
 - 10.1.11 it agrees the Company may make a notation on its records or give instructions to the registrar and any transfer agent of the Ordinary Shares in order to implement the restrictions on transfer set forth and described herein; and
 - 10.1.12 it has received, carefully read and understands the Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other presentation or offering materials concerning the Ordinary Shares to within the United States or to any US Persons, nor will it do any of the foregoing.
- 10.2 The Company, the Portfolio Manager, the Registrar and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.
- 10.3 If any of the representations, warranties, acknowledgments or agreements made by the applicant are no longer accurate or have not been complied with, the applicant will immediately notify the Company.

11 Miscellaneous

- 11.1 To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.
- 11.2 The rights and remedies of the Company and the Receiving Agent under these terms and conditions of application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 11.3 The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 1.00 p.m. on 28 November 2018. In that event, the new closing time and/or date will be notified through a Regulatory Information Service.

- 11.4 The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest at the risk of the applicant.
- 11.5 You agree that Peel Hunt, J.P. Morgan Cazenove and the Receiving Agent are acting for the Company in connection with the Initial Issue and no-one else and that none of Peel Hunt, J.P. Morgan Cazenove or the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or otherwise in relation to the Initial Issue or for providing the protections afforded to their customers.
- 11.6 Save where the context requires otherwise, terms used in these terms and conditions of application bear the same meaning as where used elsewhere in this Securities Note.
- 11.7 If you have any questions please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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

The Company has been approved by HMRC as an investment trust. It is the intention of the Directors to continue to conduct the affairs of the Company so that it satisfies the conditions necessary for this approval to be maintained. However, neither the Portfolio Manager nor the Directors can guarantee that this approval will be maintained. In respect of each accounting period for which the Company is and 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.

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 – general

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

Taxation of dividends – individuals

The following statements in this section summarise the expected UK tax treatment for individual Shareholders who receive dividends in respect of their Ordinary Shares.

Each individual who is resident in the UK for tax purposes is entitled to an annual tax free dividend allowance of £2,000 (tax year 2018/2019).

Dividends received in excess of this threshold will be taxed, for the fiscal year 2018/19 at:

- 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.

Taxation of dividends – companies

The following statements in this section summarise the expected UK tax treatment for Shareholders within the charge to UK corporation tax who receive dividends in respect of their 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.

Taxation of chargeable gains

Disposals of Ordinary Shares – general

A disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may, depending on the Shareholder’s circumstances, and subject to any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

UK resident individuals are, for each tax year, entitled to an exemption from capital gains tax for a specified amount of gains realised in that tax year. The current annual exempt amount (for the tax year 2018/19) is £11,700.

For Shareholders within the charge to corporation tax, indexation allowance may reduce the amount of any chargeable gain arising on a disposal of Ordinary Shares (indexation allowance cannot give rise to or increase the amount of an allowable loss). Indexation allowance was frozen at 31 December 2017 such that any indexation allowance would be calculated only to 31 December 2017 and will not apply to disposals of Ordinary Shares acquired after that date.

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

Redemptions and buybacks of Ordinary Shares

A redemption or buyback of Ordinary Shares by the Company which is not effected through the “matched bargain” mechanism will generally be treated for tax purposes as giving rise to both:

- (i) a disposal by the Shareholder of the Ordinary Shares for the purposes of UK taxation of chargeable gains; and
- (ii) to the extent that proceeds of the redemption or buyback exceed the amount which is treated for tax purposes as paid-in share capital attributable to the Ordinary Shares, a distribution by the Company to the Shareholder (the “**distribution element**”). Shareholders should note that the amount treated for tax purposes as paid-in share capital attributable to the Ordinary Shares may be less than the amount paid by the Shareholder for those shares.

The distribution element will generally be taxed as if it were a dividend (please refer to the discussion above for further detail as to the tax treatment of dividends).

For UK resident individual Shareholders, this means that the distribution element will be subject to income tax. However, to the extent that the redemption or buyback proceeds are subject to income tax in this way, they will not be taken into account in the capital gains tax calculation.

For UK resident corporate Shareholders, the distribution element should generally be exempt from corporation tax on income (provided that, as discussed above, the distribution falls into an exempt class and any other relevant conditions are met). In the case of a redemption of Ordinary Shares (but not a buyback), this exempt distribution element would not generally fall to be taken into account in computing any chargeable gains subject to corporation tax. In the case of a buyback of Ordinary Shares, however, the exempt distribution element would generally fall to be taken into account in the calculation of any chargeable gains subject to corporation tax.

Shareholders should note that the statement above in relation to redemptions and buybacks of Ordinary Shares is general in nature and that there are a number of detailed rules which, depending on the circumstances, may affect the tax treatment of redemptions or buybacks for particular Shareholders. The statements above may not apply to redemptions or buybacks effected through the “matched bargain” mechanism, which may instead fall to be treated as a normal sale to a third party in the market. Shareholders should therefore seek independent professional advice as to the tax consequences of any proposed redemption or buyback of Ordinary Shares.

ISAs

Ordinary Shares acquired pursuant to the Offer for Subscription, the Intermediaries Offer or in the secondary market should be eligible for inclusion in an ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2018/2019).

Stamp Duty and Stamp Duty Reserve Tax

The following comments in relation to UK stamp duty and SDRT apply to Shareholders wherever they are resident or domiciled. They are intended only as a general guide and (except to the extent stated) do not relate to persons such as market makers, brokers, dealers, intermediaries or persons connected with depositary arrangements or clearance services, to whom special rules may apply.

Share Issuance Programme

The issue of Ordinary Shares pursuant to the Share Issuance Programme will not give rise to stamp duty or SDRT.

Subsequent transfers of Ordinary Shares

Stamp duty at the rate of 0.5 per cent. (rounded up to the nearest £5) of the amount or value of the consideration given will generally be payable in respect of an instrument transferring Ordinary Shares. An exemption from stamp duty is available for instruments transferring shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by it does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000.

A charge to SDRT will also arise in respect of an unconditional agreement to transfer Ordinary Shares (at the rate of 0.5 per cent. of the amount or value of the consideration for the shares). 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.

