

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

If you have sold or otherwise transferred all of your Ordinary Shares in Aberdeen Frontier Markets Investment Company Limited, you should pass this document, but not the accompanying personalised Tender Form, Form of Proxy or Form of Direction, as soon as possible, to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee. This document and all accompanying documents should not, however, be forwarded or transmitted in or into any of the Restricted Territories.

Numis Securities Limited (“Numis”), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom is acting exclusively for the Company and no-one else in connection with the Tender Offer and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Numis or for providing advice in relation to the Tender Offer. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Numis may have under the FSMA or the regulatory regime established thereunder.

Apart from the responsibilities and liabilities, if any, which may be imposed on Numis by the FSMA or the regulatory regime established thereunder, Numis accepts no responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it or on its behalf in connection with the Company or the Tender Offer. Numis accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement. Numis has given and not withdrawn its written consent to the inclusion of its letter in Part 1 hereof and to the references to its name in the form and context in which it is included in this document.

ABERDEEN FRONTIER MARKETS INVESTMENT COMPANY LIMITED

(a company incorporated under the Companies (Guernsey) Law, 1994 to 1996, as amended and governed by the Companies (Guernsey) Law, 2008, as amended with registered number 46809)

Tender Offer to purchase up to 100 per cent of the Ordinary Shares in issue and approval of buy back authority

and

Notice of Extraordinary General Meeting

The Tender Offer will close at 1.00 p.m. on 30 November 2016. The Tender Offer is only available to Shareholders on the Register at the close of business on 30 September 2016 in respect of the Ordinary Shares held at such time. Shareholders holding Ordinary Shares in certificated form who wish to tender Ordinary Shares for purchase in the Tender Offer should ensure that their completed Tender Forms are returned by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to arrive by no later than 1.00 p.m. on 30 November 2016. Shareholders who hold their Ordinary Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares tendered. Shareholders who hold Ordinary Shares in uncertificated form (that is, in CREST) should not return a Tender Form but should transmit the appropriate TTE Instruction in CREST as set out in sub-paragraph 3.2(b) of Part 3 of this document as soon as possible but in any event so as to be received by no later than 1.00 p.m. on 30 November 2016.

Savings Schemes Participants should ensure that their completed Savings Schemes Tender Forms are returned by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to arrive by no later than 1.00 p.m. on 23 November 2016.

The Tender Offer is not being made to Restricted Shareholders. In particular, the Tender Offer is not being made, directly or indirectly, in or into or by the use of mails by any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of

interstate or foreign commerce, or any facility of a national securities exchange of the United States, nor is it being made directly or indirectly in or into Canada, Australia, Japan, New Zealand or the Republic of South Africa and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa.

Notice of an Extraordinary General Meeting of Aberdeen Frontier Markets Investment Company Limited to be held at 11 New Street, St. Peter Port, Guernsey GY1 2PF on 12 December 2016 is set out at the end of this document. The Tender Offer is conditional, amongst other things, upon Shareholder approval of the Resolution at the Extraordinary General Meeting.

Shareholders are requested to complete and return the Form of Proxy and Savings Schemes Participants are requested to complete and return the Form of Direction accompanying this document for use at the Extraordinary General Meeting. To be valid, Forms of Proxy must be completed and returned in accordance with the instructions printed thereon to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and in any event so as to arrive by no later than 3.30 p.m. on 10 December 2016.

To be valid, Forms of Direction must be completed and returned in accordance with the instructions printed thereon to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and in any event so as to arrive by no later than 3.30 p.m. on 5 December 2016.

Expected Timetable

Record Date for participation in the Tender Offer	5.00 p.m. on 30 September 2016
Posting of this document, Tender Form, Savings Schemes Tender Form, Form of Proxy and Form of Direction	11 November 2016
Latest time and date for receipt of Savings Schemes Tender Forms	1.00 p.m. on 23 November 2016
Tender Closing Date: latest time and date for receipt of Tender Forms and TTE Instructions in CREST	1.00 p.m. on 30 November 2016
Latest time and date for receipt of Forms of Direction for the Extraordinary General Meeting	3.30 p.m. on 5 December 2016
Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	3.30 p.m. on 10 December 2016
Extraordinary General Meeting	3.30 p.m. on 12 December 2016
Results of Extraordinary General Meeting and Tender Offer announced	12 December 2016
Calculation Date	close of business on 12 December 2016
Purchase of Exit Shares and sale of On-sale Shares	14 December 2016
Tender Offer FAV and number of On-sale Shares announced	14 December 2016
Establishment of Tender Pool and Continuing Pool	14 December 2016
Realisation of the Tender Pool commences	14 December 2016
Tender Price announced; final distribution under the Tender Offer of assets in the Tender Pool announced; cheques despatched and payments through CREST made	as soon as practicable after the realisation of the Tender Pool

All references are to London time unless otherwise stated.

Dates and times are indicative only and may be subject to change. Any changes will be notified via an RIS.

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Letter from the Chairman

ABERDEEN FRONTIER MARKETS INVESTMENT COMPANY LIMITED

(a company incorporated under the Companies (Guernsey) Law, 1994 to 1996, as amended and governed by the Companies (Guernsey) Law, 2008, as amended with registered number 46809)

Directors:

John Whittle (Chairman)
Lynne Duquemin
Richard Hotchkis
David Warr

Registered Office:

11 New Street
St. Peter Port
Guernsey
GY1 2PF

11 November 2016

Dear Shareholder

**TENDER OFFER TO PURCHASE UP TO 100 PER CENT OF THE ORDINARY SHARES IN ISSUE
AND APPROVAL OF THE BUY BACK AUTHORITY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1 INTRODUCTION

As was first announced in December 2012 the Board intends to provide Shareholders with an opportunity to realise their investment in the Company at prevailing NAV less costs should they wish to do so. The purpose of this document is to set out details of that opportunity.

When the liquidity opportunity was first announced the discount to NAV at which the Ordinary Shares traded was significantly wider than the current discount. The Board believes that the prospect of a liquidity opportunity has successfully contributed to a meaningful reduction in the discount since 2012 and it will continue to support the Company's rating over the coming years. Should Shareholders pass the Resolution at the Extraordinary General Meeting and the Tender Offer proceeds, the Board intends to offer Shareholders a similar liquidity opportunity in 2021 and every five years thereafter.

As noted below, the Board and the Investment Manager believe that long term prospects for Frontier Markets are compelling and members of the Board that own Ordinary Shares do not intend to tender them under the Tender Offer.

Shareholders are not obliged to tender any Ordinary Shares and if they do not wish to participate in the Tender Offer, they should not complete or return a Tender Form or submit a TTE Instruction in CREST.

This document contains, *inter alia*, the formal terms of the Tender Offer, together with details of how Shareholders can tender Ordinary Shares, if they wish to do so. The implementation of the Tender Offer is conditional, among other things, on Shareholder approval to be obtained at the Extraordinary General Meeting to be held on 12 December 2016, notice of which is set out at the end of this document.

Shareholders are reminded that the Company is, and intends to remain, a closed-ended collective investment scheme. The Tender Offer should not be seen as affording or implying that any Shareholder will be offered an opportunity to routinely exit by this means or otherwise.

2 THE PROPOSALS

This document contains details of arrangements which, in summary:

- provide for a tender offer for up to 100 per cent. of the Company's issued Ordinary Share capital (excluding treasury shares, if any) as at the Record Date; and
- provide for any or all of such Ordinary Shares tendered to be sold by Numis to Incoming Investors.

Under the Companies Law, the Tender Offer requires Shareholder approval by way of an ordinary resolution of Shareholders which will be sought at the Extraordinary General Meeting to be held on 12 December 2016.

Shareholder approval will be sought at the Extraordinary General Meeting to grant the Directors authority to repurchase up to 100 per cent. of the Company's issued Ordinary Shares (excluding

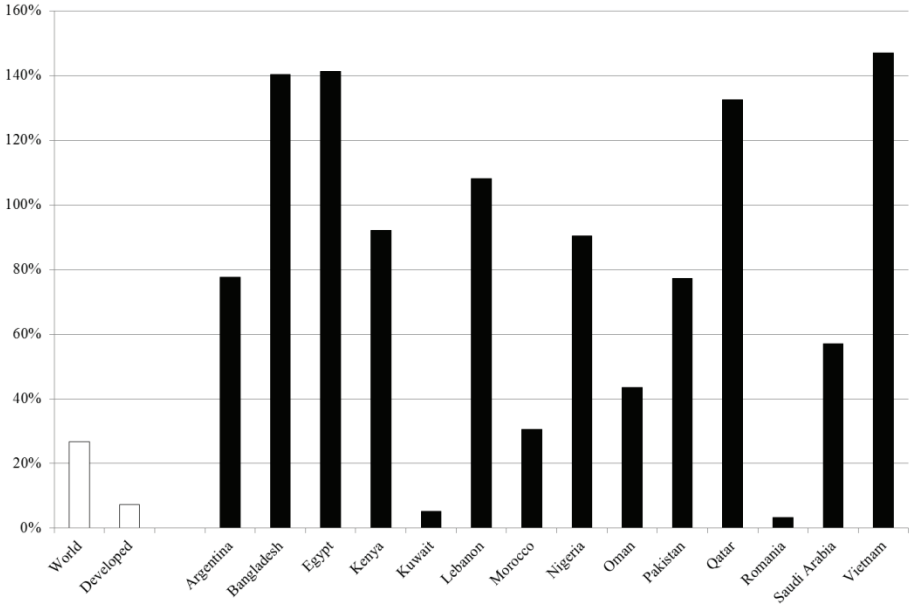
treasury shares, if any) provided that at least one Ordinary Share remains held by a person other than the Company.

3 PROSPECTS FOR FRONTIER MARKETS

3.1 An increasingly relevant asset class

The rationale for investing in Frontier Markets today is little changed from when the Company was launched in 2007. Strong economic growth continues to be driven by long term trends in demographics and consumption, creating a favourable environment for many companies operating in frontier countries. As shown in the chart below, most of the major Frontier Markets have experienced significant real economic growth, measured in US dollar terms, in the years since the Company’s launch.

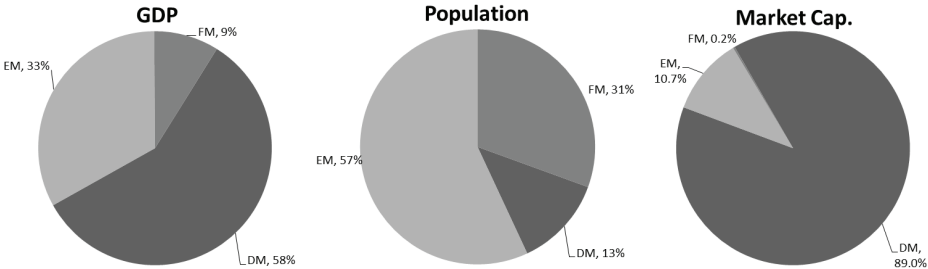
Figure 1: Cumulative GDP growth between 2007 and 2015



Source: IMF World Economic Outlook Database, April 2016. Data shown is cumulative GDP growth between 2007 and 2015 in current US dollar terms. Past performance is not a guide to future results.

Despite positive fundamentals, frontier equity markets remain under-represented in global indices relative to their economic significance. Frontier Markets are, in aggregate, home to 31 per cent. of the World’s population and account for 9 per cent. of global GDP but have a market capitalisation that is equivalent to just 0.2 per cent. of the global total. From such a low base, the Directors and the Manager believe there is scope for the asset class to grow significantly over the long term. Until this happens, Frontier Markets will remain an under-researched asset class, providing opportunities for active stock pickers to identify mispriced companies.

Figure 2: Frontier stock markets are small relative to their GDP and population

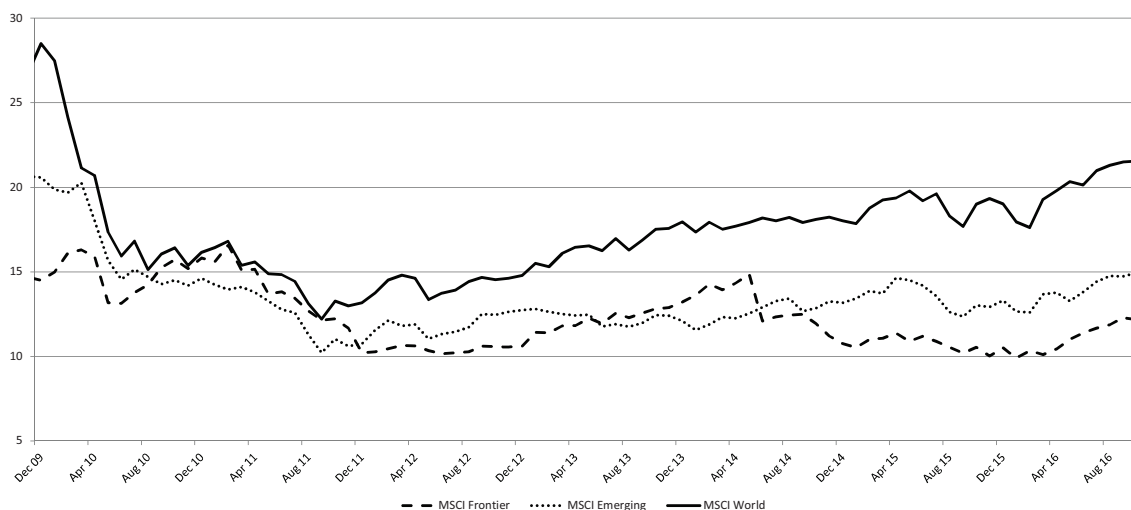


Source: MSCI as at 31 August 2016, Renaissance Capital: “Frontier and emerging markets: Fixit, 7 June 2016”. FM, EM and DM are acronyms for Frontier Markets, Emerging Markets and Developed Markets.

3.2 Attractive valuations

Frontier Markets are lowly valued. As at the end of June 2016, the Company's portfolio (on a look through basis) traded on median trailing valuations of 11.8x Price to Earnings, 1.4x Price to Book, with a 3.4 per cent. dividend yield and return on equity of 14.0 per cent. Such metrics are broadly consistent with those prevailing on the MSCI Frontier Markets Index. The trend in the Price to Earnings valuation ratio of that index over the long term is shown in Figure 3. The chart shows very clearly the significant discount at which Frontier Markets presently trade relative to both Emerging Markets and Developed Markets.

Figure 3: Trailing 12 Month Price to Earnings Ratio of Frontier, Emerging and Developed Markets



Source: MSCI / Thomson Reuters Datastream. Data to 31/10/16.

3.3 Positive performance since launch

Since the Company was launched in June 2007 the Net Asset Value has risen by 42.1 per cent. in sterling terms (net of all fees to 31 October 2016) and the share price has risen by 31.7 per cent. While the Company's stated objective is to achieve long term capital growth, rather than targeting outperformance of an index, it is worthy of note that the NAV gains achieved by the Manager have been comfortably ahead of those of the MSCI Frontier Markets Net Total Return Index (this index having risen by 21.0 per cent. over the same period). The Company's NAV performance has been achieved at a materially lower level of risk, with the volatility of monthly returns being 11.9 per cent., compared to 16.0 per cent. for the MSCI Frontier Markets Index.

