THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. The Directors, whose names appear on page 5 of this document, accept responsibility both individually and collectively for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the admission of the entire to be issued share capital of the Company to trading on the AIM market of London Stock Exchange plc ("AIM"). It is expected that dealings in the Ordinary Shares will commence on AIM on 5 August 2005. The rules of AIM are less demanding than those of the Official List of the Financial Services Authority. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Services Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the UK Listing Authority (or any other division of the Financial Services Authority) nor London Stock Exchange plc has examined or approved the contents of this document. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List of the Financial Services Authority. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any such exchange.

This document, which comprises an admission document, has been drawn up in accordance with the AIM Rules and the Public Offers of Securities Regulations 1995 (as amended) as in force prior to 1 July 2005. However, this document does not constitute a prospectus and a copy of this document has not been delivered to the Registrar of Companies in England and Wales for registration in accordance with regulation 4(2) of those Regulations.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturday, Sunday and public holidays) at the offices of Grant Thornton Corporate Finance, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP and will remain available for a period of one month following Admission.

T2 Income Fund Limited

(a closed-ended company incorporated with limited liability under the laws of Guernsey with registered number 43260)

Placing of 38,000,000 Ordinary Shares at 100p per share
and
Admission to trading on AIM

Nominated Adviser	Broker
Grant Thornton Corporate Finance	**JPMorgan Cazenove Limited**

Grant Thornton Corporate Finance, a division of Grant Thornton UK LLP which is authorised and regulated in the United Kingdom by the Financial Services Authority, is the Company's nominated adviser for the purposes of the AIM Rules and as such, its responsibilities are owed solely to London Stock Exchange plc and are not owed to the Company or any Director or any other entity or person. Grant Thornton Corporate Finance will not be responsible to anyone other than the Company for providing the protection afforded to clients of Grant Thornton Corporate Finance or for advising any other person in connection with the Placing and Admission. JPMorgan Cazenove Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, and which is a member of London Stock Exchange plc, is acting as broker to the Company and no one else. JPMorgan Cazenove Limited will not be responsible to anyone other than the Company for providing the protections afforded to customers of JPMorgan Cazenove Limited or advising any other person in connection with the Placing and Admission.

This document should not be distributed, published, reproduced or otherwise made available in whole or in part or disclosed by recipients to any other person and, in particular, should not be distributed to persons with addresses in Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or the United States of America or in any other country outside the United Kingdom where such distribution may lead to a breach of any law or regulatory requirements. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under the securities legislation of any state of the United States of America. In addition, the Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended (the "Investment Company Act") and investors will not be entitled to the benefits of that Act. No securities commission or similar authority in the United States or Canada has in any way passed on the merits of the securities offered hereunder and any representation to the contrary is an offence. No document in relation to the Placing has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission, and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Ordinary Shares. Accordingly, subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered or sold within the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or offered or sold to a person within the United States of America or a resident of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan.

Prospective investors should read the whole text and contents of this document and should be aware that an investment in the Company is speculative and involves a degree of risk. In particular, the attention of prospective investors is drawn to the section entitled "Risk Factors" in Part 1 of this document.

IMPORTANT INFORMATION

The attention of potential investors is drawn to the Risk Factors set out in Part 1 of this document.

No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Ordinary Shares other than those contained in this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company. This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions.

General

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this document are based on the law and practice currently in force in Guernsey, England and Wales and the United States of America and are subject to changes therein. This document should be read in its entirety before making any application for Ordinary Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Memorandum of Association of the Company and the Articles.

Consent under The Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989, has been applied for in relation to the publication of this document and associated raising of funds. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of T2 Income Fund Limited or for the correctness of any of the statements made or the opinions expressed with regard to it.

Forward looking statements

Certain statements contained in this document, including those contained in ''Summary Information'' and in Part 2 of this document, are or may constitute ''forward looking statements''. Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other factors include, among others, changes in the credit markets, changes in interest rates, legislative and regulatory changes, changes in taxation regimes and general economic and business conditions, particularly in the United Kingdom. These forward looking statements speak only as at the date of this document.