Ordinary Shares held through CREST

Paperless transfers of Ordinary Shares within CREST are generally subject to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the system. Deposits of Ordinary Shares into CREST will generally not be subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration in money or money's worth, in which case a liability to SDRT will arise, usually at the rate of 0.5 per cent. of the amount or value of the consideration.

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, an Inter-governmental Agreement with the US in relation to FATCA and International Tax Compliance Agreements with Guernsey, Jersey, the Isle of Man and Gibraltar. 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 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 the authorities in other jurisdictions.

PART 7

ADDITIONAL INFORMATION

1 Share capital

- 1.1 The Company was incorporated with an initial capital of £0.01 comprising 1 non-redeemable ordinary share (the “**Subscriber Share**”). Since the date of incorporation until the date of this Securities Note, there have been the following changes in the issued share capital of the Company.
- 1.2 To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under Section 761 of the Act, on 2 November 2016 the Company allotted 50,000 Management Shares of £1.00 each to the Portfolio Manager. These Management Shares were paid up as to one quarter of their nominal value.
- 1.3 On 30 November 2016, the Company allotted 99 non-redeemable ordinary shares of 1 penny each to the subscriber to the Company’s memorandum of association. On 2 December 2016, the 100 non-redeemable ordinary shares of £0.01 each were consolidated into one non-redeemable ordinary share of £1.00 which was thereupon re-designated as a Management Share and subsequently transferred to the Portfolio Manager.
- 1.4 On 2 December 2016, the Company completed an issue of 150,000,000 Ordinary Shares at £1.00 per share.
- 1.5 Between 2 December 2016 and 30 November 2017 the Company issued 109,569,268 Ordinary Shares at a weighted average price of 112.81 pence.
- 1.6 The issued share capital of the Company as at 30 November 2017 comprised 50,001 Management Shares and 259,569,268 Ordinary Shares.
- 1.7 Since 30 November 2017, the Company has issued 54,308,526 Ordinary Shares at a weighted average price of 134.19 pence.
- 1.8 Set out below is the issued share capital of the Company as at the date of this Securities Note:

	<i>Nominal Value (£)</i>	<i>Number</i>
Management Shares	50,001	50,001
Ordinary Shares	3,138,777.94	313,877,794

50,000 of the Management Shares are paid up as to one quarter of their nominal value and one Management Share is fully paid up. The Ordinary Shares are fully paid up.

- 1.9 By resolutions passed on 22 March 2018:
 - (A) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act (in substitution for all subsisting authorities to the extent unused) to exercise all the powers of the Company to allot up to 200,000,000 Ordinary Shares, such authority to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2019 or, if earlier, on the expiry of 15 months from the passing of the resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;
 - (B) the Directors were empowered (pursuant to sections 570 and 573 of the Act) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 1.9(A) above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2019, or, if earlier, on the expiry of 15 months from the passing of the resolution, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might

require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired; and

- (C) the Company was authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares, provided that the maximum number of Ordinary Shares authorised to be purchased is 39,494,043 (representing 14.99 per cent. of the Company's issued Ordinary Share capital (excluding shares held in treasury) at the date of the notice of the meeting). The minimum price which may be paid for an Ordinary Share is 1 penny. The maximum price which may be paid for an Ordinary Share must not be more than the higher of: (a) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made; or (b) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Such authority will expire at the conclusion of the annual general meeting of the Company to be held in 2019 or, if earlier, on the expiry of 15 months from the passing of the resolution, save that the Company may contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase its Ordinary Shares in pursuance of such contract.

- 1.10 In accordance with the authorities referred to in paragraphs 1.9(A) and 1.9(B) above, it is expected that the Ordinary Shares in respect of the Initial Issue will be allotted pursuant to a resolution of the Board to be passed shortly before, and conditional upon, Admission.
- 1.11 The provisions of section 561 of the Act (which, to the extent not disapplied pursuant to section 570 or section 573 of the Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash) shall apply to any unissued share capital of the Company, except to the extent disapplied by the resolution referred to in paragraph 1.9(B) above.
- 1.12 Save as disclosed in this paragraph 1, since the date of its incorporation: (i) there has been no alteration in the share capital of the Company; (ii) no share or loan capital of the Company has been issued or agreed to be issued, or, save in respect of the Share Issuance Programme, is now proposed to be issued for cash or any other consideration; and (iii) 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.
- 1.13 The Ordinary Shares expected to be issued on 3 December 2018 in the case of the Initial Issue and the Ordinary Shares which may be issued in the period from 4 December 2018 to 4 November 2019 in the case of any Subsequent Issues under the Share Issuance Programme, will be in registered form. Temporary documents of title will not be issued.

2 Articles of Association

The Articles contain provisions, *inter alia*, to the following effect. The Articles also contain provisions relating to the redemption of the Ordinary Shares. A summary of these provisions is set out in Part 3 of this Securities Note.

2.1 Objects

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

2.2 Variation of rights

Subject to the provisions of the Act as amended and every other statute for the time being in force concerning companies and affecting the Company (the "**Statutes**"), if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of 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.

2.3 Alteration of share capital

The Company may by ordinary resolution:

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

2.4 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).

2.5 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.

2.6 Voting rights

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

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

Where a shareholder vote is required to be taken in accordance with the Listing Rules, that vote must be decided by a resolution of the holders of the shares that have been admitted to the premium listing. Where the provisions of the Listing Rules require that any resolution must, in addition, be approved by the independent shareholders (as defined in the Listing Rules), only independent shareholders who hold shares that have a premium listing shall be entitled to vote on the relevant resolution.

2.7 *Transfer of shares*

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

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

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

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

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

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

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any Benefit Plan Investor; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the US Securities Act and/or the US Exchange Act and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the US Exchange Act; (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the US Tax Code; (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation); or (vi) creates a significant legal or regulatory issue for the Company under the US Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, then the Directors may declare the Shareholder in question a “Non-Qualified Holder” and the Directors may require that any shares held by such Shareholder (“**Prohibited Shares**”) shall (unless the Shareholder concerned satisfies the Directors that he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares

at the best price reasonably obtainable and pay the net proceeds to the former holder as provided below. The Directors may at any time give notice in writing to the holder of a share requiring such holder to make a declaration as to whether or not the share is a Prohibited Share.