3.4 Recent Developments

At the end of 2015 Aberdeen Asset Management acquired 100 per cent. ownership of the Company's previous investment manager, Advance Emerging Capital Limited. The Board was supportive of this transaction as it was felt that it would bring benefits to investors. These included the increased resources that would be at the disposal of the Manager, particularly with regard to investment management, marketing, compliance and administration. The Board is satisfied that these benefits are being delivered.

In April 2016, Shareholders approved the change of the Company's name to Aberdeen Frontier Markets Investment Company Limited, a measure that the Board believes will assist in the ongoing marketing of the Company to a wider audience. In addition, the Company now participates in Aberdeen's direct marketing activities with investors being afforded a low cost route to investing in the Company through Aberdeen's Share Plan, Investment Trust ISA and Investment Plan for Children.

3.5 Initiation of a dividend

An attractive dividend yield has been a consistent feature of the asset class over time and the Board considers that dividends are an increasingly important part of the rationale for investing in the Frontier Markets asset class. In June 2016 the Company announced the introduction of a semi-annual dividend. On an annualised basis the maiden dividend, payable in December 2016, equates to a c 3.0 per cent. yield based upon the last available share price.

3.6 Strong corporate governance has reduced the discount to Net Asset Value

The Board remains of the opinion that a closed-ended vehicle is the ideal structure through which to pursue an investment strategy such as that employed by the Manager in an asset class where liquidity is constrained.

The discount to NAV at which the Ordinary Shares trade was 4.3 per cent. on 31 October 2016. That level is narrower than that associated with the majority of other closed-ended funds focused on emerging and Frontier Markets. The liquidity opportunity to which this document relates was announced in December 2012 when the Ordinary Shares traded on a significantly wider discount. The Board believes that this policy has successfully contributed to a meaningful reduction in the discount since 2012 and that it, combined with increased marketing and the recently introduced dividend policy, will support the Company's rating over the coming years. Shareholders should also bear in mind that a similar liquidity opportunity will be offered to investors in advance of the Annual General Meeting to be held in 2021. The Board believes that a period of five years is an appropriate period over which both the Manager and the underlying asset class can be measured and reviewed, with liquidity offered for those investors that desire it.

3.7 Conclusion

The Company provides access to an attractive asset class, through an appropriate structure and with a Manager and strategy that has delivered attractive risk adjusted returns since the Company's inception. Recent changes to the management arrangements and structure bode well for the future of the Company and, alongside existing measures, should help to maintain the rating of the Ordinary Shares. This combination of factors should enable the Company to continue to deliver attractive risk adjusted returns over the coming years to those Shareholders who wish to remain invested in the Company.

4 TENDER OFFER

4.1 Key Points of the Tender Offer

The key points of the Tender Offer are as follows:

- the Tender Offer is for up to 100 per cent. of the Company's issued Ordinary Share capital (excluding treasury shares, if any) as at the Record Date (30 September 2016) provided that at least one Ordinary Share remains held by a person other than the Company;
- Shareholders (other than Restricted Shareholders) will be able to decide whether to tender none, some or all of their Ordinary Shares;
- Incoming Investors will be sought to acquire Ordinary Shares which have been tendered by Shareholders, through Numis at the Investment Price;
- after accounting for the sale of the On-sale Shares and the realisation of the Tender Pool, Tendering Shareholders shall receive the Tender Price in cash in consideration of the purchase of Ordinary Shares tendered by them; and
- the Tender Price shall be the Final Tender Offer Asset Value of the Tender Pool divided by the total number of Exit Shares expressed in sterling and in pence, rounded down to two decimal places. Shareholders should note that the Tender Price will not be known and will not be paid until realisation of all the assets in the Tender Pool.

If the number of Ordinary Shares tendered is such that the Board is of the view that the continuance of the Company is not in the best interests of the continuing Shareholders, it reserves the right to terminate the Tender Offer and in such circumstances the Tender Offer will not proceed and instead the Company will put forward further proposals to the Shareholders. If the Tender Offer is terminated, the Company will make an announcement through an RIS that such is the case.

Shareholders (other than Restricted Shareholders) on the Register on the Record Date will be invited to tender for sale some or all of their Ordinary Shares held on the Record Date to Numis who will, as principal, purchase at the Tender Price the Ordinary Shares validly tendered.

Numis may seek to sell some or all of such tendered Ordinary Shares to Incoming Investors at the Investment Price. The aggregate Investment Price for such number of Ordinary Shares as Incoming Investors agree to acquire will be deemed to form part of the Tender Pool and will be paid to Tendering Shareholders for their Exit Shares once the Tender Price has been determined.

Any Ordinary Shares not sold by Numis to Incoming Investors will be repurchased by the Company. Tendering Shareholders will receive the full Tender Price in cash for the Exit Shares (including the On-sale Shares) only once all of the assets in the Tender Pool have been fully realised. However, if and when an interim distribution from the Tender Pool is made the amount received by Tendering Shareholders will include an amount in respect of their *pro rata* proportion of any On-sale Shares.

The Tender Offer is subject to certain conditions and may be terminated in certain circumstances as set out in paragraph 7 of Part 3 of this document.

The Tender Offer is not conditional on Ordinary Shares trading at a discount to the Net Asset Value per Ordinary Share as at the Calculation Date (i.e. the share price per Ordinary Share being less than the Net Asset Value per Ordinary Share). In the event that Ordinary Shares are trading at a premium to the Net Asset Value per Ordinary Share as at the Calculation Date (i.e. the share price per Ordinary Share is higher than the Net Asset Value per Ordinary Share), Shareholders who tender Ordinary Shares may receive less than they could otherwise be able to realise in the market.

Shareholders' (other than Restricted Shareholders) attention is drawn to the letter from Numis set out in Part 1 of this document and to Part 3 of this document which, in the case of certificated Ordinary Shares, together with the Tender Form or the Savings Schemes Tender Form, where applicable, constitute the terms and conditions of the Tender Offer. Details of how Shareholders will be able to tender Ordinary Shares can be found in paragraph 3 of Part 3 of this document.

Shareholders should note that, once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should immediately consult a suitably qualified independent financial adviser authorised under the FSMA if in the United Kingdom, or from another appropriately authorised independent financial adviser if in a territory outside of the United Kingdom.

4.2 Restricted Shareholders and Other Overseas Shareholders

The Tender Offer is not being made to Shareholders who are resident in, or citizens of, Restricted Territories. Restricted Shareholders are being excluded from the Tender Offer in order to avoid offending applicable local laws relating to the implementation of the Tender Offer. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such holders to participate in the Tender Offer.

4.3 Tender Pool

Save as set out below, all of the Company's assets and liabilities will, following valuation on the Calculation Date, be allocated between the Continuing Pool and the Tender Pool on the basis set out under paragraph 10 of Part 1 of this document. The net value of the assets and liabilities allocated to the Tender Pool on its establishment will equal the Tender Offer FAV (calculated in accordance with paragraph 8 of Part 1 of this document). The Tender Pool assets (other than cash) will be realised and the liabilities settled and the net cash proceeds paid in sterling to Shareholders who successfully tendered their Ordinary Shares in satisfaction of the Tender Price.

The Tender Pool will bear the costs of realising the assets in the Tender Pool. Shareholders who successfully tender their Ordinary Shares will receive a *pro rata* share of the net proceeds of the Tender Pool (including the proceeds of sale of any On-sale Shares), less associated costs. The assets of the Tender Pool will be fully realised as soon as practicable after the commencement of the realisation of the Tender Pool such that final cash payments can be made to the Tendering Shareholders as soon as practicable thereafter. The Board may at its discretion make interim distributions from the Tender Pool. However, under the Tender Offer the Company reserves the right to defer the Tender Pool realisations and/or cash payments if the Board believes this to be in the best interests of Shareholders as a whole.

Shareholders should note that the Tender Price will only be determined finally once all the assets in the Tender Pool have been realised.

The Board retains the discretion to allocate only cash and near cash assets of the Company to the Tender Pool. In such circumstances there will be no or minimal costs of realising the assets in the Tender Pool and it is expected that payment for Ordinary Shares (including any On-sale Shares)

will be made to Tendering Shareholders in the week commencing 19 December 2016. It is the Board's current intention only to exercise such discretion where the number of Ordinary Shares that the Company is required to repurchase pursuant to the Tender Offer is such that allocating only cash and near cash to the Tender Pool is considered by the Board to be in the best interests of Shareholders as a whole.

4.4 Conditions of the Tender Offer

The Tender Offer is conditional on the following (together the "**Conditions**"):

- (a) the passing of the Resolution by not later than twenty Business Days after the date of the Extraordinary General Meeting;
- (b) the Directors and Numis being satisfied that, immediately after the Tender Offer takes place, the Company is able to pass the Guernsey statutory solvency test pursuant to the Companies Law, being that the Company is able to pay its debts as they become due, the value of the Company's assets is greater than the value of its liabilities and the Company satisfies any applicable solvency requirements imposed pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 and thereby effect the purchase of all the Exit Shares (other than the On-sale Shares) pursuant to the Repurchase Agreement;
- (c) the Tender Offer not having been terminated in accordance with paragraph 7 of Part 3 of this document prior to the fulfilment of the conditions referred to in sub-paragraphs 4.4(a) and (b) above; and
- (d) Numis being satisfied, acting in good faith, that at all times up to and immediately prior to the announcement of the results of the Tender Offer, the Company has complied with its obligations and is not in breach of any of the representations and warranties given by it under the Repurchase Agreement.

5 TAKEOVER CODE

Following discussions between the Company and the Takeover Panel, the Takeover Panel has confirmed that, under Rule 37.1 of the Takeover Code and the notes to that Rule, Lazard is not connected, nor acting in concert, with the Company or any of its Directors and accordingly Lazard should be treated as an "innocent bystander" in relation to any increase in its holding of Ordinary Shares as a result of the Tender Offer and therefore will not be required to make an offer under Rule 9 of the Takeover Code as a result of any increase in its holding caused by the Tender Offer.

In addition, under the Tender Offer, Numis will purchase, as principal, voting shares in the Company which could result in Numis coming to have an interest in such Ordinary Shares carrying 30 per cent. or more of the Voting Rights of the Company. Numis has unconditionally undertaken that, promptly following such purchase, it will sell all those Ordinary Shares, acquired pursuant to the Tender Offer, to Incoming Investors or to the Company for cancellation or to hold in treasury and the Company has unconditionally undertaken to buy all such Ordinary Shares to the extent not sold to Incoming Investors. Numis has undertaken that so far as it is interested in the tendered Ordinary Shares that it will not exercise any rights attached to those Ordinary Shares. Accordingly, a waiver has been obtained from the Takeover Panel in respect of the application of Rule 9 of the Takeover Code to the purchase by Numis of the Ordinary Shares under the Tender Offer.

6 EXPENSES AND FOREIGN EXCHANGE MOVEMENTS

The costs and expenses incurred in relation to the Tender Offer, including financial advice and other professional advice, are expected to be approximately £180,000 including any applicable VAT. Such costs will be borne by Shareholders as a whole. The costs of realising the assets in the Tender Pool will be borne by the Tendering Shareholders.

Shareholders should note that the Tender Offer FAV to be announced by the Company on 14 December 2016 may be impacted positively or negatively as the assets in the Tender Pool are realised and will be particularly exposed to foreign exchange movements as assets denominated in foreign currencies are realised and the proceeds converted into sterling in order to pay the Tender Price which is payable in sterling.

7 TREASURY SHARES

Ordinary Shares repurchased by the Company pursuant to the Tender Offer or the general authority to buy back Ordinary Shares referred to below may be held in treasury or cancelled.

At the Annual General Meeting of the Company to be held on 12 December 2016, a resolution will be proposed, in accordance with section 315 of the Companies Law, authorising the Directors to make market purchases of its Ordinary Shares (either for retention as treasury shares for future reissue and resale or transfer, or cancellation) provided that the maximum number of Ordinary Shares authorised to be purchased will be 25,402,054 (subject to a maximum of 14.99 per cent. of the issued share capital of the Company at the time of the annual general meeting). This authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 or, if earlier, on 12 December 2017. The Company currently intends to limit the number of Ordinary Shares held in treasury to no greater than 10 per cent. of the issued share capital of the Company from time to time.

Both the repurchase for cancellation and the use of treasury shares should assist the Board in the objective of providing a discount management mechanism and provide the Board with additional flexibility to manage the Company's capital base.

The Board currently intends only to authorise the sale of Ordinary Shares from treasury, subject to having Shareholder authority to sell the Ordinary Shares from treasury, at prices at or above the prevailing Net Asset Value per Ordinary Share (plus costs of the relevant sale) unless they are first offered *pro rata* to existing holders of Ordinary Shares.

8 TAXATION

Shareholders who sell Ordinary Shares in the Tender Offer may, depending on their individual circumstances, incur a liability to taxation. **UK individual Shareholders and trustee Shareholders should be aware that HMRC may seek to treat part of the disposal proceeds of their Ordinary Shares as income.**

The attention of Shareholders is drawn to Part 4 of this document which sets out a general guide to certain aspects of current UK law and HMRC practice.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser.

9 RISK FACTORS

Before deciding whether or not to tender all or any Ordinary Shares, Shareholders should read this document in its entirety and particularly the Risk Factors set out in Part 6 of this document.

10 EXTRAORDINARY GENERAL MEETING

The implementation of the Tender Offer is subject to Shareholder approval. A notice convening the Extraordinary General Meeting to be held at 3.30 p.m. on 12 December 2016 at 11 New Street, St Peter Port, Guernsey GY1 2PF is set out on page 49 of this document.

At the Extraordinary General Meeting a resolution to give the Company authority to make market acquisitions pursuant to the Tender Offer will be proposed under section 315 of the Companies Law.

Should the Resolution fail to be passed, the Tender Offer will not proceed.

In order to be passed the Resolution, which is to be proposed as an ordinary resolution, will require the approval of Shareholders representing at least a simple majority of the votes cast at the Extraordinary General Meeting.

The Articles provide that at the Extraordinary General Meeting each Shareholder present in person or by proxy or who (being a corporation) is present by a representative shall on a show of hands have one vote and on a poll shall have one vote for each Ordinary Share of which he is a holder.

The quorum for the Extraordinary General Meeting shall be two persons entitled to attend and to vote, each being a Shareholder or a proxy of a Shareholder or a duly authorised representative of a corporation which is a Shareholder. In the event that the Extraordinary General Meeting is adjourned and the above-mentioned quorum is not present, at such adjourned Extraordinary General Meeting the quorum shall be one person entitled to attend and vote.

11 ACTION TO BE TAKEN

11.1 Extraordinary General Meeting

Forms of Proxy

Shareholders (other than Savings Schemes Participants) will find enclosed with this document a Form of Proxy for use in connection with the Extraordinary General Meeting. Submission of the Form of Proxy will enable your vote to be counted at the Extraordinary General Meeting in the event of your absence.

Shareholders (other than Savings Schemes Participants) are asked to complete and return the Forms of Proxy, in accordance with the instructions printed thereon by post or (during normal business hours only) by hand to Capita Asset Services, PXS1, 34 Beckenham Road, BR3 4TU to arrive as soon as possible and, in any event, so as to be received by **no later than 3.30 p.m. on 10 December 2016**.