CONTENTS

EXPECTED TIMETABLE

	2005
Publication of AIM admission document	1 August
Admission of Ordinary Shares to trading on AIM and commencement of dealings	8.00 a.m. on 5 August
Crediting of CREST stock accounts in respect of the Ordinary Shares	5 August
Where applicable, definitive share certificates in respect of the Ordinary Shares despatched by	12 August

Save in relation to the date on which this document is published, each of the times and dates in the above timetable are subject to change. All references to time are to British Summer Time.

PLACING STATISTICS

Placing Price	100p
Number of Ordinary Shares being offered	38,000,000
Number of Ordinary Shares in issue immediately following Admission	38,000,000
Initial Net Asset Value per Ordinary Share	96.4p*
Market capitalisation at the Placing Price	£38,000,000
Estimated net proceeds receivable by the Company	£36,600,000

*Based on the Assumptions.

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors

William Harley Tozier *(Non-Executive Chairman)*
Frederick Peter Forni *(Non-Executive Director)*
Patrick Anthony Seymour Firth *(Non-Executive Director)*
Saul Barak Rosenthal *(Non-Independent Director)*
Lee Douglas Stern *(Non-Independent Director)*

Registered Office

Regency Court
Glategny Esplanade
St. Peter Port
Guernsey GY1 3NQ

Investment Manager

T2 Advisers, LLC
8 Sound Shore Drive, Suite 255
Greenwich
Connecticut 06830
United States

Nominated Adviser

Grant Thornton Corporate Finance
Grant Thornton House
Melton Street
London NW1 2EP

Broker

JPMorgan Cazenove Limited
20 Moorgate
London EC2R 6DA

Custodian

Butterfield Bank (Guernsey) Limited
P.O. Box 25, Regency Court
Glategny Esplanade
St Peter Port
Guernsey GY1 3AP

Legal Adviser to the Company as to English Law

Freshfields Bruckhaus Deringer
65 Fleet Street
London EC4Y 1HS

Legal Adviser to the Company as to Guernsey Law

Collas Day Advocates
Manor Place
St. Peter Port
Guernsey GY1 4EW

Legal Adviser to the Broker

Macfarlanes
10 Norwich Street
London EC4A 1BD

Reporting Accountants

Grant Thornton UK LLP
The Explorer Building
Fleming Way
Manor Royal
Crawley
West Sussex RH10 9GT

Auditors to the Company

Grant Thornton UK LLP
Grant Thornton House
Melton Street
London NW1 2EP

Administrator, Registrar and Secretary

Butterfield Fund Services
(Guernsey) Limited
P.O. Box 211, Regency Court
Glategny Esplanade
St. Peter Port
Guernsey GY1 3NQ

UK Transfer/Paying Agent

Lloyds TSB Registrars
Princess House
1 Suffolk Lane
London EC4R 0AX

DEFINITIONS

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

"Administration and Secretarial Agreement"	the conditional administration and secretarial agreement between the Company and Butterfield Fund Services (Guernsey) Limited dated 29 July 2005, as described in paragraph 8(b) of Part 10 of this document
"Administrator"	Butterfield Fund Services (Guernsey) Limited
"Admission"	the admission of the entire ordinary share capital of the Company to be issued pursuant to the Placing to trading on AIM becoming effective in accordance with paragraph 6 of the AIM Rules
"Advisers Act"	the United States Investment Advisers Act of 1940, as amended
"AIM"	a market operated by the London Stock Exchange
"AIM Rules"	the rules for companies whose shares are traded on AIM, and their nominated advisers, and issued by the London Stock Exchange
"Articles"	the articles of association of the Company, as amended from time to time
"Assumptions"	the principal bases and assumptions set out in Part 6 of this document
"BDC Partners"	BDC Partners, LLC
"Business Day"	a day on which banks are open for business in London and the Channel Islands
"certificated" or in "certificated form"	a share or other security which is not in uncertificated form (i.e. not in CREST)
"City Code"	the City Code on Takeovers and Mergers
"Company" or "T2"	T2 Income Fund Limited
"CREST"	the computerised settlement system to facilitate the transfer of title to shares in uncertificated form operated by CRESTCo
"CRESTCo"	CRESTCo Limited
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755)
"Custodian Agreement"	the conditional custodian agreement between the Company and Butterfield Bank (Guernsey) Limited dated 29 July 2005, as described in paragraph 8(c) of Part 10 of this document
"Directors" or "Board"	the directors of the Company, whose names are set out on page 5 of this document, each member of which being a "Director"
"Financial Services Authority" or "FSA"	the Financial Services Authority of the UK
"FSMA"	the Financial Services and Markets Act 2000, as in force from time to time
"Grant Thornton Corporate Finance"	the corporate finance division of Grant Thornton UK LLP which is authorised and regulated in the United Kingdom by the FSA to carry on investment business
"Investment Company Act"	the United States Investment Company Act of 1940, as amended
"Investment Management Agreement"	the conditional investment management agreement between the Company and the Investment Manager dated 29 July 2005, as described in Part 4 of this document