The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring such holder within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at the Chairman's discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by such former holder of the relevant share certificate (if applicable).

Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a US Person.

2.8 *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.

2.9 *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).

2.10 *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.

2.11 *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.

2.12 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.

2.13 Borrowings

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

2.14 Voting at board meetings

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

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

2.15 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.

2.16 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.

2.17 Indemnity

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

2.18 **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.

2.19 **C Shares and Deferred Shares**

The rights and restrictions attaching to the C Shares and the Deferred Shares arising on their conversion are summarised below.

(I) The following definitions apply for the purposes of this paragraph 2.19 only:

Calculation Date means the earliest of the:

- (i) close of business on the date to be determined by the Directors occurring not more than 10 Business Days after the day on which the Portfolio Manager shall have given notice to the Directors that at least 90 per cent. of the Net Proceeds (or such other percentage as the Directors and Portfolio Manager shall agree) shall have been invested; 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 (VIII) 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 net asset value per C Share to the net asset value per Ordinary Share, which is calculated as:

$$\text{Conversion Ratio} = \frac{A}{B}$$

$$A = \frac{C - D}{E}$$

$$B = \frac{F - C - G + D}{H}$$

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 (ii) below) which are listed or dealt in 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 or 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 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 (ii) below) which are listed or 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 or 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 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 Auditors 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 Shares means deferred shares of 1 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).

References to the Auditors confirming any matter should be construed to mean confirmation of their opinion as to such matter whether qualified or not.

References to ordinary shareholders, C Shareholders and deferred shareholders should be construed as references to holders for the time being of Ordinary Shares, C Shares and Deferred Shares respectively.

- (II) The holders of the Ordinary Shares, the Management 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 annual 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 on which such Deferred Shares were created in accordance with paragraph (VIII) (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 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. It should be noted that given the proposed repurchase of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;
 - (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 to the C Shares;
 - (c) a holder of Management Shares shall be entitled (in priority to any payment of dividend on any other class of share) to a fixed cumulative preferential dividend of 0.01 per cent. per annum on the nominal amount of the Management Shares held

by him, such dividend to accrue annually and to be payable in respect of each accounting reference period of the Company within 21 days of the end of such period;

- (d) the Existing Ordinary Shares shall confer the right to dividends declared in accordance with the Articles;
 - (e) the Ordinary Shares into which C Shares shall convert shall rank *pari passu* with the Existing Ordinary Shares for dividends and other distributions made or declared by reference to a record date falling after the Calculation Date; and
 - (f) 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 such C Shares (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).
- (III) The holders of the Ordinary Shares, the Management 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 be applied, 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 first, amongst the Management Shareholders *pro rata* according to the nominal capital paid up on their holdings of Management Shares and, second, amongst the existing Ordinary Shareholders *pro rata* according to the nominal capital paid up on their holdings of Existing Ordinary Shares **provided** however that the holders of the Management Shares shall only receive an amount up to the capital paid up on such Management Shares and the Management Shares shall not confer the right to participate in any surplus remaining following payment of such amount. For the purposes of this paragraph (III)(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 1 penny in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders; and
 - (ii) secondly, the surplus shall be divided, first, amongst the Management Shareholders *pro rata* according to the nominal capital paid up on their holdings of Management Shares and, second, amongst the Ordinary Shareholders *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares provided however that the holders of the Management Shares shall only receive an amount up to the capital paid up on such Management Shares and the Management Shares shall not confer the right to participate in any surplus remaining following payment of such amount.
- (IV) 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 and the Management Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company unless, in the case of the Management Shares, no other shares are in issue at that time.
- (V) 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 (but not the Ordinary Shares arising on 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 pence for every 1,000,000 Deferred Shares and the notice referred to in paragraph (VIII)(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 pence for each holding of 1,000,000 Deferred Shares. On repurchase, each Deferred Share shall be treated as cancelled in accordance with section 706 of the Act without further resolution or consent; 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 monies in respect of such Deferred Shares.
- (VI) 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 Company's 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, as described above, 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 or redemption of any shares by the Company (whether or not such shares are to be held in treasury).
- (VII) 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 fairly consider to be attributable to the C Shares; and

- (c) give appropriate instructions to the Portfolio Manager to manage the Company's assets so that such undertakings can be complied with by the Company.
- (VIII) 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 (VIII):
- (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 Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion shall be calculated; and
 - (ii) the Auditors 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 convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph (I) 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 such C Shareholder will be entitled on Conversion.
 - (c) On conversion each C Share shall automatically subdivide into 10 conversion shares of 1 penny each and such conversion shares of 1 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 1 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 1 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.
 - (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 Interests of Directors

Save as set out in this paragraph 3, no Director has any interests (beneficial or non-beneficial) in the share capital of the Company as at the Latest Practicable Date:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>
Justin Stebbing	31,056	0.0099
Josephine Dixon	49,544	0.0158
Randeep Grewal	49,857	0.0159
Paul Southgate	46,449	0.0148
Siddhartha Mukherjee	25,000	0.0080

Each of the UK based Directors has agreed that any directors' fees payable to them shall, save where the Company determines otherwise, be satisfied in Ordinary Shares acquired at market value, such Ordinary Shares to be acquired on behalf of the Directors and for their account by the Company's broker. Any Ordinary Shares acquired by the Directors pursuant to these arrangements shall be subject to the terms of the Lock-in Deed.

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:

- (i) a person acquires an interest in Ordinary Shares which, when taken together with Ordinary 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
- (ii) 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 Ordinary Shares which increase the percentage of Ordinary 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 Ordinary Shares at a price not less than the highest price paid for any interests in the Ordinary 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 their 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 Working capital

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

6 Capitalisation and indebtedness

The following table, sourced from the Company's internal accounting records, shows the Company's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 30 September 2018 and the Company's capitalisation as at 31 May 2018 (being the last date in respect of which the Company has published unaudited financial information).