Shareholders (other than the Savings Schemes Participants) are requested to complete and return the Forms of Proxy whether or not they wish to attend the Extraordinary General Meeting. The return of the Forms of Proxy will not prevent Shareholders from attending the Extraordinary General Meeting, or any adjournment thereof, and voting in person should they so wish.

Forms of Direction

Savings Schemes Participants will find enclosed with this document a Form of Direction for use at the Extraordinary General Meeting. Savings Schemes Participants are asked to complete and return the Form of Direction, in accordance with the instructions printed thereon by post or (during normal business hours only), to Capita Asset Services, PXS1, 34 Beckenham Road, BR3 4TU to arrive as soon as possible and, in any event, so as to arrive by **no later than 3.30 p.m. on 5 December 2016**.

Savings Scheme Participants are requested to complete and return the Forms of Direction whether or not they wish to attend the Extraordinary General Meeting.

11.2 Tender Offer

Shareholders and Savings Schemes Participants are not obliged to tender any Ordinary Shares and if they do not wish to participate in the Tender Offer, they should not complete or return their Tender Form or Savings Schemes Tender Form or submit a TTE Instruction in CREST.

Should you wish to tender any Ordinary Shares, the procedure for tendering your Ordinary Shares depends on whether Ordinary Shares are held in certificated or uncertificated form.

Ordinary Shares held in certificated form

Shareholders holding Ordinary Shares in certificated form (other than Restricted Shareholders) who wish to participate in the Tender Offer should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent, BR3 4TU to arrive as soon as possible and in any event by **no later than 1.00 p.m. on 30 November 2016**. A reply-paid envelope is enclosed with the Tender Form for your convenience.

Shareholders who hold their Ordinary Shares in certificated form should also return their Ordinary Share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares tendered with their Tender Form.

Ordinary Shares held in uncertificated form (i.e. CREST)

Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) and who wish to participate in the Tender Offer should not return a Tender Form but should transmit the appropriate TTE Instruction in CREST as set out in sub-paragraph 3.2(b) of Part 3 of this document as soon as possible and in any event so as to be received by **no later than 1.00 p.m. on 30 November 2016**.

Savings Schemes Participants

Savings Schemes Participants who wish to participate in the Tender Offer should complete the Savings Schemes Tender Form in accordance with the instructions set out therein and return it to

Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received as soon as possible and in any event by **no later than 1.00 p.m. on 23 November 2016**. A reply paid envelope is enclosed with the Savings Schemes Tender Form for your convenience.

The extent to which Shareholders participate in the Tender Offer is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances and their investment objectives. Shareholders should seek advice from a suitably qualified independent financial adviser authorised under the FSMA if in the United Kingdom, or from another appropriately authorised independent financial adviser if in a territory outside of the United Kingdom without delay.

12 RECOMMENDATION

The Board considers that the Tender Offer is fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends unanimously that Shareholders vote in favour of the Resolution to be proposed at the Extraordinary General Meeting.

The Directors intend to vote in favour, or procure the vote in favour, of the Resolution at the Extraordinary General Meeting in respect of their beneficial holdings of Ordinary Shares which, in aggregate, amount to 91,000 Ordinary Shares representing approximately 0.5 per cent. of the issued Ordinary Share capital of the Company as at the date of this document.

The Directors do not intend to tender any of their own Ordinary Shares under the Tender Offer. The Directors make no recommendation to Shareholders as to whether or not they should tender all or any of their Ordinary Shares in the Tender Offer. Whether or not Shareholders decide to tender their Ordinary Shares will depend, amongst other factors, on their view of the Company's prospects and their own individual circumstances, including their own tax position.

Yours sincerely

John Whittle
Chairman

Part 1 – Letter from Numis Securities Limited

Numis

Numis Securities Limited
The London Stock Exchange Building
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London EC4M 7LT
+44 (0)20 7260 1000
www.numis.com

11 November 2016

Dear Shareholder

1 TENDER OFFER

As explained in the Letter from the Chairman, Shareholders (other than Restricted Shareholders) are being given the opportunity to tender some or all of their Ordinary Shares for purchase in the Tender Offer. The purpose of this letter is to summarise the principal terms and conditions of the Tender Offer.

Numis hereby invites Shareholders (other than Restricted Shareholders) on the Register on the Record Date to tender up to 100 per cent. of their Ordinary Shares held on the Record Date for purchase by Numis for cash at the Tender Price.

Numis will, prior to 14 December 2016, have the ability to seek new investors to purchase Ordinary Shares which Numis has bought from Tendering Shareholders. The Investment Price of these On-sale Shares will be a price equal to the NAV per Ordinary Share as at the Calculation Date. To the extent that Numis sells any tendered Ordinary Shares to Incoming Investors the aggregate Investment Price for such number of Ordinary Shares as Incoming Investors agree to acquire will be held by the Receiving Agent to the order of Numis but will be deemed to form part of the Tender Pool and will be paid to Tendering Shareholders once the Tender Price is determined. Tendering Shareholders will receive the relevant full Tender Price in cash for the Exit Shares (including the On-sale Shares) only once all of the assets in the Tender Pool have been fully realised. However, if and when an interim distribution from the Tender Pool is made, the amount received by Tendering Shareholders will include an amount in respect of their *pro rata* proportion of any On-sale Shares.

Any tendered Ordinary Shares which are not sold by Numis will be repurchased by the Company pursuant to the Repurchase Agreement (details of which are set out in paragraph 2.2 of Part 5 of this document). All transactions will be carried out on the London Stock Exchange.

Shareholders should note that under no circumstances will Numis be liable to pay the Tender Price to Tendering Shareholders in respect of the Exit Shares (including the On-sale Shares) unless and until the Company has paid the net proceeds of the realisation of the Tender Pool to, or to the order of, Numis in consideration for the purchase of the Exit Shares (other than the On-sale Shares) from Numis pursuant to the Repurchase Agreement.

This letter is not a recommendation to Shareholders to sell or tender their Ordinary Shares and Shareholders are not obliged to tender any Ordinary Shares. Shareholders who wish to continue their investment in the Company should not return their Tender Form.

The Tender Offer is made on the terms and subject to the conditions set out in Part 3 of this document and, where applicable, in the case of Shareholders holding their Ordinary Shares in certificated form and Savings Schemes Participants, in the accompanying Tender Form and Savings Schemes Tender Forms, respectively, the terms of which will be deemed to be incorporated in this document and form part of the Tender Offer.

Shareholders should note that the functional currency of the Company is US Dollars and accordingly, the Final Tender Offer Asset Value, NAV and Tender Offer FAV will all be expressed in US Dollars notwithstanding the fact that the Tender Price will be expressed and payable in sterling.

Numis is acting exclusively for the Company and no-one else in connection with the Tender Offer and the invitation to new Investors to purchase any Ordinary Shares which Numis buys from Tendering Shareholders and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis or for providing advice in relation to the

Tender Offer and the invitation to Incoming Investors to purchase any Ordinary Shares which Numis buys from Tendering Shareholders. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Numis may have under the FSMA or the regulatory regime established thereunder.

2 PROCEDURE FOR TENDERING ORDINARY SHARES

The procedure for tendering your Ordinary Shares depends on whether Ordinary Shares are held in certificated or uncertificated form and is summarised below.

Ordinary Shares held in certificated form

Shareholders (other than Restricted Shareholders) who hold Ordinary Shares in certificated form and wish to tender Ordinary Shares should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent, BR3 4TU to arrive by no later than 1.00 pm on 30 November 2016.

Shareholders (other than Restricted Shareholders) who hold their Ordinary Shares in certificated form should also return the Ordinary Share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares tendered with their Tender Form.

Ordinary Shares held in uncertificated form (i.e. CREST)

Shareholders (other than Restricted Shareholders) who hold Ordinary Shares in uncertificated form (i.e. in CREST) and who wish to tender some or all of their Ordinary Shares should not complete a Tender Form and should instead arrange for their Ordinary Shares to be transferred to escrow by sending a TTE Instruction in respect of such Ordinary Shares, and follow the procedures set out in Part 3.2(b) of this document, as soon as possible and in any event so as to settle by no later than 1.00 p.m. on 30 November 2016.

Savings Schemes Participants

Savings Schemes Participants are referred to the section headed "Action to be taken – Savings Schemes Participants" in the Letter from the Chairman and the information contained in Part 2 of this document.

Shareholders should note that, once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

Shareholders should also note that:

- legal title to any tendered Ordinary Shares which are sold on to Incoming Investors will be transferred to Numis on 14 December 2016, but payment for such Ordinary Shares will only be made to Tendering Shareholders when all the Tender Pool assets have been realised and the net proceeds of such realisation has been paid to, or to the order of, Numis in accordance with the Repurchase Agreement unless an interim distribution is made at the direction of the Directors as described in section 11 below; and
- although the Tender Form must be returned by 1.00 p.m. on 30 November 2016, the purchase of Ordinary Shares by Numis will not be effected until 14 December 2016.

Once a Tender Form has been returned, a Shareholder is deemed to accept that such a tender application may not be withdrawn or cancelled, save with the consent of the Company, before the Tender Closing Date.

Full details of the procedure for tendering Ordinary Shares are set out in Part 3 of this document and, where applicable, on the Tender Form and the Savings Schemes Tender Form.

3 VALIDITY OF TENDERS

Tender Forms and TTE Instructions which are received by the Receiving Agent after 1.00 p.m. on 30 November 2016 or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and returned to Shareholders or their appointed agent, together with any accompanying Ordinary Share certificate(s) and/or other document(s) of title.

Numis reserves the right to treat as valid Tender Forms or TTE Instructions received by the Receiving Agent by the deadline specified above, which are not entirely in order and which are not accompanied (in the case of Ordinary Shares held in certificated form) by the relevant Ordinary Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof and shall be entitled (in its sole discretion) to accept late Tender Forms or TTE Instructions.

4 SHAREHOLDERS IN RESTRICTED TERRITORIES AND OTHER OVERSEAS SHAREHOLDERS

The Tender Offer is not available to Shareholders with registered or mailing addresses in Restricted Territories, or who are citizens or nationals of, or resident in, a Restricted Territory and such Shareholders should read paragraph 9 of Part 3 of this document and the relevant provisions of the Tender Form.

Overseas Shareholders (not being Shareholders in Restricted Territories or the UK) who wish to accept the Tender Offer should also read paragraph 9 of Part 3 and satisfy themselves that they have fully observed any applicable legal requirements under the laws of the relevant jurisdiction.

5 CONDITIONS

The Tender Offer is conditional on the terms specified in paragraph 2 of Part 3 of this document.

6 TERMINATION OF TENDER OFFER

The Tender Offer may be terminated in the circumstances described in paragraph 7 of Part 3 of this document.

7 TENDER PRICE

The Tender Price will be determined once the Company's assets have been allocated between the Continuing Pool and the Tender Pool, the assets contained in the Tender Pool have been fully realised and all the liabilities to be borne by the Tender Pool have been met. The Tender Price will be an amount equal to the Final Tender Offer Asset Value divided by the total number of Exit Shares (rounded down to two decimal places) in each case on the Tender Pool Determination Date.

8 CALCULATION OF THE TENDER OFFER FORMULA ASSET VALUE

The Tender Offer Formula Asset Value is an amount representing the proportionate value of the Company attributable to the Exit Shares (less the On-sale Shares) and will be calculated on the Calculation Date on the following basis:

Tender Offer FAV = (i) NAV per Ordinary Share on the Calculation Date

multiplied by

(ii) the number of Exit Shares (less the number of On-sale Shares)

The Tender Offer FAV determines the initial allocation of assets to the Tender Pool after which it will be operated as described in the section headed "Continuing Pool and the Tender Pool" below.

9 CONTINUING POOL AND THE TENDER POOL

The Company's assets and liabilities will, following valuation on the Calculation Date, be allocated between the Continuing Pool and the Tender Pool on the basis set out under "Allocation of Assets and Liabilities" below. The net value of the assets allocated on the establishment of the Tender Pool will equal the Tender Offer FAV and the net assets attributable to the Continuing Pool will be equal to the Net Asset Value of the Company less the Tender Offer FAV.

Following the allocation of assets and liabilities to the Continuing Pool and the Tender Pool, the assets of the Tender Pool (other than cash) will be realised. To the extent that Numis sells any tendered Ordinary Shares to Incoming Investors the aggregate Investment Price for such number of Ordinary Shares as Incoming Investors agree to acquire will be held by the Receiving Agent to the order of Numis, but will be deemed to form part of the Tender Pool. The Tender Pool will bear all costs associated with the realisation of such assets. The Tender Pool will bear its share of the operating costs of the Company on a *pro rata* basis. All changes in value of the assets allocated

to the Tender Pool will be attributable solely to the Tender Pool. Following the date upon which all of the assets contained in the Tender Pool have been realised, and all liabilities to be borne by the Tender Pool met, the Directors will select a date upon which the Final Tender Offer Asset Value of the Tender Pool will be calculated (the “**Tender Pool Determination Date**”). The Final Tender Offer Asset Value will equal the unaudited Net Asset Value of the assets in the Tender Pool on the Tender Pool Determination Date (which for the avoidance of doubt will take account of the costs of realisation of the Tender Pool) plus any monies paid to Tendering Shareholders by way of interim distribution(s) as described in section 11 below. The Tender Pool Determination Date will be as soon as practicable following realisation of the assets in, and payment of liabilities to be borne by, the Tender Pool.

If prior to the Tender Pool Determination Date the non-cash assets remaining in the Tender Pool represent 10 per cent. or less of the Tender Pool’s initial value and the Directors believe that it would be in the best interests of the Tendering Shareholders to complete the realisation of the Tender Pool, they will direct the Manager to sell the remaining assets of the Tender Pool at the best price available, failing which such assets will be transferred to the Continuing Pool at a price to be determined by the Directors taking into account the fact that the assets cannot otherwise be fully realised in a timely and value-effective manner.

10 ALLOCATION OF ASSETS AND LIABILITIES

The assets and liabilities of the Company will be allocated between the Tender Pool and the Continuing Pool at the Calculation Date on the following basis:

- (a) save as provided in paragraph 9 of Part 1 of this document, all liabilities recognised in the Company’s accounting records will be allocated to the Continuing Pool;
- (b) all debtors and other receivables will be allocated to the Continuing Pool;
- (c) any investments whose quotation has been suspended and any other assets which the Directors consider it would be inappropriate to transfer to the Tender Pool (e.g. stocks subject to corporate actions) will be allocated to the Continuing Pool at the value reflected in the accounting records (which will reflect the Directors’ assessment of fair value);
- (d) all quoted investments, other than those included under paragraph 10(c) above, and such other investments as the Directors determine, will be allocated *pro rata* between the Tender Pool and the Continuing Pool by reference to the respective values of each pool. For such purposes the calculations will be rounded to the nearest whole number of securities for each security so allocated or otherwise as the Directors determine; and
- (e) the cash and near cash assets of the Company will be divided in whatever proportion is necessary such that the net assets attributable to the Tender Pool are equal to the Tender Offer FAV and the net assets attributable to the Continuing Pool are equal to the Net Asset Value of the Company less the Tender Offer FAV.