"Investment Manager" or "T2 Advisers"	T2 Advisers, LLC
"Initial Equity Proceeds"	the aggregate value of the Ordinary Shares issued under the Placing at the Placing Price before the deduction of expenses
"JPMorgan Cazenove"	JPMorgan Cazenove Limited
"London Stock Exchange"	London Stock Exchange plc
"NAV" or "Net Asset Value"	the value of the assets of the Company less its liabilities, determined in accordance with the accounting principles adopted from time to time
"New Ordinary Shares"	the new Ordinary Shares to be allotted and issued pursuant to the Placing
"Official List"	the list maintained by the FSA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA
"Ordinary Shares"	ordinary shares of no par value in the Company
"Placing"	the sale of New Ordinary Shares (through subscription) to institutional investors as more particularly described in Part 7 of this document, on the terms and subject to the conditions set out in Part 11 of this document, comprising 38,000,000 Ordinary Shares
"Placing Agreement"	the conditional agreement entered into between the Company (1), T2 Advisers (2), the Directors (3) and JPMorgan Cazenove (4) dated 29 July 2005 as described in paragraph 8(d) of Part 10 of this document
"Placing Price"	100 pence per New Ordinary Share, being the price at which each Ordinary Share is to be issued under the Placing
"Securities Act"	the United States Securities Act of 1933, as amended
"Shareholders"	registered holders of Ordinary Shares, individually, a "Shareholder"
"TICC"	Technology Investment Capital Corp.
"TIM"	Technology Investment Management, LLC
"Transfer Agent"	Lloyds TSB Registrars
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"uncertificated" or "in uncertificated form"	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which may be transferred by means of CREST
"US" or "USA" or "United States"	the United States of America (including the States thereof and the District of Columbia), its territories and possessions

In this document, unless otherwise specified, all references to "pounds" or "£" are to United Kingdom pounds sterling, references to "dollars" or "$" are to US dollars, references to "CA$" are to Canadian dollars and references to "euros" or "€" are to euros.

SUMMARY INFORMATION

The attention of potential investors is drawn to the Risk Factors in Part 1 of this document. The Ordinary Shares are only suitable for investors who understand the potential risk of capital loss and for whom an investment in the Ordinary Shares constitutes part of a diversified investment portfolio and who fully understand and are willing to assume the risks involved in investing in the Company.

This information is derived from, and should be read in conjunction with, the full text of this document.

The Company

The Company is a newly established closed-ended Guernsey exempt investment company which will be managed by T2 Advisers and will invest primarily in the debt and equity securities of small to medium sized companies, with a particular focus on technology-related companies. Technology-related companies will include those in the following sectors: software, internet, information technology services, media, telecommunications, semiconductors, hardware and technology-enabled services. The Company will seek to achieve a high level of current income by investing in debt securities, and to obtain long-term capital growth through the acquisition of equity interests, which may be acquired as part of the Company's debt investment, or separately.

The Company intends to invest primarily in companies located in the United Kingdom and elsewhere in Europe. However, the Company has a broad investment policy and accordingly may invest outside these parameters and the attention of prospective investors is drawn to the information set out in the paragraph under the heading ''Investment Limitations'' contained in Part 2 of this document.