	<i>30 September 2018 (unaudited) £000</i>
	<hr/>
Total Current Debt	
Guaranteed	—
Secured	—
Unguaranteed/Unsecured	30,163
Total Non-Current Debt (excluding current portion of long-term debt)	
Guaranteed	—
Secured	—
Unguaranteed/Unsecured	—
	 <i>31 May 2018 (unaudited) £000</i>
	<hr/>
Shareholders' Equity	
Called up share capital	2,733
Share premium	134,767
Special reserve	138,705
Capital reserve	55,686
Revenue reserve	165
	<hr/>
Total	332,056
	<hr/> <hr/>

There has been no material change in the capitalisation of the Company since 31 May 2018 other than the issuance of 41,898,026 Ordinary Shares since that date.

The following table shows the Company's unaudited net indebtedness as at 30 September 2018:

	<i>30 September 2018 (unaudited) £000</i>
(A) Cash	5,955
(B) Cash equivalent	—
(C) Securities	438,125
(D) Liquidity (A+B+C)	444,080
(E) Current financial receivables	10,853
(F) Current bank debt	30,163
(G) Current portion of non-current debt	—
(H) Other current financial debt	—
(I) Current financial debt (F+G+H)	30,163
(J) Net current financial indebtedness (I-E-D)	(424,770)
(K) Non-current bank loans	—
(L) Bonds issued	—
(M) Other non-current loans	—
(N) Non-current financial indebtedness (K+L+M)	—
(O) Net financial indebtedness (J+N)	(424,770)

7 General

- 7.1 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. The sources of information have been disclosed.
- 7.2 Peel Hunt is acting as sponsor and joint bookrunner to the Share Issuance Programme and intermediaries offer advisor in relation to the Intermediaries Offer and has given and not withdrawn its written consent to the inclusion in this Securities Note of references to its name in the form and context in which they appear.
- 7.3 J.P. Morgan Cazenove is acting as joint bookrunner to the Share Issuance Programme and has given and not withdrawn its written consent to the inclusion in this Securities Note of references to its name in the form and context in which they appear.
- 7.4 Bellevue Asset Management AG, the Company's portfolio manager, has given and not withdrawn its written consent to the inclusion in this Securities Note of references to its name in the form and context in which they appear.

8 Intermediaries

The Intermediaries authorised at the date of this Securities Note to use the Prospectus are:

<i>Intermediary</i>	<i>Address</i>
AJ Bell Securities Limited	4 Exchange Quay, Salford, Greater Manchester, M5 3EE, United Kingdom
Cornhill Capital Limited	4th Floor, 18 St Swithins Lane, London, EC4N 8AD, United Kingdom
Equiniti Financial Services Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom
Idealing.com Limited	150 Minorities, Suite 605, London, EC3N 1LS, United Kingdom
Jarvis Investment Management Ltd	78 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS, United Kingdom
Redmayne-Bentley LLP	9 Bond Court, Leeds, LS1 2JZ, United Kingdom
SVS Securities Plc	20 Ropemaker Street, 2nd Floor, London, EC2Y 9AR, United Kingdom
WH Ireland Limited	24 Martin Lane, London, EC4R 0DR, United Kingdom

PART 8

DEFINITIONS

Act	the Companies Act 2006, as amended from time to time
Administrator	PraxisIFM Fund Services (UK) Limited
Admission	the admission of the Ordinary Shares to be issued pursuant to the Share Issuance Programme to: (i) the premium segment of the Official List; and (ii) trading on the London Stock Exchange's main market, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
Articles	the articles of association of the Company as at the date of this Securities Note or, in the context of the Share Issuance Programme (following completion of the Initial Issue), as at the date of the relevant issue under the Share Issuance Programme
Auditors	Ernst & Young LLP or such other auditor as the Company may appoint from time to time
Benefit Plan Investor	a "benefit plan investor" as defined in Section 3(42) of ERISA and any regulations promulgated by the US Department of Labor thereunder, being "employee benefit plans" as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, "plans" that are subject to the prohibited transaction provisions of Section 4975 of the US Internal Revenue Code, and entities the assets of which are treated as "plan assets" under Section 3(42) of ERISA and any regulations promulgated thereunder
Business Day	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
C Shareholder	a holder of C Shares
C Shares	C Shares of 10 pence each in the capital of the Company having the rights and restrictions set out in paragraph 2.19 of Part 7 of this Securities Note (no C Shares have been issued as at the date of this Securities Note and there is no present intention to do so)
certificated form	not in uncertificated form
Company	BB Healthcare Trust plc
Continuing Pool	the cash, assets and liabilities of the Company other than those constituting the Redemption Pool, as more particularly described in Part 3 of this Securities Note
CREST	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
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
Dealing Value of the Company	the value of the Company calculated in accordance with paragraph 7 of Part 3 of this Securities Note
Dealing Value per Ordinary Share	the value by reference to which Ordinary Shares may be redeemed on a Redemption Point calculated in accordance with paragraph 7 of Part 3 of this Securities Note
Depository	Caceis Bank, UK Branch
Directors or Board	the board of directors of the Company
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules contained in the FCA's Handbook of Rules and Guidance