The Board retains the discretion to allocate only cash and near cash assets of the Company to the Tender Pool. In such circumstances there will be no or minimal costs of realising the assets in the Tender Pool and it is expected that payment for Ordinary Shares (including any On-Sale Shares) will be made to Tendering Shareholders in the week commencing 19 December 2016. It is the Board’s current intention only to exercise such discretion where the number of Ordinary Shares that the Company is required to repurchase pursuant to the Tender Offer is such that allocating only cash and near cash to the Tender Pool is considered by the Board to be in the best interests of Shareholders as a whole.

11 INTERIM DISTRIBUTIONS

Interim distributions from the Tender Pool shall be made at the discretion of the Board. In respect of any first interim distribution, the aggregate cash amount of any such distribution shall equal the proceeds of all assets in the Tender Pool which have been fully realised as at 5.00 p.m. two Business Days prior to the date the first interim distribution is made (the “**Distribution Reference Date**”), plus the aggregate cash paid by Incoming Investors for all On-sale Shares (which for the avoidance of doubt will take account of the costs of realisation of the Tender Pool). Further interim distributions may be made at the discretion of the Board. The aggregate cash amount of any such further distribution shall equal the proceeds of all assets in the Tender Pool which have been fully realised since the Distribution Reference Date (or any equivalent such date for any further distributions) up to 5.00 p.m. two Business Days prior to the date the further interim distribution is

made, less the costs of realisation of the Tender Pool. Any such distributions shall be paid to Tendering Shareholders in part satisfaction of the Tender Price and will be paid to Tendering Shareholders on a *pro rata* basis.

12 GENERAL

In allocating and/or valuing assets and liabilities pursuant to paragraph 10 under “Allocation of Assets and Liabilities” above the Directors, after consultation with the Auditors, shall be entitled, in any case where the proper allocation of an asset or liability is in doubt or where the valuation of any asset or liability in accordance with any of the above provisions is, in the opinion of the Directors, incorrect or unfair, to adopt an alternative basis of allocation or method of valuation (as the case may be).

The Manager will prepare, or procure the preparation of, the calculation of the Net Asset Value, the Tender Offer Formula Asset Value, the value of the Tender Pool, the Final Tender Offer Asset Value, the Tender Price and the Investment Price, all of which calculations shall be subject to approval by the Board. Such calculations will be reviewed by the Auditors. In the event of a dispute regarding any such calculations, such dispute will be determined by a chartered accountant selected by agreement between the Company and the Manager, or, in default of such agreement within 14 days of the relevant date on which the calculation is made, selected by the President for the time being of the Institute of Chartered Accountants in England and Wales. Such chartered accountant will act as an expert and not as an arbitrator and their determination shall be final and legally binding on all parties (including Tendering Shareholders), provided that any such chartered accountant will be bound by any basis of allocation or method of valuation agreed between the Manager and the Company.

13 SETTLEMENT

Subject to the Tender Offer becoming unconditional and save as set out below, final cash payments due to Shareholders whose tenders under the Tender Offer have been accepted will be made (by a sterling cheque or by a CREST payment, as appropriate) after the Tender Pool has been fully realised and all liabilities of the Tender Pool have been met. However, under the Tender Offer the Company reserves the right to defer the Tender Pool realisations and/or cash payments if the Board believes this to be in the interests of Shareholders as a whole.

Where the Board has used its discretion to allocate to the Tender Offer only cash and near cash assets of the Company to the Tender Pool it is expected that payment for such Ordinary Shares will be made to Tendering Shareholders in the week commencing 19 December 2016.

14 FURTHER INFORMATION

Your attention is drawn to the information contained in the rest of this document, including, in particular, the terms and conditions of the Tender Offer in Part 3 of this document.

Yours faithfully,

For and on behalf of Numis Securities Limited

Part 2 – Action to be taken by Savings Schemes Participants

YOUR ENTITLEMENT

If you are a UK participant in either the Aberdeen Investment Trusts ISA, the Savings Plan or the Children's Plan you will have the opportunity to participate in the Tender Offer on the same basis as Shareholders. The purpose of this section is to provide you with information that is specific to Savings Schemes Participants.

You only need to complete the Savings Schemes Tender Form if you wish to participate in the Tender Offer. The Savings Schemes Tender Form contains instructions as to how to complete and return it by the latest time of 1.00 p.m. on 23 November 2016.

Savings Schemes Participants should note that, once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

OPTIONS

Where a Savings Schemes Participant tenders Ordinary Shares in the Tender Offer, the proceeds of the Tender Offer due to that participant will be paid to their nominee on their behalf in accordance with the terms and conditions of the applicable Savings Scheme. As a result, the accounts of Savings Schemes Participants may be credited later than any times and dates specified in this document for Shareholders generally.

The nominee will then follow your instructions as to what you wish to do with the proceeds. Your options, which depend on the terms and conditions of the particular Savings Schemes in which you are a participant, are set out below. You should note that some of these options may have taxation consequences.

Savings Schemes Participants can either:

- receive a cheque for their tender proceeds; or
- elect to place their tender proceeds in a cash holding facility pending further instruction. It should be noted that this cash holding facility does not pay interest; or
- re-invest their tender proceeds into one of the other participating investment trusts, free of charge in accordance with the terms and conditions of the Savings Plan in respect of each distribution.

Regular savers who elect to tender all or part of their holding may stop future regular investments in the Company within their ISA or Savings Plan by ticking Box 2 on the Savings Schemes Tender Form. Participants who tick Box 2 will have their direct debits to acquire Ordinary Shares cancelled. If their direct debit contributions are made into more than one investment trust, the contributions into the other investment trusts will continue as normal.

Unless you wish to receive a cheque, you must instruct the nominee on your Savings Schemes Tender Form how you wish the cash to be reinvested. As far as the ISA is concerned, none of the above options would incur a charge to tax but any cash paid out of the ISA would lose its tax efficient wrapper. If you have already invested up to your ISA limit for the relevant tax year (2015-2016), you will not be able to re-invest the proceeds in another ISA. For Savings Schemes Participants who hold their Ordinary Shares through the Savings Plan, the disposal may give rise to a tax liability depending on the holder's specific circumstances.

OVERSEAS PARTICIPANTS

Savings Schemes Participants who are resident in, or citizens of, a jurisdiction outside the United Kingdom but not a Restricted Territory who wish to accept the Tender Offer should read paragraph 9 of Part 3 of this document and satisfy themselves that they have fully observed any applicable legal requirements under the laws of the relevant jurisdiction.

OTHER FEES

You should note that, notwithstanding the terms and conditions for each Savings Scheme, no fees or charges will be payable by Savings Scheme Participants in respect of the investment of any realisation proceeds from their Ordinary Shares tendered in the Tender Offer.

Part 3 – Terms and Conditions of the Tender Offer

1 TENDERS

- 1.1 All Shareholders (other than Restricted Shareholders) on the Register on the Record Date may tender Ordinary Shares held on the Record Date for purchase by Numis on the terms and subject to the conditions set out in this document and in the case of Shareholders holding Ordinary Shares in certificated form the accompanying Tender Form (which, together with this document constitute the Tender Offer). Shareholders are not obliged to tender any Ordinary Shares.
- 1.2 If Shareholders wish to continue their existing investment in the Company they should not return a Tender Form or TTE Instruction.
- 1.3 The Tender Offer is made at the Tender Price which shall be determined following the realisation of all assets in the Tender Pool as described in section 7 of Part 1 of this document.
- 1.4 The consideration for each tendered Ordinary Share acquired by Numis pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in sub-paragraph 4.5 below. Numis will not be liable to pay the Tender Price to Tendering Shareholders unless and until the Company has paid the net proceeds of the realisation of the Tender Pool to, or to the order of, Numis in consideration of the Company's purchase of the Exit Shares (other than the On-sale Shares) from Numis pursuant to the Repurchase Agreement.
- 1.5 Upon the Tender Offer becoming unconditional and unless the Tender Offer has lapsed or terminated in accordance with the provisions of paragraph 2 or paragraph 7 of this Part 3, Numis will accept the offers of Shareholders validly made in accordance with this Part 3 subject as explained below, on the basis that each Shareholder (other than a Restricted Shareholder) on the Register at the Record Date will be entitled to sell to Numis up to 100 per cent. of such Shareholder's holding of Ordinary Shares entered on the Register as at the Record Date provided that at least one Ordinary Share remains held by a person other than the Company.

2 CONDITIONS

- 2.1 The Tender Offer is conditional on the following (together the "**Conditions**"):
 - (a) the passing of the Resolution by not later than twenty Business Days after the date of the Extraordinary General Meeting;
 - (b) the Directors and Numis being satisfied that, immediately after the Tender Offer takes place, the Company is able to pass the Guernsey statutory solvency test pursuant to the Companies Law, being that the Company is able to pay its debts as they become due, the value of the Company's assets is greater than the value of its liabilities and the Company satisfies any applicable solvency requirements imposed pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 and thereby effect the purchase of all the Exit Shares (other than the On-sale Shares) pursuant to the Repurchase Agreement;
 - (c) the Tender Offer not having been terminated in accordance with paragraph 7 of this Part 3 prior to the fulfilment of the conditions referred to in sub-paragraphs 2.1 (a) and (b) above; and
 - (d) Numis being satisfied, acting in good faith, that at all times up to and immediately prior to the announcement of the results of the Tender Offer that Company has complied with its obligations, and is not in breach of any of the representations and warranties given by it, under the Repurchase Agreement.
- 2.2 Numis will not purchase any Ordinary Shares pursuant to the Tender Offer unless the Conditions have been satisfied. The Conditions (other than 2.1 (d)) may not be waived by Numis.

If the number of Ordinary Shares tendered is such that the Board is of the view that the continuance of the Company is not in the best interests of the continuing Shareholders, it reserves the right to terminate the Tender Offer and in such circumstances the Tender Offer

will not proceed and instead the Company will put forward further proposals to the Shareholders. If the Tender Offer is terminated, the Company will make an announcement through an RIS that such is the case.

3 PROCEDURE FOR TENDERING SHARES

3.1 Overview

There are different procedures for tendering Ordinary Shares depending on whether the Ordinary Shares are held in certificated or uncertificated form (i.e. in CREST).

Shareholders (other than Restricted Shareholders) who hold Ordinary Shares in certificated form must complete, sign and return the Tender Form in accordance with sub-paragraph 3.2(a) below and the instructions printed on the Tender Form. Shareholders (other than Restricted Shareholders) should complete separate Tender Forms for Ordinary Shares held in certificated form but under different designations. The share certificate(s) and other document(s) of title should be returned with the relevant Tender Form.

Additional Tender Forms are available from Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by phone 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 Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If the Ordinary Shares are held in uncertificated form (i.e. in CREST), they may be tendered only by sending a TTE Instruction in accordance with the procedure set out in sub-paragraph 3.2(b) below. Shareholders should send separate TTE Instructions for Ordinary Shares held under different member account IDs.

3.2 Return of Tender Forms or TTE Instructions (as applicable)

(a) Ordinary Shares held in certificated form (that is, not in CREST)

The completed and signed Tender Form should be delivered either by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to arrive by no later than 1.00 p.m. on 30 November 2016.

No Tender Forms received after this time will be accepted. Reply-paid envelopes are enclosed with the Tender Forms. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked from a Restricted Territory or otherwise appearing to Numis or its agents to have been sent from any Restricted Territory may be rejected as an invalid tender. Further provisions relating to Restricted Shareholders are contained in paragraph 9 below.

The completed and signed Tender Form should be accompanied by the relevant Ordinary Share certificate(s) and/or other document(s) of title. If some or all of your Ordinary Share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent), or are lost, the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 1.00 p.m. on 30 November 2016 together with any Ordinary Share certificate(s) and/or other document(s) of title you may have available, accompanied by a letter stating that the (remaining) Ordinary Share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 30 November 2016.

The Registrars, acting as your agent, will effect such procedures as are required to transfer your Ordinary Shares to Numis under the Tender Offer.

If you have lost your Ordinary Share certificate(s) and/or other document(s) of title, you should write to the Company's Registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, for a letter of indemnity in respect of the lost Ordinary Share certificate(s) which, when completed in accordance with the

instructions given, should be returned to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received by no later than 1.00 p.m. on 30 November 2016.

(b) Ordinary Shares held in uncertificated form (that is, in CREST)

If the Ordinary Shares which you wish to tender are held in uncertificated form, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares which you wish to tender in the Tender Offer to an escrow balance, specifying Capita Asset Services in its capacity as a CREST receiving agent under its participant ID (referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to escrow settles by no later than 1.00 p.m. on 30 November 2016.

If you are a CREST sponsored member, you should refer to your CREST Sponsor before taking any action. Your CREST Sponsor will be able to confirm details of your participant ID and the member account ID under which your Ordinary Shares are held. In addition, only your CREST Sponsor will be able to send the TTE Instruction to Euroclear in relation to the Ordinary Shares which you wish to tender.

You should send (or, if you are a CREST sponsored member, procure that your CREST Sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the ISIN number for the Ordinary Shares. This is GG00B1W59J17;
- the number of Ordinary Shares to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the escrow agent, Capita Asset Services, in its capacity as a CREST receiving agent. This is RA10;
- the member account ID of the escrow agent, Capita Asset Services. This is: 28958ABE;
- the Corporate Action Number for the Tender Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and in any event by no later than 1.00 p.m. on 30 November 2016;
- contact name and number to be entered in the shared note field; and
- priority number 80.

After settlement of the TTE Instruction, you will not be able to access the Ordinary Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by Capita Asset Services as your escrow agent until completion, lapsing or termination of the Tender Offer. If the Tender Offer becomes unconditional, Capita Asset Services will transfer the Ordinary Shares which are accepted for purchase by Numis to itself as your agent for onward sale to Numis.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST Sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 30 November 2016. In connection with this, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(c) **Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST**

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Ordinary Shares or otherwise). Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Ordinary Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of Ordinary Share certificates and/or other documents of title or transfer to an escrow balance as described above) prior to 1.00 p.m. on 30 November 2016.

3.3 Return of Savings Schemes Tender Forms – Participants in the Savings Schemes

The completed and signed Savings Schemes Tender Forms should be delivered either by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to arrive by no later than 1.00 p.m. on 23 November 2016. No Savings Schemes Tender Forms received after this time will be accepted. No acknowledgement of receipt will be given. Reply-paid envelopes are enclosed with the Savings Schemes Tender Forms.

3.4 Validity of Tender Forms

Notwithstanding the powers in paragraph 8.5 below, Numis reserves the right to treat as valid only Tender Forms or TTE Instructions which are received entirely in order by 1.00 p.m. on 30 November 2016, which are accompanied (in the case of Ordinary Shares held in certificated form) by the relevant Ordinary Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu in respect of the entire number of Ordinary Shares tendered. The Record Date for the Tender Offer is the close of business on 30 September 2016.

Notwithstanding the completion of a valid Tender Form or sending of a TTE Instruction, the Tender Offer may be amended, terminated or lapse in accordance with the terms and conditions set out in this Part 3. The decision of Numis as to which Ordinary Shares have been validly tendered shall be conclusive and binding on Shareholders who participate in the Tender Offer.