Investment Objective and Policy

The investment objective of the Company is to maximise its portfolio's total return principally by investing in the debt and equity securities of small to medium sized companies with a particular focus on technology-related companies. These companies will be located primarily in the United Kingdom and elsewhere in Europe. T2 will seek to achieve a high level of current income by investing in debt securities, consisting primarily of senior debt, senior subordinated debt and junior subordinated debt, of technology-related companies. The Company will also seek to provide Shareholders with long-term capital growth through the appreciation in the value of warrants or other equity instruments that may either be purchased separately or received as part of the Company's debt investments. T2 anticipates that capital invested in portfolio companies will generally be used to finance organic growth, acquisitions, recapitalisations and working capital.

Investment Portfolio

As at the date of this document, T2 Advisers has entered into non-binding letters of intent to make five investments totalling approximately £42 million. T2 Advisers is making these potential investments available to the Company and T2 currently expects that the proposed investments described in these non-binding letters of intent will be funded from the net proceeds of the Placing. Further details of the proposed investments are set out in Part 3 of this document.

Anticipated Investor Returns and Initial NAV

The Directors expect that, on the basis of the Assumptions and in the absence of unforeseen circumstances, the Company will pay dividends totalling 7.2p* per Ordinary Share in respect of the four quarters to June 2006 representing an equivalent annual dividend yield of 7.20 per cent.* on the Placing Price over that period. **It must be emphasised that there can be no assurance that these forecasts will be accurate or that the Company will be able to pay dividends at the projected level or at all.**

The Placing

Under the Placing, the New Ordinary Shares have been offered to institutional investors in the United Kingdom and certain other European jurisdictions. The Placing comprises an offer by the Company of 38,000,000 New Ordinary Shares to raise net proceeds of approximately £36.6 million.

Under the Placing, all New Ordinary Shares will be issued at the Placing Price.

* These forecasts relate to dividends only, are not profit forecasts or projections, and are based on the Assumptions set out in Part 6 of this document.

It is expected that Admission will take place by 8.00 a.m. on 5 August 2005. This time and date is subject to change.

In connection with the Placing, the Company, T2 Advisers, the Directors and JPMorgan Cazenove have entered into the Placing Agreement (further details of which are set out in Part 7, and paragraph 8(d) of Part 10, of this document). The terms of and conditions to the Placing are set out in Part 11 of this document.

The Investment Manager

The investment manager to the Company is T2 Advisers, LLC, an investment adviser registered under the Advisers Act. T2 Advisers is owned by BDC Partners, its managing member, and Royce & Associates, LLC, a wholly owned subsidiary of Legg Mason Inc. Jonathan H. Cohen, the chief executive officer of T2 Advisers, and Saul B. Rosenthal, the president of T2 Advisers, are the members of BDC Partners. Under the Investment Management Agreement, the Company has agreed to pay T2 Advisers an annual management fee based on the Company's gross assets and to grant T2 Advisers options representing the right to acquire 4,222,222 Ordinary Shares at an initial price per Ordinary Share equal to the Placing Price subject to the Company achieving certain performance criteria.

PART 1

CERTAIN RISK FACTORS

Potential investors should be aware of the risks associated with an investment in the Company. If any of the following risks actually occur, the Company's business, financial condition and/or results of operations could be materially and adversely effected. In such a case, the trading price of the Ordinary Shares would decline and an investor may lose all or part of his investment. The following risk factors (along with the issues relating to taxation which are set out in Part 8 of this document and all the other information set out in this document) should be carefully considered by potential investors. The risks listed are not exhaustive and are not presented in any order of priority. Accordingly, additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business.

An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. If you are in any doubt about the action you should take, you are advised to consult an investment adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

RISKS RELATING TO THE ORDINARY SHARES AND THEIR TRADING MARKET

AIM

Application will be made for the Ordinary Shares to be admitted to AIM, a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success, and liquidity in the market for the Company's securities, cannot be guaranteed.