DVP	delivery versus payment
EEA	European Economic Area
ERISA	the United States Employee Retirement Income Security Act of 1974, as amended
Euroclear	Euroclear UK & Ireland Limited
FATCA	the United States Foreign Account Tax Compliance Act
FCA	the UK Financial Conduct Authority
FSMA	the UK Financial Services and Markets Act 2000, as amended
Future Registration Document	any registration document required to be issued in the future by the Company and subject to separate approval by the FCA
Future Securities Note	a securities note to be issued in the future by the Company in respect of each issue, if any, of Ordinary Shares (other than pursuant to the Initial Issue or a Subsequent Placing) made pursuant to the Registration Document accompanying this Securities Note and subject to separate approval by the FCA
Future Summary	a summary to be issued in future by the Company in respect of each issue, if any, of Ordinary Shares (other than pursuant to the Initial Issue or a Subsequent Placing) made pursuant to the Registration Document accompanying this Securities Note and subject to separate approval by the FCA
HMRC	HM Revenue & Customs
Initial Issue	together the Initial Placing, the Offer for Subscription and the Intermediaries Offer
Initial Placing	the conditional placing of new Ordinary Shares by Peel Hunt and J.P. Morgan Cazenove at the Issue Price on the terms and subject to the conditions set out in this Securities Note
Intermediaries	the entities listed in paragraph 8 of Part 7 of this Securities Note, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this Securities Note and “ Intermediary ” shall mean any one of them
Intermediaries Booklet	the booklet entitled “BB Healthcare Trust plc: Information for Intermediaries” and containing, among other things, the Intermediaries Terms and Conditions
Intermediaries Offer	the offer of Ordinary Shares by the Intermediaries to retail investors
Intermediaries Offer Adviser	Peel Hunt LLP
Intermediaries Terms and Conditions	the terms and conditions agreed between the Intermediaries Offer Adviser, the Company, the Portfolio Manager and the Intermediaries in relation to the Intermediaries Offer and contained in the Intermediaries Booklet
ISA	an Individual Savings Account maintained in accordance with the Individual Savings Account Regulations 1998
Issue Price	the price at which Ordinary Shares are being issued pursuant to the Initial Issue, being a premium of 2.0 per cent. to the Net Asset Value (cum-income) per Ordinary Share at the close of business on 27 November 2018, or such other date to be determined and which will be announced via a Regulatory Information Service
J.P. Morgan Cazenove	J.P. Morgan Cazenove Securities plc, which conducts its UK investment banking activities trading as J.P. Morgan Cazenove, the Company’s joint broker and joint bookrunner

Latest Practicable Date	close of business on 31 October 2018, being the latest practicable date prior to the publication of the Prospectus to ascertain certain information contained therein
Link Asset Services	a trading name of Link Market Services Limited
Listing Rules	the listing rules made by the UK Listing Authority under section 73A of FSMA
Lock-in Deed	the lock-in deed dated 10 November 2016 between each of the UK based Directors, the Company and Peel Hunt, summarised in paragraph 6.8 of Part 5 of the Registration Document
London Stock Exchange	London Stock Exchange plc
Management Shares	non-redeemable preference shares of £1.00 each in the capital of the Company held, at the date of this Securities Note, by the Portfolio Manager
Market Abuse Regulation	regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
Member State	any member state of the EEA
MiFID II Product Governance Requirements	has the meaning given to it on page 12 of this Securities Note
Money Laundering Regulations	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
NAV or Net Asset Value	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
NAV per Ordinary Share or Net Asset Value per Ordinary Share	the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (excluding any Ordinary Shares held in treasury)
Offer for Subscription	the offer for subscription for new Ordinary Shares at the Issue Price on the terms and subject to the conditions set out in this Securities Note
Offer for Subscription Application Form or Application Form	the application form on which an applicant may apply for Ordinary Shares under the Offer for Subscription attached as Appendix 1 to this Securities Note
Official List	the official list maintained by the UK Listing Authority
Ordinary Shares	redeemable ordinary shares of 1 penny each in the capital of the Company
Peel Hunt	Peel Hunt LLP, the Company's sponsor, joint broker, joint bookrunner and intermediaries offer adviser
Portfolio Manager	Bellevue Asset Management AG
PRIIPs Regulation	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
PROD Sourcebook	the Product Intervention and Product Governance Sourcebook contained in the FCA's Handbook of Rules and Guidance
Prospectus	the prospectus which comprises the Summary, the Registration Document and this Securities Note
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of the European Union and any relevant implementing measure in each Relevant Member States
Prospectus Rules	the rules and regulations made by the FCA under Part VI of FSMA

Receiving Agent	Link Asset Services, a trading name of Link Market Services Limited
Redemption Point	5.00 p.m. on the last Business Day in November each year on which date holders of Ordinary Shares which have submitted valid Redemption Requests to have their Ordinary Shares redeemed will be considered for redemption at the discretion of the Board
Redemption Pool	the pool of cash, assets and liabilities to be created in respect of a particular Redemption Point and allocated to the Ordinary Shares which are the subject of Redemption Requests for that Redemption Point, as more particularly described in Part 3 of this Securities Note
Redemption Price	the price for which Ordinary Shares are redeemed on a Redemption Point as determined by reference to the Dealing Value per Ordinary Share or a Redemption Pool, as more particularly described in Part 3 of this Securities Note
Redemption Request	a notice to the Company to redeem Ordinary Shares in the form from time to time prescribed by the Company
Register	the register of members of the Company
Registrar	Link Market Services Limited
Registration Document	the registration document dated 5 November 2018 issued by the Company and approved by the FCA
Regulatory Information Service	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange
Relevant Member State	each Member State which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator
Restricted Jurisdiction	each of Australia, Canada, Japan, the Republic of South Africa and the United States
SEC	the United States Securities and Exchange Commission
Securities Note	this securities note dated 5 November 2018 issued by the Company in respect of the Ordinary Shares made available pursuant to the Registration Document
Share Issuance Agreement	the share issuance agreement dated 5 November 2018, between the Company, the Directors, the Portfolio Manager, Peel Hunt and J.P. Morgan Cazenove summarised in paragraph 6.1 of Part 5 of the Registration Document
Share Issuance Programme	the Initial Issue and the proposed programme of Subsequent Issues of Ordinary Shares on the terms set out in this Securities Note (and any Future Securities Note)
Share Issuance Programme Price	the applicable price at which new Ordinary Shares will be issued to prospective investors under the Share Issuance Programme (following completion of the Initial Issue), as described in this Securities Note
Shareholder	a holder of Ordinary Shares
Subsequent Admission	Admission of any Ordinary Shares issued pursuant to the Share Issuance Programme (following completion of the Initial Issue)
Subsequent Issue	any placing, open offer, offer for subscription and/or intermediaries offer of Ordinary Shares pursuant to the Share Issuance Programme (following completion of the Initial Issue)
Subsequent Placing	any placing of Ordinary Shares pursuant to the Share Issuance Programme (following completion of the Initial Placing) described in this Securities Note