If you are in any doubt as to how to complete the Tender Form or Savings Scheme Tender Form or as to the procedures for tendering Ordinary Shares and you are a registered Shareholder or Savings Schemes Participant, please contact Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by phone 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 Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4 ANNOUNCEMENT OF THE TENDER PRICE, TENDER RESULTS AND SETTLEMENT

4.1 Unless terminated in accordance with the provisions of this Part 3, the Tender Offer will close for Shareholders at 1.00 p.m. on 30 November 2016 and it is expected that on 12 December 2016, the Company will make a public announcement of the total number of Ordinary Shares tendered.

4.2 Delivery of cash to Shareholders for the Ordinary Shares to be purchased pursuant to the Tender Offer will be made by Capita Asset Services at the direction of Numis but only after the Tender Price has been finally determined in accordance with the terms of the Tender Offer and the Company has paid to it, or to the order of Numis, the net proceeds of the realisation of the Tender Pool. Capita Asset Services will act as agent for Tendering Shareholders for the purpose of receiving the cash and transmitting such cash to Tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company, Numis or the Receiving Agent regardless of any delay in making such payment.

- 4.3 If any tendered Ordinary Shares are not purchased because of an invalid tender, the termination of the Tender Offer or otherwise, relevant certificates evidencing any such Ordinary Shares and other documents of title, if any, will be returned or sent as promptly as practicable, without expense to, but at the risk of, the Tendering Shareholder, or in the case of Ordinary Shares held in uncertificated form (that is, in CREST), Capita Asset Services will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow balances by TFE Instruction to the original available balances from which those Ordinary Shares came.
- 4.4 At the discretion of the Board, interim distributions on account of the Tender Price payable to the Tendering Shareholders may be made. Settlement of the final or sole distribution in respect of the Tender Price will only be made after the Tender Pool has been fully realised and all liabilities of the Tender Pool have been met.
- 4.5 Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Numis will be made as follows:

(a) **Ordinary Shares held in certificated form (that is, not in CREST)**

Where an accepted tender relates to Ordinary Shares held in certificated form, cheques for the consideration due will be dispatched by Capita Asset Services, by first class post to the person or agent whose name and address is set out in Box 2 (or, if relevant, Box 3 of the Tender Form), or if none is set out, to the registered address of the Tendering Shareholder shown above Box 1 or, in the case of joint holders, the address of the first named. All cash payments will be made in sterling by cheque drawn on a branch of a UK clearing bank.

(b) **Ordinary Shares held in uncertificated form (that is, in CREST)**

Where an accepted tender relates to Ordinary Shares held in uncertificated form in CREST, the consideration due will be paid by means of CREST by Capita Asset Services procuring the creation of a CREST payment obligation in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

The payment of any consideration to Shareholders for Ordinary Shares accepted for purchase by Numis pursuant to the Tender Offer will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of certificates and/or other requisite documents evidencing such Ordinary Shares, a properly completed and duly executed Tender Form and any other documents required by the Tender Offer or this Part 3.

If only part of a holding of Ordinary Shares is sold pursuant to the Tender Offer:

- (a) where the Ordinary Shares are held in certificated form, the relevant Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Ordinary Shares; or
- (b) where the Ordinary Shares are held in uncertificated form (that is, in CREST) the unsold Ordinary Shares will be transferred by Capita Asset Services by means of a TFE Instruction to the original available balance from which those Ordinary Shares came.

- 4.6 The Tender Price will be announced by the Company once all the assets in the Tender Pool have been fully realised and all liabilities of the Tender Pool have been met which will be as soon as practicable after the commencement of the realisation of the Tender Pool. The Board retains the discretion to allocate only cash and near cash assets of the Company to the Tender Pool. In such circumstances there will be no or minimal costs of realising the assets in the Tender Pool and it is expected that payment for Ordinary Shares Shareholders (including any On-sale Shares) will be made to Tendering Shareholders in the week commencing 19 December 2016. It is the Board's current intention only to exercise such discretion where the number of Ordinary Shares that the Company is required to repurchase pursuant to the Repurchase Agreement is such that allocating only cash and near cash to the Tender Pool is considered by the Board to be in the best interests of Shareholders as a whole.

5 REPRESENTATIONS AND WARRANTIES

5.1 Tender Form – Representations and warranties

Each Shareholder by whom, or on whose behalf, a Tender Form is executed or made irrevocably undertakes, represents, warrants and agrees to and with Numis (for itself and for the benefit of the Company and for Incoming Investors, as the case may be) (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (a) the execution of the Tender Form shall constitute an offer to sell to Numis such Shareholder's number of Ordinary Shares inserted in Box 1A, or 1B of the Tender Form, in each case, on and subject to the terms and conditions set out or referred to in this document (and, in the case of certificated Ordinary Shares, the Tender Form) and that, once lodged, such offer shall be irrevocable;
- (b) such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Numis, Numis will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Tender Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
- (c) the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Numis as such Shareholder's attorney and/or agent ("**attorney**"), and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Ordinary Shares referred to in sub-paragraph 5.1(a) above in favour of Numis or such other person or persons as Numis may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the Ordinary Share certificate(s) and/or other document(s) of title relating to such Ordinary Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Numis or its nominee(s) or such other person(s) as Numis may direct such Ordinary Shares;
- (d) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Numis or any of its directors or any person nominated by Numis in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) he, she or it will deliver to Capita Asset Services their Ordinary Share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares referred to in sub-paragraph 5.1(a) above, or an indemnity acceptable to Numis in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, by no later than the Tender Closing Date;
- (f) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Numis to be desirable, in each case to complete the purchase of the Ordinary Shares referred to in sub-paragraph 5.1(a) above and/or to perfect any of the authorities expressed to be given hereunder;
- (g) if such Shareholder is an Overseas Shareholder; (a) it is not in any Restricted Territory or in any territory in which it is unlawful to make or accept the Tender Offer or to use the Tender Form in any manner in which such person has used or will use it, (b) it has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located and (c) the invitation under the Tender Offer may lawfully be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
- (h) such Shareholder has not received or sent copies or originals of the Tender Form or any related documents (other than this document which may be sent for information purposes only) to a Restricted Territory and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of

interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Territory, that the Tender Form has not been mailed or otherwise sent in, into or from any Restricted Territory and that such Shareholder is not accepting the Tender Offer from any Restricted Territory;

- (i) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- (j) the dispatch of a cheque by Capita Asset Services in accordance with paragraph 4.5(a) of this Part 3 in respect of any cash consideration to which he is entitled under the Tender Offer to such Shareholder at his registered address or such other address as is specified in the Tender Form will constitute a complete discharge by Numis of its obligations to make such payment to such Shareholder;
- (k) on execution the Tender Form takes effect as a deed;
- (l) the execution of the Tender Form constitutes such Shareholder's submission to the jurisdiction of the high court of Justice in England and Wales in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form; and
- (m) if the appointment of the attorney under sub-paragraph 5.1(c) above shall be unenforceable or invalid or shall not operate so as to afford to Numis the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Numis to secure the full benefits of sub-paragraph 5.1(c) above.

A reference in this paragraph 5 to a Shareholder includes a reference to the person or persons executing the Tender Form and in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.

5.2 Tenders through CREST – Representations and warranties

Each Shareholder who holds Ordinary Shares in uncertificated form (i.e. in CREST) and by whom, or on whose behalf, a tender through CREST is made, irrevocably undertakes, represents, warrants and agrees to and with Numis (for itself and for the benefit of the Company and Incoming Investors as the case may be) (so as to bind him, her or its and his, her or its personal representatives, heirs, successors and assigns) that:

- (a) the input of the TTE Instruction shall constitute an offer to sell to Numis the number of Ordinary Shares specified in the TTE Instruction on and subject to the terms and conditions set out or referred to in this document, and that once the TTE Instruction has settled such tender shall be irrevocable;
- (b) such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Numis, Numis will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Tender Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
- (c) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of Capita Asset Services as such Shareholder's escrow agent and an irrevocable instruction and authority to the escrow agent, to transfer to itself and then to transfer to Numis by means of CREST (or to such person or persons as Numis may direct) all of the Relevant Shares (as defined below) accepted under the Tender Offer or where there are Ordinary Shares which have not been successfully tendered under the Tender Offer, to transfer the Relevant Shares to the original available balances from which those Ordinary Shares came. For the purposes of this paragraph 5.2(c), Relevant Shares means Ordinary Shares held in uncertificated form and in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this Part 3;
- (d) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Numis or Capita Asset Services or any of their respective directors or officers or any person nominated by Numis or Capita Asset Services in the proper exercise of its or his or her powers and/or authorities hereunder;

- (e) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Numis to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;
- (f) if such Shareholder is an Overseas Shareholder, (a) it is not in any Restricted Territory or in any territory in which it is unlawful to make or accept the Tender Offer (b) it has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located and (c) the invitation under the Tender Offer may lawfully be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
- (g) such Shareholder has not received or sent copies or originals of this document or any related documents to a Restricted Territory and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Territory, and that such Shareholder is not accepting the Tender Offer from any Restricted Territory;
- (h) the creation of a CREST payment by Capita Asset Services in accordance with paragraph 4.5(b) of this Part 3 in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 4 above will, to the extent of the obligations so created, discharge fully any obligation of Numis to pay to such Shareholder the cash consideration to which he, she or it is entitled in the Tender Offer;
- (i) the input of the TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the high court of Justice in England and Wales in relation to all matters arising out of or in connection with the Tender Offer;
- (j) if, for any reason any Ordinary Shares in respect of which a TTE Instruction has been made are, prior to 1.00 p.m. on 30 November 2016, converted into certificated form, the tender(s) through CREST in respect of such Ordinary Shares shall cease to be valid;
- (k) if the appointment of the agent under sub-paragraph 5.2(c) above shall be unenforceable or invalid or shall not operate so as to afford to Numis or Capita Asset Services the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Numis and/or Capita Asset Services to secure the full benefits of sub-paragraph 5.2(c) above; and
- (l) such Shareholder shall not take any action which would prevent the Company or Capita Asset Services from cancelling the Ordinary Shares to which the TTE Instructions relate.

6 ADDITIONAL PROVISIONS

- 6.1 In respect of Ordinary Shares held in certificated form, if in Numis's determination (in its absolute discretion) Box 1 of the Tender Form has not been validly completed in respect of the number of Ordinary Shares to be tendered and provided that the Tender Form is otherwise in order and accompanied by all other relevant documents, a Shareholder may be deemed to have accepted the Tender Offer in respect of all of the Ordinary Shares being tendered by the Tendering Shareholder. For the avoidance of doubt, if the number of Ordinary Shares inserted in Box 1 of the Tender Form is higher than the number of Ordinary Shares actually held by the Tendering Shareholder on the Record Date or the Tender Closing Date, the Tendering Shareholder will be deemed to have tendered such lower number of Ordinary Shares.
- 6.2 Ordinary Shares acquired by Numis in the Tender Offer will be market purchases in accordance with the rules of the FCA and the London Stock Exchange.
- 6.3 Ordinary Shares sold by Shareholders pursuant to the Tender Offer will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching

thereto on or after the Tender Closing Date, including the right to receive all dividends and other distributions made or declared by reference to a record date falling after the Tender Closing Date.

- 6.4 Each Shareholder who tenders or procures the tender of Ordinary Shares will thereby be deemed to have agreed that, in consideration of Numis agreeing to process his, her or its tender, such Shareholder will not revoke his tender or withdraw his Ordinary Shares. Shareholders should note that once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of.
- 6.5 Any omission to dispatch this document or the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 6.6 No acknowledgement of receipt of any Tender Form, TTE Instruction, Ordinary Share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) at their own risk.
- 6.7 All powers of attorney and authorities on the terms conferred by or referred to in this Part 3 or in the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 6.8 All tenders in respect of Ordinary Shares in certificated form, subject to paragraphs 9 and 10 below must be made on the relevant prescribed Tender Form, fully completed in accordance with the instructions set out thereon which constitute part of the terms of the Tender Offer. A tender in respect of Ordinary Shares held in certificated form will only be valid when the procedures contained in these terms and conditions and in the Tender Form are complied with. The Tender Offer will be governed by and construed in accordance with English law. Delivery or posting of a Tender Form or the transmission of a TTE Instruction in CREST will constitute submission to the jurisdiction of the Court.
- 6.9 If the Tender Offer is terminated or lapses, all documents lodged pursuant to the Tender Offer will be returned or sent promptly by post, within 14 Business Days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out in Box 2 or Box 3 of the Tender Form or, if none is set out, to the Tendering Shareholder or, in the case of joint holders, the first named at his or her registered address as shown above Box 1. In the case of Ordinary Shares held in uncertificated form, Capita Asset Services, in its capacity as the escrow agent will, within 14 Business Days of the Tender Offer lapsing or being terminated, give instructions to CREST to transfer all Ordinary Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original available balances from which those Ordinary Shares came.
- 6.10 In the case of Ordinary Shares held in certificated form, the instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall constitute part of the terms of the Tender Offer. The definitions set out in this document apply to the terms and conditions set out in this Part 3.
- 6.11 Subject to paragraphs 9 and 10 below, the Tender Offer is open to Shareholders on the Register on the Record Date in respect of Ordinary Shares held on the Record Date. No Tender Forms, Ordinary Share certificate(s) and/or other document(s) of title or indemnity or TTE Instruction received after 1.00 p.m. on 30 November 2016 will be accepted, except at the sole discretion of Numis.
- 6.12 Further copies of this document and copies of the Tender Form or Savings Schemes Tender Forms may be obtained on request from Capita Asset Services (in the case of registered Shareholders and Savings Schemes Participants) at the addresses set out on page 1 of the Tender Form or Savings Schemes Tender Forms respectively.

7 TERMINATION OF THE TENDER OFFER

- 7.1 If the Company (acting through the Directors) shall, at any time prior to Numis effecting the purchase as principal of the tendered Ordinary Shares pursuant to the Tender Offer, notify Numis in writing that in their opinion (i) as a result of any change in national or international financial, economic, political or market conditions, the cost of realisation of assets to fund the purchase of the Exit Shares (other than the On-sale Shares) under the Repurchase Agreement has become prohibitive or (ii) in its reasonable opinion the completion of the purchase of Ordinary Shares in the Tender Offer could have unexpected adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer and the subsequent purchase of the Exit Shares (other than the On-sale Shares) under the Repurchase Agreement were to proceed Numis and/or the Company shall be entitled at their complete discretion by a public announcement and subsequent written notice to Shareholders to withdraw the Tender Offer, and in such event the Tender Offer shall cease and determine absolutely.
- 7.2 If the number of Ordinary Shares tendered is such that the Board is of the view the continuance of the Company is not in the best interests of the continuing Shareholders, it reserves the right to terminate the Tender Offer and in such circumstances the Tender Offer will not proceed and instead the Company will put forward further proposals to the Shareholders. If the Tender Offer is terminated, the Company will make an announcement through an RIS that such is the case.