No prior trading record for the Company or its Ordinary Shares

Since the Ordinary Shares have not previously traded, their market value is uncertain. There can be no assurance that the market will value the Ordinary Shares at the Placing Price. Following Admission the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment. The Company's operating results and prospects from time to time may be below the expectations of market analysts and investors.

At the same time, share market conditions may affect the Ordinary Shares regardless of the operating performance of the Company. Share market conditions are affected by many factors, such as general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply of capital.

Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Company while others of which may be outside the Company's control.

Limited regulatory control

The holders of the Ordinary Shares will not enjoy any protections or rights other than those reflected in the Articles and those rights conferred by law. Neither the Listing Rules of the FSA nor the Principles of Good Governance and Code of Best Practice will apply to the Company.

The market value of, and the income derived from, the Ordinary Shares can fluctuate

Investors may not get back the full value of their investment. The Company does not have a fixed winding up date and therefore, unless Shareholders vote to wind up the Company, Shareholders will only be able to realise their investment through the market.

Investment objectives

There can be no guarantee that the investment objectives of the Company will be met.

There is no guarantee that the expected dividends will be paid

The Assumptions are assumptions only and may or may not be realised. It is expected that the proceeds of the Placing will, subject to prevailing market conditions, be invested within nine months of Admission in accordance with the Company's investment objectives and policy. If the proceeds of the Placing are not invested within this period and if investments are not made in the potential portfolio companies referred to in Part 3 of this document on the terms set out in Part 3, then the potential returns available for Shareholders, including dividends, may be less than the illustrative returns set out in this document, due to an inability to achieve the target portfolio yield. **There can be no assurances that the Company will be able to pay dividends in the future.**

A change to Guernsey law could affect the Company's ability to pay dividends or the Company's tax exempt status

Although not in the European Union, Guernsey, in common with other jurisdictions, has voluntarily agreed to apply the same or equivalent measures to those in the EU Savings Tax Directive; with the exception that the individual to whom interest is paid may choose between paying a retention tax or permitting the disclosure of information to their home state tax authority. However, dividends paid on Ordinary Shares are outside the scope of these measures. If under Guernsey law there were to be a change to the basis on which dividends could be paid by Guernsey companies, this could have a negative effect on the Company's ability to pay dividends. In November 2002, Guernsey announced that it would introduce a zero rate of corporation tax. It is believed that such a policy may be a reality in or after 2008. It is currently envisaged that the general rate of income tax paid by any Guernsey company will be reduced to zero per cent. This would mean that exempt company status and international company status will be abolished. However this will not result in any material change for the Company as T2 is currently exempt from paying tax in Guernsey and will effectively remain so under the proposed new regime.

Risk of adverse tax consequences by reason of having a permanent establishment

If T2 were treated as having a permanent establishment in any country in which it invests, profits attributable to such permanent establishment may be subject to tax.

T2 will not be registered under the Investment Company Act

T2 will not be registered as an investment company in the United States under the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which will be applicable to the Company or investors in the Company.

Shareholders may not be entitled to the takeover offer protections provided by the City Code on Takeovers and Mergers

The City Code applies, *inter alia*, to offers for all listed public companies considered by the Panel on Takeovers and Mergers to be resident in the United Kingdom, the Channel Islands (which includes Guernsey) or the Isle of Man. However, the Panel on Takeovers and Mergers will normally consider a company resident in the United Kingdom, the Channel Islands or the Isle of Man only if it is incorporated in one of those jurisdictions and has its place of central management in one of those jurisdictions.

The Panel on Takeovers and Mergers may not regard T2 as having its place of central management in the United Kingdom, the Channel Islands or the Isle of Man, in which case the Panel on Takeovers and Mergers may decline to apply the City Code to T2 with the result that Shareholders will not receive the benefit of the takeover offer protections provided by the City Code.

Future issues of Ordinary Share could dilute the interest of existing Shareholders and lower the price of the Ordinary Shares

T2 intends in the future to issue additional Ordinary Shares in subsequent offerings. T2 is not required under Guernsey law to offer any such Ordinary Shares to existing Shareholders on a pre-emptive basis. Therefore, it may not be possible for existing Shareholders to participate in such future issues of Ordinary Shares, which would dilute the existing Shareholders' interests in the Company. In addition the Investment Manager will have options giving it the right to acquire 4,222,222 Ordinary Shares at the Placing Price, subject to the Company achieving certain performance criteria. The issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline.