Summary	the summary dated 5 November 2018 issued by the Company pursuant to the Registration Document and approved by the FCA
Takeover Code	The City Code on Takeovers and Mergers
Target Market Assessment	has the meaning given to it on page 12 of this Securities Note
Tax Residency Self-Certification Form	the tax residency self-certification form required to be completed by all new investors who intend to hold their Ordinary Shares in certificated form in the Company for FATCA reporting purposes
TTE	Transfer to Escrow instruction
UK	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List
uncertificated or in uncertificated form	a 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
Underlying Applicants	investors who wish to acquire Ordinary Shares under the Intermediaries Offer who are clients of any Intermediary
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Exchange Act	the United States Securities Exchange Act of 1934, as amended
US Investment Company Act	the United States Investment Company Act of 1940, as amended
US Person	a US Person as defined for the purposes of Regulation S
US Securities Act	the United States Securities Act of 1933, as amended
US Tax Code	the US Internal Revenue Code of 1986, as amended
Valuation Point	close of business on the Business Day immediately preceding the relevant Redemption Point

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APPENDIX 1

APPLICATION FORM FOR THE OFFER FOR SUBSCRIPTION

Important: before completing this form, you should read the accompanying notes.

For official
use only:

To: Link Asset Services, acting as receiving agent for BB Healthcare Trust plc

1. Application

I/We the person(s) detailed in section 3A below offer to subscribe the amount shown in Box 1 for new Ordinary Shares, fully paid at the Issue Price and subject to the Terms and Conditions set out in Part 5 of the Securities Note dated 5 November 2018 and subject to the Memorandum and Articles of Association of the Company.

Box 1 (write, in figures, the aggregate value, at the Issue Price, of the new Ordinary Shares that you wish to apply for – a minimum of £1,000 and thereafter in multiples of £1,000)

£

2. Payment method

Payment method: Cheque/Banker's draft Bank transfer
 CREST settlement

3A. Details of Holder(s) in whose name(s) Ordinary Shares will be issued (BLOCK CAPITALS)

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Address (in Full)

Designation (if any)

Date of Birth

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Date of Birth

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Date of Birth

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Date of Birth



3B. CREST details

(Only complete this section if Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 3A).

CREST Participant ID:

--	--	--	--	--

CREST Member Account ID:

--	--	--	--	--	--	--	--	--	--

4. Signature(s) all holders must sign

Execution by Individuals:

First Applicant Signature	Date
Second Applicant Signature	Date
Third Applicant Signature	Date
Fourth Applicant Signature	Date

Execution by a Company:

Executed by (Name of Company):		Date
Name of Director:	Signature:	Date
Name of Director/Secretary:	Signature:	Date
If you are affixing a company seal, please mark a cross here: <input type="checkbox"/>	Affix Company Seal here:	

5. Settlement details

(a) *Cheque/Banker's draft*

If you are subscribing for Ordinary Shares and paying by cheque or banker's draft pin or staple to this form your cheque or banker's draft for the exact amount in sterling shown in Box 1 made payable to "Link Market Services Limited Re: BBH – OFS 2018 A/C". Cheques and banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man and must bear the appropriate sort code in the top right hand corner.

(b) *Bank transfer*

For applicants making payment electronically, payment must be made for value by 1.00 p.m. on 28 November 2018. Please make payment to the sterling bank account detailed below. Applicants must ensure that they remit sufficient funds to either of the accounts below to cover any charges incurred by their bank. Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by 1.00 p.m. on 28 November 2018 together with the name and number of the account to be debited with such payment.

When arranging the transfer, **you must instruct your bank to provide a reference with the transfer** which is the same as the reference you enter below (using your initials and contact telephone number e.g. MJSmith 01234 5678910). This reference is used by Link to match your payment with an application, and failure to provide a matching reference may delay Link's ability to process your application and result in it not being accepted. If your reference can not be matched by Link to an application, this will be rejected back to the remitting account before the Offer for Subscription closes.

Sort Code: Account name:

Account number: Payment Transaction Reference:

The terms and conditions of application require that applicants provide cleared funds in support of each application. You should instruct the bank to transfer funds so that they will have taken place (and funds settled) to coincide with the delivery of your Application Form to the Receiving Agent and by no later than 1:00 p.m. on 28 November 2018. It is recommended that such transfers are actioned within 24 hours of posting your application.

Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

Please Note – you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

Sort Code: 30-80-12
Account No: 17327760
Account Name: Link Market Services LTD RE: BBH-CHAPS A/C 2018

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form.

Payments in electronic form must come from a UK bank account and from a personal account in the name of the individual investors where they have sole or joint title to the funds. The account name should be the same as that inserted in Box 3 of the Application Form. Payments must relate solely to your application.

Where an electronic transfer is being made, Link Asset Services will request a recent bank statement showing the payment being made to confirm source of funds. If a CHAPS payment is over €15,000 Link Asset Services will also require a certified copy of your passport and a recent utility bill.

(c) *CREST settlement*

If you so choose to settle your application within CREST, that is DVP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price, following the CREST matching criteria set out below:

Trade Date: 29 November 2018
Settlement Date: 3 December 2018
Company: BB Healthcare Trust plc
Security Description: Ordinary Shares
SEDOL: BZCNLL9
ISIN: GB00BZCNLL95

Should you wish to settle DVP, you will need to input your instructions to Link Asset Services' Participant account RA06 by no later than 1.00 p.m. on 28 November 2018.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.



6. Reliable introducer declaration

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of the notes on how to complete this Application Form.

The declaration below may only be signed by a person or institution (being a regulated financial services firm) (the “**firm**”) which is itself subject in its own country to operation of “customer due diligence” and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom. Acceptable countries include Austria, Australia, Belgium, Bulgaria, Canada, Cayman Islands, Cyprus, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Hungary, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, the Republic of South Africa, Spain, Sweden, Switzerland, the U.K. and the United States.