8 MISCELLANEOUS

- 8.1 Any changes to the terms, or any extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof by no later than 1.00 p.m. on the Business Day following the date of such changes. In this case, the definitions, times and dates mentioned throughout this document shall be deemed to be adjusted accordingly. Such an announcement will be released to an RIS. References to the making of an announcement by the Company includes the release of an announcement on behalf of the Company by Numis to the press and delivery of, or telephone or facsimile or other electronic transmission of, such announcement to an RIS.
- 8.2 Ordinary Shares purchased pursuant to the Tender Offer (other than On-sale Shares sold to Incoming Investors) will, following the completion of the Tender Offer, be acquired from Numis by the Company on the London Stock Exchange pursuant to the Repurchase Agreement and such Ordinary Shares will subsequently be cancelled or held in treasury.
- 8.3 Tendering Shareholders will not be obliged to pay brokerage fees, commissions, transfer taxes, stamp duty or stamp duty reserve tax in the UK on the purchase by Numis of Ordinary Shares pursuant to the Tender Offer.
- 8.4 Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by Numis or the Company. Under no circumstances should the delivery of this document or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.
- 8.5 Numis reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and Saving Scheme Tender Forms and may consider void and reject any tender that does not in Numis's sole judgement (acting reasonably) meet the requirements of the Tender Offer. Numis also reserves the absolute right to waive any defect or irregularity in the tender of any Ordinary Shares, including any Tender Form (in whole or in part) which is not entirely in order or which is not accompanied by (in the case of Ordinary Shares held in uncertificated form) the relevant TTE Instruction or (in the case of Ordinary Shares held in certificated form), the related Ordinary Share certificate(s) and/or other document(s) of title or an indemnity acceptable to Numis in lieu thereof. In that event, for Ordinary Shares held in certificated form, the consideration in the Tender Offer will only be dispatched when the Tender Form is entirely in order and the Ordinary Share certificate(s) and/or other document(s) of title or indemnities satisfactory to Numis has/have been received. None of

Numis, the Company, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

- 8.6 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to the Tender Offer.

9 RESTRICTED SHAREHOLDERS AND OTHER OVERSEAS SHAREHOLDERS

- 9.1 The provisions of this paragraph 9 and any other terms of the Tender Offer relating to Restricted Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Numis in consultation with the Company but only if Numis and the Company are satisfied that such a waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other laws.
- 9.2 Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Shareholder wishing to tender Ordinary Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection herewith, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholders will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Numis and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extension of the Tender Offer or the distribution of the Tender Forms in any territory outside the United Kingdom.
- 9.3 The Tender Offer is not being made to Restricted Shareholders. Restricted Shareholders are being excluded from the Tender Offer in order to avoid offending applicable local laws relating to the implementation of the Tender Offer. However, copies of this document, may be mailed or otherwise distributed to Shareholders in a Restricted Territory or to persons who Numis knows to be custodians, nominees or trustees holding Ordinary Shares for persons in Restricted Territories for the purpose of voting at the Extraordinary General Meeting only. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, as so doing will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing Tender Forms should not be postmarked from a Restricted Territory or otherwise dispatched from a Restricted Territory and accepting Shareholders must not provide Restricted Territory addresses for the remittance of cash or return of Tender Forms.
- 9.4 A Shareholder will be deemed not to have made a valid tender if (i) such Shareholder is unable to make the representations and warranties set out in sub-paragraph 5.1(g) (if relevant) and sub-paragraph 5.1(h) (in respect of Ordinary Shares held in certificated form) or sub-paragraph 5.2(f) (if relevant) and sub-paragraph 5.2(g) (in respect of Ordinary Shares held in uncertificated form) or (ii) in the case of Ordinary Shares held in certificated form, such Shareholder inserts in Box 2 or Box 3 of the Tender Form the name and address of a person or agent in a Restricted Territory to whom he wishes the consideration to which such Shareholder is entitled in the Tender Offer to be sent or (iii) in the case of Ordinary Shares held in certificated form, the Tender Form received from him, her or it is in an envelope postmarked in, or which otherwise appears to Numis or its agents to have been sent from, a Restricted Territory. Numis reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in sub-paragraphs 5.1(g), 5.1(h), 5(f) and 5.2(g) above given by any Shareholder are correct and, if such investigation is undertaken and as a result Numis determines (for any reason) that such representations and warranties are not correct, such acceptance shall not be valid.
- 9.5 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form or any related offering documents in or into a Restricted Territory or uses the mails of,

or any means or instrumentality (including, without limitation, facsimile transmission, telex, internet and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange in, a Restricted Territory in connection with such forwarding, such person should (i) inform the recipient of such fact (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient of the Tender Offer and (iii) draw the attention of the recipient to this paragraph 9.

- 9.6 Overseas Shareholders (who are not Restricted Shareholders) should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

10 MODIFICATIONS

The terms of the Tender Offer (including, without limitation, the times and dates referred to in this document) may be varied, amended or modified by the Company (after consultation with Numis) if the Company believes (in its sole discretion) that any such variation, amendment or modification is either non-material in nature, correcting what it believes to be a manifest error or is otherwise in the interests of all Shareholders. Any such variation, amendment or modification will be publicly announced as soon as practicable by way of an RIS.

Part 4 – Taxation

The following comments are intended only as a general guide to certain aspects of current UK law and HMRC published practice, and do not constitute tax advice. They are of a general nature and apply only to Shareholders who are resident in the UK (except where otherwise indicated) and who hold their Ordinary Shares beneficially as an investment. They do not address the position of certain classes of Shareholder such as dealers in securities or Shareholders who have acquired their shares by virtue of an office or employment.

A Shareholder who sells Ordinary Shares in the Tender Offer should be treated, for the purposes of UK taxation, as though the Shareholder has sold them in the normal way to a third party. Accordingly, and subject to the comments in the next paragraph, any such Shareholder who is UK resident for tax purposes may, depending on that Shareholder's personal circumstances, be subject to capital gains tax (or, in the case of a corporate Shareholder, corporation tax on chargeable gains) in respect of any gain arising on such sale. Shareholders who are not resident in the UK for taxation purposes will not normally be liable to UK taxation on chargeable gains arising from the sale of their Ordinary Shares unless those Ordinary Shares are held for the purposes of a UK permanent establishment, branch or agency, although they may be subject to foreign taxation depending on their personal circumstances. Individual Shareholders who are temporarily not resident in the UK for tax purposes may be liable to capital gains tax under tax anti-avoidance legislation.

Shareholders who are subject to tax in a jurisdiction other than the UK or who are in any doubt as to the potential tax consequences of selling their Ordinary Shares are strongly recommended to consult their own professional advisers before making any such sales.

Application has not been made to HMRC for clearance under section 748 of the Corporation Tax Act 2010 (“CTA”) or section 701 of the Income Tax Act 2007 (“ITA”) that the anti-avoidance provisions of Part 15 of the CTA or Part 13 of the ITA should not apply to the Tender Offer. Part 15 of the CTA and Part 13 of the ITA permit HMRC to counteract tax advantages arising from certain transactions in securities by for example treating some or all of the proceeds of capital disposals as distributions of income. However, these sections do not apply where it can be shown, in the case of any corporation tax advantage, that the transactions in question were entered into for genuine commercial reasons and did not involve as one of their main objects the obtaining of any corporation tax advantage and, in the case of any income tax advantage, that the transactions in question did not involve the receipt of consideration in connection with a distribution by or assets of a close company (as set out in section 685 ITA) or did not involve as one of their main purposes the obtaining of any income tax advantage. Accordingly, these sections are not expected to apply generally in the context of the Tender Offer. In any event, this “income treatment” should not apply to entities which are liable to UK corporation tax, or who hold their Ordinary Shares in an individual savings account, investors who are exempt from UK tax, nor to investors who are not UK resident (and who do not hold their Ordinary Shares for the purposes of a UK permanent establishment, branch or agency). Shareholders are advised to take independent advice as to the potential application of Part 15 of the CTA and Part 13 of the ITA in the light of their own particular motives and circumstances.

If you are in any doubt as to your taxation position you should consult an appropriate professional adviser without delay.

The information relating to taxation set out above is a general guide and is not exhaustive. It is based on law and practice currently in force in the UK and is subject to changes therein possibly with retrospective effect.

Part 5 – Additional Information

1 MARKET QUOTATIONS

The following table shows the closing mid-market quotations of Ordinary Shares as derived from the Daily Official List of the London Stock Exchange on the first business day of each of the six months immediately before the date of this document and the close of business on 10 November 2016 (being the latest practicable date prior to the posting of this document):

<i>Date</i>	<i>Ordinary Share price (pence)</i>
31 May 2016	53.00
30 June 2016	56.75
29 July 2016	60.50
31 August 2016	61.25
30 September 2016	61.50
31 October 2016	66.62
10 November 2016 (being the latest practicable date prior to the publication of this document)	63.25

2 MATERIAL CONTRACTS

2.1 Save as set out below, during the two years preceding the date of this document, the Company has not entered into any material contracts which are, or may be, material (not being contracts entered into in the ordinary course of business).

2.2 *Repurchase Agreement*

The Repurchase Agreement between the Company and Numis dated 10 November 2016. Under this agreement, the parties agree that, subject to the Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms, Numis shall, as principal, purchase, on-market, at the Tender Price, Ordinary Shares successfully tendered up to a maximum of 100 per cent. of the Ordinary Shares in issue (excluding treasury shares, if any).

Under the Repurchase Agreement, Numis agrees to use its reasonable endeavours to procure Incoming Investors to acquire On-sale Shares and, against payment by Incoming Investors of the Investment Price to sell the On-sale Shares to Incoming Investors.

The Company has agreed that, immediately following the purchase by Numis of all Ordinary Shares which it has agreed to purchase under the terms of the Repurchase Agreement, the Company will purchase from Numis such Ordinary Shares (less any On-sale Shares) at the Tender Price.

The Repurchase Agreement contains certain representations, warranties and undertakings from Numis in favour of the Company concerning its authority to enter into the agreement and to make the purchase of Ordinary Shares pursuant thereto.

The agreement also contains representations and warranties from the Company in favour of Numis and incorporates an indemnity in favour of Numis in respect of any liability which it may suffer in relation to its performance under the Tender Offer.

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

2.3 *Management Agreement*

The Management Agreement between the Company and the Manager dated 1 June 2016. Under this agreement the Company appointed the Manager as its sole investment manager with sole responsibility for the discretionary portfolio and risk management of the Company's investments subject to the overall policies, supervision, review and control of the Board.

The Management Agreement may be terminated by either party giving the other not less than six months' notice or immediately in the event of certain specified events occurring including certain solvency related events or the Manager ceasing to have all the necessary regulatory permissions and consents to undertake its role.

In respect of its services under the Management Agreement the Manager is entitled to receive a management fee payable by the Company monthly in arrears equal to one twelfth of 1.25 per cent. of the lower of the Company's market capitalisation and Net Asset Value.

The Manager is also entitled to receive a performance fee in each Performance Period equal to a percentage (as explained below) of the excess of NAV per Ordinary Share over the Target NAV per Ordinary Share. A Performance Period is a period in respect of which the Company produces audited accounts and, if different, the final period for which the Management Agreement subsists.

The Target NAV per Ordinary Share means the higher of (1) the High Watermark and (ii) NAV per Ordinary Share at the start of the relevant Performance Period as increased by the Hurdle Rate. The High Watermark is the higher of (i) one dollar and (ii) the NAV per Ordinary Share after the deduction of the relevant performance fee, as at the end of the latest Performance Period in respect of which the Manager was awarded a performance fee. The current High Watermark is \$1.0798 per Ordinary Share. The Hurdle Rate is 12 per cent. per annum, or an increased or reduced *pro rata* percentage of any Performance Period that represents more or less than a complete year.

The performance fee in respect of a particular Performance Period will be an amount equal to 12 per cent. of the amount (if any) by which the NAV per Ordinary Share at the end of that Performance Period, before the deduction of any performance fee, exceeds the Target NAV per Ordinary Share multiplied by the weighted average of Ordinary Shares in issue during the relevant Performance Period. The performance fee in respect of a Particular Performance Period will not exceed 3 per cent. of the Company's NAV, before the deduction of any performance fee, at the end of the Performance Period.

The Management Agreement also contains customary indemnities from the Company in favour of the Manager in respect of the proper performance by the Manager of its duties under the Management Agreement.

3 DIRECTORS' LETTERS OF APPOINTMENT

No Director has a service contract with the Company and each Director has been appointed pursuant to a letter of appointment entered into with the Company. The Directors appointments can be terminated in accordance with the Articles of Incorporation without compensation. There is no notice period specified in the appointment letters. The Articles of Incorporation provide that the office of Director shall be vacated in the event, *inter alia*, of (1) resignation; (2) unauthorised absence; or (3) written notice from all the other Directors. The Directors are subject to retirement by rotation in accordance with the Articles of Incorporation.

The current level of remuneration is £25,000 per annum for each Director other than the Chairman who receives £35,000 per annum.

4 THE COMPANY AND ACCOUNTS

4.1 The Company is an investment company registered in Guernsey. The Ordinary Shares are quoted on AIM.

4.2 The Company's current investment objective is to generate long term capital growth for its Shareholders. The Manager invests predominantly in a diversified portfolio of funds and other investment products which derive their value from Frontier Markets. The proportion of the portfolio invested in each component of the Frontier Markets varies according to where the Manager perceives the most attractive investment opportunities to be. Investee funds may include closed and open-ended funds, exchange traded funds, structural products, limited partnership and managed accounts.

4.3 The Company's audited accounts for the two financial years ended 30 June 2015 and 30 June 2016 can be found at www.aberdeenfrontiermarkets.co.uk.

5 CONSENT

Numis, which is authorised in the UK under the FSMA and regulated by the FCA, has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

6 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company, 11 New Street, St. Peter Port, Guernsey GY1 2PF, during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) from the date of this document until

the completion, lapse or termination of the Tender Offer and from 9.00 a.m. on the day of the Extraordinary General Meeting until its conclusion:

- 6.1 this document;
- 6.2 the consent letter referred to in paragraph 5 above;
- 6.3 the Company's Articles of Incorporation as at the date of this document;
- 6.4 the Repurchase Agreement as summarised in paragraph 2 of Part 5 of this document; and
- 6.5 the audited financial statements of the Company for the two financial years ended 30 June 2015 and 30 June 2016.

11 November 2016

Part 6 – Risk Factors

The Directors consider that the following risk factors should be considered by Shareholders prior to deciding how to cast their votes at the Extraordinary General Meeting and whether or not to participate in the Tender Offer. Shareholders in any doubt about the action they should take should consult a suitably qualified independent financial adviser authorised under the FSMA if in the United Kingdom, or from another appropriately authorised independent financial adviser if in a territory outside of the United Kingdom, without delay.

Investment in the Ordinary Shares involves a degree of risk. The risks referred to below are all of the material risks applicable to the Company of which the Directors are aware as at the date of this document. Additional risks that are not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company.

The Company's business, financial condition or operations could be materially and adversely affected by the occurrence of any of the risks described below. In such circumstances, the market price of the Ordinary Shares could decline and investors could lose all or part of their investment. In particular, Shareholders should note that the past performance of the Ordinary Shares should not be used as a guide to their future performance.

Conditionality of the Tender Offer

Implementation of the Tender Offer is conditional, *inter alia*, upon the Resolution being passed at the Extraordinary General Meeting. In the event that Resolution is not passed, the Tender Offer will not proceed and the Company would have to bear the abortive costs of having proposed the Tender Offer.

Risks associated with the Tender Offer

The repurchase by the Company of Ordinary Shares pursuant to the Tender Offer will result in the issued share capital of the Company being reduced and the Company may therefore be smaller. Consequently, the fixed costs of the Company would be spread over fewer Ordinary Shares and the Company's on-going charges ratio may increase.