Declaration: To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 3A, all persons signing at section 4 and the payor if not also the Applicant (collectively the “**subjects**”) WE HEREBY DECLARE:

- (i) we operate in one of the above mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in the United Kingdom;
- (ii) we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- (iii) each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
- (iv) we confirm the accuracy of the names and residential/business address(es) of the holder(s) given at section 3A and if a CREST Account is cited at section 3B that the owner thereof is named in section 3A;
- (v) having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares mentioned; and
- (vi) where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed:

Name:

Position:

having authority to bind the firm:

Name of regulatory authority:

Firm's Licence number:

Website address or telephone number of regulatory authority:

STAMP of firm giving full name and business address

7. Contact details

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Company (or any of its agents) may contact with all enquiries concerning this application. Ordinarily this contact person should be the (or one of the) person(s) signing in section 4 on behalf of the first named holder. If no details are entered here and the Company (or any of its agents) requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name	E-mail address
Address	
Daytime telephone no	Fax No



NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned so as to be received by Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 1.00 p.m. on 28 November 2018.

In addition to completing and returning the Application Form to Link Asset Services, new investors who intend to hold their Ordinary Shares in certificated form will also need to complete and return a Tax Residency Self Certification Form. The “individual tax residency self-certification – sole holding” form can be found at the end of this document. Further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. **It is a condition of application that (where applicable) a completed version of the Tax Residency Self Certification Form is provided with the Application Form before any application can be accepted.**

HELPLINE: If you have a query concerning the completion of this Application Form, please telephone Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

1. Application

Fill in (in figures) in Box 1 the fixed amount, in sterling, being the aggregate value, at the Issue Price, of the new Ordinary Shares that you wish to apply for under the Offer for Subscription. Your application must be for a minimum aggregate value of £1,000 and, if for more than £1,000, a multiple of £1,000. Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

2. Payment method

You should mark in the relevant box to confirm your payment method, i.e. cheque/banker's draft, bank transfer or settlement via CREST.

3A. Holder details

Fill in (in block capitals) the full name(s) of each holder and the address of the first named holder. **YOU MUST PROVIDE YOUR DATE OF BIRTH;** applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Offer for Subscription Application Form in section 4.

3B. CREST

If you wish your Ordinary Shares to be deposited in a CREST account in the name of the holders given in section 3A, enter in section 3B the details of that CREST account. Where it is requested that Ordinary Shares be deposited into a CREST account please note that payment for such Ordinary Shares must be made prior to the day such Ordinary Shares might be allotted and issued. It is not possible for an applicant to request that Ordinary Shares be deposited in their CREST account on an against payment basis. Any Application Form received containing such a request will be rejected.

4. Signature

All holders named in section 3A must sign section 4 and insert the date. The Offer for Subscription Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the

addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Offer for Subscription Application Form.

5. Settlement details

(a) *Cheque/Banker's draft*

All payments by cheque or banker's draft must accompany your application and be for the exact amount inserted in Box 1 of the Offer for Subscription Application Form. Your cheque or banker's draft must be made payable to "**Link Market Services Limited Re: BBH – OFS 2018 A/C**" in respect of an Application and crossed "**A/C Payee Only**". Applications accompanied by a post-dated cheque will not be accepted.

Cheques or banker's drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner.

Third party cheques may not be accepted, with the exception of building society cheques or banker's drafts where the building society or bank has inserted the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as the name of the current shareholder or prospective investor. Please do not send cash. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity.

(b) *Bank transfer*

The terms and conditions of application require that applicants provide cleared funds in support of each application. You should instruct the bank to transfer funds so that they will have taken place (and funds settled) to coincide with the delivery of your Application Form to the Receiving Agent and by no later than 1:00 p.m. on 28 November 2018. It is recommended that such transfers are actioned within 24 hours of posting your application.

When arranging the transfer, **you must instruct your bank to provide a reference with the transfer** which is the same as the reference you enter in section 5B of the Application Form (using your initials and contact telephone number e.g. MJSmith 01234 5678910). This reference is used by Link to match your payment with an application, and failure to provide a matching reference may delay Link's ability to process your application and result in it not being accepted. If your reference can not be matched by Link to an application, this will be rejected back to the remitting account before the Offer for Subscription closes.

Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

Please Note – you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

Sort Code: 30-80-12
Account No: 17327760
Account Name: Link Market Services LTD RE: BBH-CHAPS A/C 2018

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form.

Payments in electronic form must come from a UK bank account and from a personal account in the name of the individual investor where they have sole or joint title to the funds. The account



name should be the same as that inserted in Box 3 of the Application Form. Payments must relate solely to your application.

Where an electronic transfer is being made, Link Asset Services will request a recent bank statement showing the payment being made to confirm source of funds. If a CHAPS payment is over €15,000 Link Asset Services will also require a certified copy of your passport and a recent utility bill.

(c) CREST settlement

The Company will apply for the Ordinary Shares issued pursuant to the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Admission (the “**Relevant Settlement Date**”). Accordingly, settlement of transactions in the Ordinary Shares will normally take place within the CREST system.

The Offer for Subscription Application Form contains details of the information which the Company’s registrars, Link Asset Services, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Link Asset Services to match to your CREST account, Link Asset Services will deliver your Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Ordinary Shares in certificated form should the Company, having consulted with Link Asset Services, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Link Asset Services in connection with CREST.

The person named for registration purposes in your Application Form must be: (a) the person procured by you to subscribe for or acquire the Ordinary Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Link Asset Services nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. You will need to input the delivery versus payment (“**DVP**”) instructions into the CREST system in accordance with your application. The input returned by Link Asset Services of a matching or acceptance instruction to our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Issue Price through the CREST system upon the Relevant Settlement Date.

By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian’s CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 1.00 p.m. on 28 November 2018 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of two percentage points above the then published bank base rate of a clearing bank selected by Link Asset Services.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade Date:	29 November 2018
Settlement Date:	3 December 2018
Company:	BB Healthcare Trust plc
Security Description:	Ordinary Shares
SEDOL:	BZCNLL9
ISIN:	GB00BZCNLL95

Should you wish to settle DVP, you will need to input your instructions to Link Asset Services’ Participant account RA06 by no later than 1.00 p.m. on 28 November 2018.

You must also ensure that you or your settlement agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

In the event of late CREST settlement, the Company, after having consulted with Link Asset Services, reserves the right to deliver Ordinary Shares outside CREST in certificated form provided

payment has been made in terms satisfactory to the Company and all other conditions in relation to the Offer for Subscription have been satisfied.

6. Reliable introducer declaration

Applications with a value greater than €15,000 (approximately £13,000) will be subject to verification of identity requirements. This will involve you providing the verification of identity documents listed below UNLESS you can have the declaration provided at section 6 of the Offer for Subscription Application Form given and signed by a firm acceptable to the Company (or any of its agents). In order to ensure your Application is processed in a timely and efficient manner all Applicants are strongly advised to have the declaration provided in section 6 of the Offer for Subscription Application Form completed and signed by a suitable firm.

If the declaration in section 6 cannot be completed and the value of the application is greater than €15,000 (approximately £13,000) the documents listed below must be provided with the completed Application Form, as appropriate, in accordance with internationally recognised standards for the prevention of money laundering. Notwithstanding that the declaration in section 6 has been completed and signed, the Company (or any of its agents) reserves the right to request of you the identity documents listed below and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application may be rejected or revoked. Where certified copies of documents are requested below, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

6A. For each holder being an individual enclose:

1. a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: current passport, government or Armed Forces identity card, or driving licence; and
2. certified copies of at least two of the following documents which purport to confirm that the address given in section 3A is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, a council rates bill or similar document issued by a recognised authority; and
3. if none of the above documents show the Applicant's date and place of birth, enclose a note of such information; and
4. details of the name and address of the Applicant's personal bankers from which the Company (or any of its agents) may request a reference, if necessary.

6B. For each holder being a company (a "holder company") enclose:

1. a certified copy of the certificate of incorporation of the holder company; and
2. the name and address of the holder company's principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
3. a statement as to the nature of the holder company's business, signed by a director; and
4. a list of the names and residential addresses of each director of the holder company; and
5. for each director provide documents and information similar to that mentioned in 6A above; and
6. a copy of the authorised signatory list for the holder company; and
7. a list of the names and residential/registered address of each ultimate beneficial owner interested in more than five per cent. of the issued share capital of the holder company and, where a person is named, also complete 6C below and, if another company is named (hereinafter a "**beneficiary company**"), also complete 6D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.



6C. For each person named in 6B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 6B(1) to 6B(4).

6D. For each beneficiary company named in 6B(7) as a beneficial owner of a holder company enclose:

1. a certified copy of the certificate of incorporation of that beneficiary company; and
2. a statement as to the nature of that beneficiary company's business signed by a director; and
3. the name and address of that beneficiary company's principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
4. enclose a list of the names and residential/registered address of each beneficial owner owning more than five per cent. of the issued share capital of that beneficiary company.

The Company (or any of its agents) reserves the right to ask for additional documents and information.

7. Contact details

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Company (or any of its agents) may contact with all enquiries concerning your Application. Ordinarily this contact person should be the person signing in section 4 on behalf of the first named holder. If no details are entered here and the Company (or any of its agents) requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

TAX RESIDENCY SELF-CERTIFICATION FORM (INDIVIDUALS)

Name of Company in which shares are held:	BB Healthcare Trust plc
Investor code e.g. 00000999999 This can be found on your share certificate or tax voucher	
Part 1 – Identification of Individual Shareholder <i>A separate form is required for each holder</i>	
Name of Holder:	
Address of Holder:	
A. Please provide your Tax Residence Address – If different from above	
Address: <i>Include your Postal or ZIP Code & Country:</i>	
B. Date of Birth <i>(DD/MM/YYYY)</i>	
Part 2 – Country/Countries of Residence for Tax Purposes	
Country of residence for tax purposes	Tax Identification Number <i>In the UK this would be your NI number</i>
1	1
2	2
3	3
4	4
Part 2b – US Person Please mark the box ONLY if you are a US Person (see Definitions) <input type="checkbox"/>	
Part 3 – Declarations and Signature	
<p>I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.</p> <p>I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.</p> <p>I certify that I am the shareholder (or am authorised to sign for the shareholder).</p> <p>If this relates to a joint holding: I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification.</p> <p>I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.</p>	
Signature:	
Print Name:	
Date:	
Daytime telephone number / email address	

*If signing under a power of attorney, please also attach a certified copy of the power of attorney.
We will only contact you if there is a question around the completion of the self- certification form.*



Introduction

The law requires that Financial Institutions collect, retain and report certain information about their account holders, including their tax residency.

Please complete the form above and provide any additional information requested.

If your declared country/countries of residence for tax purposes is not the same as that of the Financial Institution and is either the US or is on the OECD list of countries which have agreed to exchange information (<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>), the Financial Institution will be obliged to share this information with its local tax authority who may then share it with other relevant local tax authorities.

Failure to validly complete and return this form will result in you being reported onwards to the relevant local tax authority. Additionally, if this form has been issued in conjunction with an application for a new holding, then your application may be adversely impacted.

Definitions of terms used in this form can be found below.

If your address (or name) has changed from that shown on the form, then you must advise us separately. Any details you enter in the "Tax Residence Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

Joint Holders (if relevant)

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for that/those joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.

Definitions

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/> contains definitions for the terms used within it. However, the following definitions are for general guidance only to help you in completing this form.

"Account Holder"

The Account Holder is either the person(s) whose name(s) appears on the share register of a Financial Institution. Or where Link holds the shares on your behalf, the person whose name appears on the register of entitlement that Link maintains.

"Country/Countries of residence for tax purposes"

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a **tax identification number (TIN)**. Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

"Tax Identification Number or TIN"

The number used to identify the shareholder in the country of residence for tax purposes.

Different countries (or jurisdictions) have different terminology for this and could include such as a National Insurance number, social security number or resident registration number. Some

jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

“US Person”

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.
- You are a ‘tax resident’ of the United States. You can become a tax resident under two rules: 1) The ‘substantial presence test’. This is a ‘day count test and based on the number of days you are in the US over a three year period and 2) The ‘green card’ test. A person who has obtained a ‘green card’ has been granted the right to lawful permanent residence in the United States.

If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser.

NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.