In order to pay the consideration to which Shareholders are entitled pursuant to valid tenders of Ordinary Shares accepted by Numis (and which the Company will then be obliged to repurchase from Numis), the Company may use a significant amount of its available cash and other liquid funds.

The lower number of Ordinary Shares in issue following completion of the Tender Offer may reduce secondary market liquidity in the Ordinary Shares which could, accordingly, affect a Shareholders' and Incoming Investors' ability to sell their Ordinary Shares in the market.

Tendering Shareholders will receive the Tender Price, which may be less than the price at which they bought their Ordinary Shares.

The Tender Price will be dependent on the price at which the assets comprising the Tender Pool are fully realised. There can be no assurance as to the value that will be fully realised from such assets as this will depend on the performance of individual assets within the Tender Pool, the ability of the Manager to sell them and the value fully realised from the assets relative to the Company's current valuation. The Tender Price may therefore represent a discount to the NAV per Ordinary Share as at the Calculation Date due primarily to the cost of realising the assets in the Tender Pool and any movement in the value of the assets in the Tender Pool prior to their realisation. Shareholders should also note that there could be a significant period of time between the Tender Closing Date and the date on which all of the assets comprising the Tender Pool will be fully realised and all liabilities of the Tender Pool have been met, only after which will Tendering Shareholders receive full payment of the Tender Price.

In addition to exposure to any movement in the value of the assets in the Tender Pool Tendering Shareholders will be exposed to a foreign exchange risk with the Company's NAV calculations and reporting currency being US\$ and many of the Company's investments being denominated in currencies other than sterling. Any sale proceeds generated within the Tender Pool will need to be converted into sterling as the Tender Price will be satisfied in sterling.

Risks relating to the Company

The Company may not meet its investment objective

There can be no guarantee that the investment objective of the Company will be achieved. The investment objective of the Company should not be treated as assurances or guarantees of performance.

Past performance cannot be relied upon as an indicator of future performance

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

The effects of both normal market fluctuations and the current global economic environment may impact the Company's business, results or financial condition

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

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

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

The market value of the Ordinary Shares can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the Company's 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 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, 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.

Investments whose quotation has been suspended and any other assets which the Directors consider it would not be appropriate to transfer to the Tender Pool as at the Calculation Date will be allocated to the Continuation Pool and continuing Shareholders will therefore have greater exposure to the performance of these assets following completion of the Tender Offer.

Leverage

The use of leverage, including borrowings, may increase the volatility of the Net Asset Value per Ordinary Share and also amplify any loss in the value of the Company's assets.

While the use of borrowing 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 falling or rising at a lower rate than the cost of borrowing, 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 the Tender Offer or future buy-backs or tender offers) 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.

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

The Company may employ hedging techniques designed to reduce the risk of adverse movements in interest rates. However, such strategies may also result in losses and overall poorer performance than if the Company had not entered into such hedging transactions.

The Company is also exposed to the consequences of leverage as outlined above to the extent that the funds in which the Company invests themselves have leverage.

In addition, the Company may be indirectly exposed to gearing to the extent that investee funds are themselves geared. Funds selected by the Manager may utilise leverage. This may result in the underlying investee fund controlling substantially more assets than it has equity. Leverage increases returns to the underlying investee fund if the returns on investments purchased with borrowed funds are greater than the fund's cost of borrowing such funds. However, the issue of leverage exposes the underlying investee fund to additional levels of risk, including: (a) greater losses (including the risk of a total loss) from investments than would otherwise have been the case had the fund not borrowed to make the investments; (b) margin calls or interim margin requirements, which may force the premature liquidation of investment positions; and (c) losses (including the risk of a total loss) on investments where the investment fails to earn a return that equals or exceeds the fund's cost of borrowing. To the extent that underlying investee funds use options, futures, options on futures, swaps, swaptions and other "synthetic" or derivative financial investments are used, it should be noted that they inherently contain much greater leverage than a non-margined purchase of the underlying security, commodity or instrument. This is due to the fact that generally only a very small portion of the value of the underlying security, commodity or instrument is required to be paid in order to make such investments. In addition, many of these products are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

Reliance on service providers and other third parties

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely upon the performance of third party service providers to perform its executive functions. In particular, the Manager, the Company's registrars and appointed custodian and their respective delegates, if any, will perform services that are integral to the Company's operations and financial performance. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Company's performance and returns to Shareholders. The termination of the Company's relationship with any third party service provider or any delay in appointing a replacement for such service provider, could materially disrupt the business of the Company and could have a material adverse effect on the Company's performance and returns to Shareholders.

Furthermore, the Company also relies on other third parties such as sub-custodians and global and/or local brokers and their respective delegates. Failure by any such third party to carry out its obligations in connection with the operation of the Company or to exercise due care and skill, or to perform its obligations in connection with the operation of the Company at all, as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Company's performance and returns to Shareholders. The lack of any direct contractual relationship with any

third party, or any delay in a replacement for such third party being found could materially disrupt the business of the Company and could have a material adverse effect on the Company's performance and returns to Shareholders.

Further liquidity opportunities

A further liquidity opportunity will be offered to Shareholders in advance of the Annual General Meeting of the Company to be held in 2021. Shareholders otherwise have no right to redeem Ordinary Shares.

Misconduct of employees and third party service providers

Misconduct or misrepresentations by employees of the Manager or any other third party service providers could cause significant losses to the Company. Employee misconduct may include binding the Company to transactions that exceed authorised limits or present unacceptable risks and unauthorised trading activities or concealing unsuccessful trading activities (which, in any case, may result in unknown and unmanaged risks or losses) or making misrepresentations regarding any of the foregoing. Losses could also result from actions by third party service providers, including, without limitation, failing to recognise trades and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Company's business prospects or future marketing activities. Despite the Manager's due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining the Manager's due diligence efforts. As a result, no assurances can be given that the due diligence performed by the Manager will identify or prevent any such misconduct.

Risks relating to the Company's portfolio and investment strategy

The Company invests primarily in a portfolio of companies and funds exposed to Frontier Markets which reflect the Manager's convictions and the Company's portfolio may therefore be more volatile than more broadly based investment funds.

Frontier Markets can be volatile and the material risks of which the Company is aware are:

- the economies may be more dependent on relatively few industries that may be highly vulnerable to local and global changes;
- dependence on exports and the corresponding importance of international trade;
- these countries generally have less developed securities markets or exchanges, and legal and accounting systems;
- securities may be more difficult to sell at an acceptable price and may be more volatile than securities in countries with more mature markets;
- the value of the currencies of Frontier Markets may fluctuate more than the currencies of countries with more mature markets;
- investments in Frontier Markets may be subject to greater risks of government restrictions, including confiscatory taxation, expropriation or nationalisation of a company's assets, restrictions on foreign ownership of local companies and restrictions on withdrawing assets from the country;
- investing in Frontier Markets subjects the Company to a higher level of market risk than investment in more developed markets;
- potentially higher rates of inflation (including hyperinflation);
- a potential risk of substantial deflation;
- arbitrary government decisions resulting from, *inter alia*, a lower level of democratic accountability than is typical of developed nations;
- less stringent laws and practices in relation to the fiduciary duties of officers and directors and protection of investors;
- difficulty in bringing legal proceedings to enforce contractual rights and the risk of the fraudulent appropriation of investments;
- the operation, performance and settlement, clearing and registration of dealing transactions by sub-custodians in Frontier Markets may be less regulated than more developed markets; and

- the possibility of the imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Company, political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries or the value of the Company's investments in those countries.

Investment in funds

The Company invests in funds operating in Frontier Markets and therefore in addition to the other inherent risks associated with Frontier Markets as set out in this section the Manager may have no or limited control over the day to day operations of any of the relevant fund managers. Accordingly, although the Manager seeks to invest in underlying funds where it believes the manager exercises a high degree of integrity there can be no assurance that this will always be the case.

The Company may invest in funds that are not traded on investment exchanges or do not permit frequent redemptions including funds that have "lock-up" periods or "gateways" or otherwise do not permit redemptions for significant periods of time.

To the extent that the Company is invested in funds or via managed accounts, there may be multiple layers of fees and transaction costs borne directly or indirectly by the Company including management fees and performance fees.

Although the Manager seeks to obtain diversification by investing in a number of different funds with different strategies or styles, it is possible that selected funds may take substantial positions in the same security or group of securities at the same time and thereby cause the Company to have a greater exposure than it would otherwise choose to.

Corruption

Corruption remains a significant issue across Frontier Markets. The effect of corruption can seriously constrain the development of local economies, erode stability and trust, and its macro-economic and social costs can be significant. These effects could have a material adverse effect on the performance of the Company's investments. There generally remains, across Frontier Markets, insufficient effective anti-corruption legislation and insufficient co-ordination of anti-corruption initiatives.

Securities markets of Frontier Markets

The securities markets of Frontier Markets are not as large as the more established securities markets and have substantially less trading volume, which may result in a lack of liquidity and higher price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and price of the acquisition or disposal of these securities. In addition, an economic downturn or an increase in the real or perceived risks associated with Frontier Markets could adversely affect the market prices of securities of companies exposed to Frontier Markets even if the economies of such countries remain stable.

There are a limited number of attractive investment opportunities in Frontier Markets and this may lead to a delay in investment and may affect the price at which such investments may be made and reduce potential investment returns for the Company.

The securities markets of Frontier Markets in which the Company invests may be less regulated than many of the world's leading stock markets. In addition, market practices in relation to settlement of securities transactions and custody of assets in such markets can provide a material risk to the Company. In circumstances such as the insolvency of a sub-custodian or registrar, or retro-active application of national or international legislation, the Company may not be able to establish title to investments made and may suffer losses as a result. The Company may find it impossible to enforce its rights against third parties. Any increase in the national or international regulation or supervision of the securities markets of Frontier Markets in which the Company invests may result in additional compliance costs for any custodian or sub-custodian through which the Company invests which accordingly may result in such increased costs being passed on to the Company and/or such custodian and/ or sub-custodian being unable to continue to provide such services to the Company.

Furthermore, due to the local postal and banking systems, no guarantee can be given that all entitlements attaching to securities acquired by the Company can be realised. None of the

Company, the custodian or any sub-custodian appointed, the Manager or any of their agents makes any representation or warranty about, or any guarantee of the operation, performance or settlement, clearing and registration of dealing transactions in Frontier Markets.

Restrictions on foreign investment

Some countries prohibit or impose substantial restrictions on investments by foreign entities such as the Company. As illustrations, certain countries require governmental approval prior to investment by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of the Company. For example, the Company may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of the Company. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which the Company may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where the Company places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been fulfilled, depriving the Company of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to the Company's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. The Company could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Company of any restriction on investments.

Interest rate risk

The prices of equity securities in the Company's portfolio may be susceptible in the short-term to decline if interest rates rise. Rising interest rates could adversely impact the financial performance of companies in Frontier Markets by increasing their cost of capital. This may reduce their ability to execute acquisitions or expansion projects in a cost effective manner. In addition, the costs associated with any leverage used by the Company are likely to increase if interest rates rise.

P-Notes

The Company may gain exposure to Frontier Markets by investing indirectly through Participatory Notes ("**P-Notes**").

P-Notes issued by certain counterparty banks that are designed to offer the holder a return linked to the performance of a particular underlying equity security or market, are used where direct investment in the relevant underlying equity security or market is not possible for regulatory or other reasons. Investment in P-Notes presents additional risks to the Company including: (i) as the use of P-Notes is uncollateralised, the Company will be subject to full counterparty risk via the P-Note issuer and in the event of a default by the P-Note issuer, the Company may suffer losses up to the full value of the relevant P-Note; (ii) the costs of investing through P-Notes may be higher than investing (whether directly or through nominees) in the underlying securities due to the Company having to bear the additional costs of a P-Note issuer and this could have a material adverse effect on the Company's returns compared to if the Company had invested (whether directly or through nominees) in the relevant securities; (iii) the Company, being a client of such P-Note issuer, will only be able to realise its investment through the P-Note issuer and such arrangement may have a negative impact on the liquidity of the P-Notes which does not correlate to the liquidity of the underlying security (consequently the Company may in certain circumstances find it more difficult to realise an investment made through a P-Note than it would to realise an investment held directly in the associated security); (iv) any information request by a P-Note issuer (such as a request regarding the identity and/or residency of the beneficial holder of any Ordinary Shares) which cannot be satisfied by the Company may allow the P-Note issuer to terminate its agreement with the Company which could lead to the Company being required to realise its investment earlier than intended and this could have a material adverse effect on the returns to Shareholders; and (v) the regulatory requirements governing the P-Notes may change, restricting or prohibiting the Company from holding such P-Notes.

Custodial services

Some of the securities and other assets of the Company deposited with custodians, sub-custodians or global and/or sub-brokers in a Frontier Market may not be clearly identified as being assets (directly or indirectly) of the Company and hence the Company may be exposed to a credit risk with regard to such custodians, sub-custodians or global and/or sub-brokers in such Frontier Market. There may also be practical problems or time delays associated with enforcing rights to its assets such as in the case of an insolvency of any such party which could have a material adverse effect on returns to Shareholders.

Reporting standards in Frontier Markets

Accounting, auditing and financial reporting standards and practices and disclosure requirements applicable to many companies in Frontier Markets are less rigorous than those in the United Kingdom or Guernsey. As a result there may be less information available publicly to investors in such securities than to investors in comparable securities in the United Kingdom securities markets. Furthermore, such information which is available is often less reliable. The Manager may make investment decisions in respect of such securities based on such information which may have a negative impact on the value of the Company's portfolio and returns to Shareholders.

Foreign exchange rate risk

The Company will invest in US dollar and non-US dollar denominated securities and the companies in which the Company invests may conduct their operations in US dollars and/or other currencies. The Company will therefore have an exposure to foreign exchange risk as a result of changes, both unfavourable and favourable, in exchange rates between the US dollar and other currencies. Foreign exchange risk may increase the volatility of the Net Asset Value per Ordinary Share. The Company does not have a policy of hedging or otherwise seeking to mitigate foreign exchange risk but reserves the right to do so from time-to-time as part of the Company's efficient portfolio management.

Movements in the foreign exchange rate between US dollar, the reporting currency of the Company, and any other currency in which the Company invests and the currency applicable to a particular Shareholder may have an impact upon that Shareholder's returns in their own currency of account.

Smaller capitalisation companies

The Company may invest in smaller capitalisation companies. As smaller companies do not have the financial strength, diversity and resources of larger companies, they may find it more difficult to operate in periods of economic slowdown or recession. In addition, the relatively small capitalisation of such companies could make the market in their shares less liquid and, as a consequence, their share price more volatile than investments in larger companies.

Suspension of trading

Securities and commodity exchanges typically have the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for the Company to liquidate positions and thereby expose the Company to losses.

Gearing of other investment companies

The Company invests in investment companies, investors should be aware that such investments may include holdings in the shares of investment companies which are geared by loan facilities that rank ahead of the relevant shares both for payment of interest and for capital. Investment in shares of investment companies which are geared present a higher investment risk as to their capital return. This could have a negative impact on the value of an investment company holding within the Company's portfolio and returns to Shareholders.

Sanctions

The Company may not be able to achieve exposure in certain Frontier Markets due to Office of Foreign Asset Control and United Nations sanctions and other counterparty considerations.

Risks relating to the Ordinary Shares

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

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 closed-ended 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 in relation to the Ordinary Shares will be successful or capable of being implemented. The market value of an Ordinary Share may vary considerably from its Net Asset Value.

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. There may not be a liquid market for the Ordinary Shares. The market prices of the Ordinary Shares may not reflect their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

Risks relating to the Manager

The performance of the Company will depend on the ability and services of the Manager

The performance of the Company will depend on: (i) the ability of the Manager to generate positive returns; and (ii) the Manager's ability to advise on, and identify, investments in an optimal way. Achievement of the investment objective will also depend, in part, on the ability of the Manager to provide competent, attentive and efficient services to the Company. There can be no assurance that, over time, the Manager will be able to provide such services 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.

There can be no assurance that a replacement manager will be found if the Manager resigns, is removed or otherwise no longer serves as the manager

The Management Agreement may be terminated by the Company or the Manager giving to the other party at least six months' notice in writing and in certain other circumstances. If the Management Agreement is terminated, the Directors would have to find a replacement manager for the Company and there can be no assurance that such a replacement will be found.

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

Potential conflicts of interest

The Manager and its affiliates serve as manager and investment manager to other clients and their organisational and ownership structure involves a number of relationships. For example, the Manager and/or its affiliates may have conflicts of interest in allocating their time and activity between the Company and the other clients, in allocating investments among the Company and the other clients and in effecting transactions between the Company and other clients, including ones in which the Manager and/or its affiliates may have a greater financial interest. The Manager and/or its affiliates may give advice or take action with respect to such other clients that differs from the advice given or action taken with respect to the Company.

The Manager and/or its affiliates may be involved in other financial, investment and professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the

Manager may provide investment management, investment advice or other services to a number of funds that may have similar investment policies to that of the Company or funds in which the Company invests.

The ultimate holding company of the Manager is Aberdeen Asset Management PLC.

The Manager, its affiliates and their respective investment professionals and other employees may come into possession of material non-public information. The possession of such information may potentially limit the ability of the Company to participate in an investment opportunity.

Risks relating to taxation and regulation

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

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to quoted closed-ended investment companies.

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.

Frontier Markets tax risks

The Company may purchase investments that will subject the Company to withholding taxes in various jurisdictions. In the event that withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company on such investments. Such withholding taxes may be imposed on income, gains, issue of securities or supporting documents, including the contracts governing the terms of any financial instrument and such taxes may be confiscatory in nature.

The Company shall be making investments in jurisdictions where the tax regime is not fully developed or is not certain. The Company and the Manager shall not be liable to account to any Shareholder for any payment made or suffered by the Company in good faith to a fiscal authority for taxes or other charges of the Company notwithstanding that it is later found that such payments need not or ought not have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, or the lack of a developed mechanism for practical and timely payment of taxes, the Company pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Company. Such late paid taxes will normally be debited to the Company at the point the decision to accrue the liability in the Company accounts is made.

The Company's income may be reduced by exchange controls

The Company may from time-to-time purchase investments that will subject the Company to exchange controls in various jurisdictions. In the event that exchange controls are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company on such investments.

Taxation

The information in this document is based on existing legislation, including taxation legislation. The existing levels and bases of, and reliefs from, taxation may change. Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by the Company or alter the post-tax returns to Shareholders.

Shareholders should refer to the information contained in the section headed "Taxation" on page 11 and to Part 4 of this document in relation to any tax consequences relating to the Tender Offer.

Definitions

The following definitions apply throughout this document unless the context otherwise requires:

“AIM”	means the market of that name operated by the London Stock Exchange;
“Articles of Incorporation”	means the articles of incorporation of the Company;
“Auditors”	Grant Thornton Limited;
“Board” or “Directors”	means the directors of the Company or any duly constituted committee thereof;
“Business Days”	means any day other than a Saturday, Sunday or public holiday in England and Wales;
“Calculation Date”	means 12 December 2016, the day on which the Company calculates the Tender Offer FAV for the purposes of the Tender Offer;
“Capita Asset Services”	means a trading name of Capita Registrars Limited;
“certificated” or “in certificated form”	means not in uncertificated form;
“Companies Law”	means the Companies (Guernsey) Law, 2008, as amended;
“Company”	means Aberdeen Frontier Markets Investment Company Limited;
“Continuing Pool”	means the pool of stocks, cash and assets to be created in accordance with the terms of the Tender Offer and relating to those Shareholders who are not Tendering Shareholders;
“CREST”	means the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations;
“CREST Manual”	means the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms;
“CREST Regulations”	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
“CREST Sponsor”	means a CREST participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations);
“Developed Markets Index”	means the Morgan Stanley Capital International World Index;
“Emerging Markets Index”	means the S&P/IFCI Composite Index;
“Euroclear”	means Euroclear UK & Ireland Limited, the operator of CREST;
“Exit Share”	means an Ordinary Share which has been successfully tendered for purchase by Numis pursuant to the terms of the Tender Offer, which for the avoidance of doubt includes any On-sale Shares;
“Extraordinary General Meeting”	means the extraordinary general meeting of the Company to consider and, if thought fit, pass the Resolution, convened for 3.30 p.m. on 12 December 2016 or any adjournment thereof, notice of which is set out on page 49 of this document;
“FCA”	means the Financial Conduct Authority;
“Final Tender Offer Asset Value”	means the unaudited Net Asset Value of the assets in the Tender Pool on the Tender Pool Determination Date (which for the avoidance of doubt will take account of the costs of realisation of the Tender Pool) plus any monies paid to Tendering Shareholders by way of interim distribution(s) on account of the Tender Price;

“Form of Direction”	means the forms of direction provided with this document for use by Savings Schemes Participants in connection with the Extraordinary General Meeting;
“Form of Proxy”	means the forms of proxy provided with this document for use by Shareholders in connection with the Extraordinary General Meeting;
“Frontier Markets”	means any country which is not in either the Emerging Markets Index or the Developed Markets Index;
“Gross Assets”	means the aggregate value of the total assets of the Company;
“HMRC”	means HM Revenue & Customs;
“Incoming Investor”	means a qualified investor only (within the meaning of Article 2(1)(e) of the Prospectus Directive) who has agreed with Numis to acquire On-sale Shares;
“Investment Price”	means the price per Ordinary Share at which Incoming Investors agree to purchase On-sale Shares, being a price equal to the NAV per Ordinary Share on the Calculation Date;
“Lazard”	means Lazard Asset Management Limited and funds managed by it;
“London Stock Exchange”	means the London Stock Exchange plc;
“Manager”	means Aberdeen Fund Managers Limited;
“Management Agreement”	the investment management agreement made between the Company and the Manager and dated 1 June 2016;
“member account ID”	means the identification code or number attached to any member account in CREST;
“NAV” or “Net Asset Value”	means the net asset value of the Company as calculated in accordance with the Company’s normal accounting policies;
“NAV per Ordinary Share” or “Net Asset Value per Ordinary Share”	means the Net Asset Value divided by the number of Ordinary Shares in issue (other than the Ordinary Shares held in treasury);
“Numis”	means Numis Securities Limited;
“On-sale Shares”	means Ordinary Shares tendered pursuant to the Tender Offer which Incoming Investors agree to purchase from Numis;
“Ordinary Shares”	means ordinary shares of no par value;
“Overseas Shareholders”	means Shareholders who are resident in, or citizens of, territories outside the United Kingdom and not resident in, or citizens of, any of the Restricted Territories;
“Participant ID”	means the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
“Prospectus Directive”	means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU);
“Record Date”	means close of business on 30 September 2016;
“Register”	means the register of Shareholders;
“Repurchase Agreement”	means the agreement dated 10 November 2016 between the Company and Numis relating to the repurchase by the Company on the London Stock Exchange of the Ordinary Shares purchased by Numis pursuant to the Tender Offer (other than On-sale Shares) as summarised in paragraph 2 of Part 5 of this document;
“Resolution”	means the resolution set out in the notice of Extraordinary General Meeting which will be proposed as an ordinary resolution;

“Restricted Shareholders”	means Shareholders who are resident in, or citizens of, a Restricted Territory;
“Restricted Territories”	means any of the following territories: Australia, Canada, Japan, New Zealand, the Republic of South Africa and the United States or any other jurisdiction in which the making or the acceptance of the Tender Offer may result in the contravention of any registration or other legal requirement of such jurisdiction;
“RIS”	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange;
“Savings Schemes Participant”	means a holder of Ordinary Shares through the Savings Schemes;
“Savings Schemes”	means, as the case may be, the Aberdeen Investment Trusts Share Plan, the Investment Plan for Children and/or the Aberdeen Investment Trusts Individual Savings Account;
“Savings Schemes Tender Form”	means the tender forms accompanying this document for use by the Savings Schemes Participants;
“Shareholder”	means a holder of Ordinary Shares and Shareholders shall be construed accordingly;
“Takeover Code”	means the UK City Code on Takeovers and Mergers;
“Takeover Panel”	means the Panel on Takeovers and Mergers;
“Tender Closing Date”	1.00 p.m. on 30 November 2016, being the final date on which Tender Forms may be received and TTE instructions submitted and the date on which the Tender Offer closes to Shareholders;
“Tender Form”	means the tender form for use by Shareholders who hold Ordinary Shares in certificated form in connection with the Tender Offer accompanying this document;
“Tender Offer”	means the invitation by Numis to Shareholders (other than Restricted Shareholders) to tender Ordinary Shares for purchase on the terms and subject to the conditions set out in this document and, where applicable, in the case of Shareholders who hold Ordinary Shares in certificated form, the Tender Forms or the Savings Schemes Tender Forms;
“Tender Offer FAV” or “Tender Offer Formula Asset Value”	means the formula asset value as calculated in accordance with paragraph 8 of Part 1 of this document;
“Tender Pool”	means the pool of stocks, cash, assets and liabilities to be created in accordance with the terms of the Tender Offer and relating to the Tendering Shareholders;
“Tender Pool Determination Date”	means the date specified by the Directors being as soon as practicable following the date on which all assets in the Tender Pool (other than any contingent assets, if any) have been fully realised and settled and liabilities have been met and on which the Final Tender Offer Asset Value attributable to the Tender Pool will be calculated;
“Tender Price”	means in relation to each Ordinary Share, the Final Tender Offer Asset Value of the Tender Pool divided by the total number of Exit Shares expressed in sterling and in pence, rounded down to two decimal places;
“Tendering Shareholders”	means a Shareholder who has tendered Ordinary Shares pursuant to the Tender Offer;
“TFE Instructions”	means a transfer from escrow instruction (as defined by the CREST Manual);
“TTE Instruction”	means a transfer to escrow instruction (as defined by the CREST Manual);

“uncertificated” or “in uncertificated form”	means an Ordinary Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United Kingdom” or “UK”	means the United Kingdom of Great Britain and Northern Ireland;
“United States” or “U.S.”	means the United States of America;
“US\$”	means the lawful currency of the United States; and
“Voting Rights”	means all the voting rights attributable to the capital of the Company which are currently exercisable at a general meeting of the Company.

Unless otherwise stated in this document, all references to statute or other forms of legislation shall refer to statute or forms of legislation of the UK.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ABERDEEN FRONTIER MARKETS INVESTMENT COMPANY LIMITED

(a company incorporated under the Companies Guernsey Laws, 1994 to 1996, as amended and governed by the Companies (Guernsey) Law, 2008, as amended with registered number 46809)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Aberdeen Frontier Markets Investment Company Limited (the “**Company**”) will be held at 11 New Street, St Peter Port, Guernsey at 3.30 p.m. on 12 December 2016 for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution.

ORDINARY RESOLUTION

THAT, in addition to any other authorities given (including those given at the Annual General Meeting of the Company to be held on 12 December 2016), the Company be and is generally and unconditionally authorised in accordance with section 315 of the Companies (Guernsey) Law, 2008, as amended (the “**Companies Law**”) to make market acquisitions (within the meaning of section 316 of the Companies Law) of ordinary shares of no par value in the capital of the Company (“**Ordinary Shares**”), following the completion of a tender offer made by Numis Securities Limited (“**Numis**”) for Ordinary Shares (the “**Tender Offer**”) on the terms set out or referred to in the circular issued by the Company of which this notice forms part (the “**Circular**”) (a copy of which was produced to the meeting and initialled by the chairman for identification), provided that:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 169,260,000 provided at least one Ordinary Share remains held by a person other than the Company;
- (b) the price which may be paid for an Ordinary Share is the Tender Price (as defined in the Circular), which shall be both the maximum and minimum price for the purpose of section 315(3)b of the Companies Law; and
- (c) unless previously renewed, revoked or varied this authority expires on 31 December 2016 save that the Company may before such expiry enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry and the Company may make a purchase of such shares after such expiry.

BY ORDER OF THE BOARD

Vistra Fund Services (Guernsey) Limited

Secretary

Registered Office:
11 New Street
St Peter Port
Guernsey
GY1 2PF

Date: 11 November 2016

Notes:

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

- 1 A member entitled to attend, speak and vote at the meeting convened by the above notice of Extraordinary General Meeting is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the extraordinary general meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.
- 2 To appoint a proxy you may use the Form of Proxy enclosed with this document. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions printed thereon as soon as possible and in any event by 3.30 p.m. on 10 December 2016. Amended instructions must also be received by the Company's registrar by the deadline for receipt of proxies.
- 3 Completion and return of the Form of Proxy will not prevent a member from attending the Extraordinary General Meeting and voting in person.
- 4 In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies only Shareholders registered in the register of members of the Company by not later than the close of business two days prior to the date fixed for the Extraordinary General Meeting shall be entitled to attend and vote at the Extraordinary General Meeting in respect of the number of Ordinary Shares registered in their name at such time. If the Extraordinary General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is the close of business two days prior to the date of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the extraordinary general meeting (or any adjournment thereof).
- 5 In the case of joint holders, such persons shall not have the right of voting individually but shall elect one of their number to represent them and to vote whether in person or by proxy. In default of such election the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- 6 Savings Schemes Participants are entitled to attend and vote at the Extraordinary General Meeting if the Form of Direction which is enclosed with this document is correctly completed and returned in accordance with the instructions printed thereon.
- 7 Shareholders who hold their Ordinary Shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar by 3.30 p.m. on 10 December 2016. Instructions on how to vote through CREST can be found by accessing the following website: euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
- 8 If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Capita Asset Services (ID number RA10) by 3.30 p.m. on 10 December 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Capita Asset Services is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST Sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 34(1) of the Uncertificated Securities (Guernsey) Regulations 2009.

- 9 Any corporation which is a member may appoint one or more corporate representative(s) who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same Ordinary Shares.
- 10 Any question relevant to the business of the extraordinary general meeting may be asked at the meeting by anyone.
- 11 As at 10 November 2016 (being the last business day prior to the printing of this Notice of Extraordinary General Meeting), the Company's issued share capital comprised 169,260,000 Ordinary Shares carrying one vote each. Therefore the total number of voting rights in the Company as at that date is 169,260,000.
- 12 You may not use any electronic address provided either in this Notice of Extraordinary General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