RISKS RELATING TO THE COMPANY'S BUSINESS AND STRUCTURE

T2 is a new company with no operating history

The Company was incorporated on 9 June 2005 and has no operating history. T2 is subject to all of the business risks and uncertainties associated with any new business enterprise; including the risk that the Company will not achieve its investment objective and that the value of a Shareholder's investment in T2 could decline substantially.

T2 may not be able to invest in a sufficient number of portfolio companies of sufficient calibre

There is no guarantee that the Company will be able to invest funds raised in the potential portfolio companies referred to in Part 3 of this document or in investment opportunities with similar characteristics to the potential portfolio companies referred to in Part 3 of this document or at all. Having excess uninvested cash may affect the Company's ability to pay dividends at the expected rate and restrict dividend growth, if any. Dividend growth on the Ordinary Shares will depend principally on growth in income received from the Company's underlying investments.

T2 is dependent upon T2 Advisers' key management personnel for its future success, particularly Jonathan H. Cohen, Saul B. Rosenthal and Lee D. Stern

The Company is dependent on the diligence, skill and network of business contacts of the senior management of T2 Advisers. The senior management, together with other investment professionals, will evaluate, negotiate, structure, realise, monitor and service the Company's investments. The Company's future success will depend to a significant extent on the continued service and coordination of the senior management team, particularly Jonathan H. Cohen, the chief executive officer of T2 Advisers, Saul B. Rosenthal, the president and chief operating officer of T2 Advisers, and Lee D. Stern, the chief transaction officer of T2 Advisers. None of these personnel will devote substantially all of their business time to T2's operations. The Investment Manager intends to hire additional investment personnel following completion of the Placing, however this may not be achieved.

The Company's financial condition and results of operations will depend on its, and the Investment Manager's, ability to manage future growth effectively

The Company's ability to achieve its investment objective will depend on its ability to grow, which will depend, in turn, on the ability of the Investment Manager to identify, analyse, invest in and finance companies that meet T2's investment criteria. Accomplishing this result on a cost-effective basis is largely a function of the Investment Manager's structuring of the investment process, its ability to provide competent, attentive and efficient services to T2 and the Company's access to financing on acceptable terms. As T2 grows, T2 Advisers will need to hire, train, supervise and manage new employees. Failure to manage future growth effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company operates in a highly competitive market for investment opportunities

A large number of entities will compete with the Company to make the types of investments that the Company intends to make. The Company will compete with a large number of private equity and venture capital funds, other equity and non-equity based investment funds, investment banks and other sources of financing, including traditional financial services companies such as commercial banks and speciality finance companies. Many of the Company's competitors are substantially larger and have considerably greater financial, technical and marketing resources than T2. For example, some competitors might have a lower cost of funds and access to funding sources that are not available to T2. In addition, some of the Company's competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than T2. There can be no assurance that the competitive pressures T2 faces will not have a material adverse effect on the Company's business, financial condition and results of operations. Also, as a result of this competition, T2 may not be able to take advantage of attractive investment opportunities from time to time, and the Company can offer no assurance that it will be able to identify and make investments that are consistent with the Company's investment objective.

The T2 business model depends upon the development of strong referral relationships with private equity and venture capital funds and investment banking firms

Senior management of T2 Advisers maintain active communication with private equity and venture capital funds and investment banking firms in order to seek out investment opportunities. The Directors expect that T2 will rely to a significant extent upon these informal relationships to provide the Company with opportunities for investment. If the senior management of T2 Advisers fails to maintain relationships with key firms, or if T2 fails to establish strong referral relationships with other firms or other sources of investment opportunities, the Company will not be able to grow its portfolio of loans and achieve its investment objective. In addition, persons with whom T2 and the senior management of T2 Advisers have informal relationships are not obliged to provide the Company with investment opportunities, and therefore, there is no assurance that such relationships will lead to the origination of debt or other investments.

The Company may not realise gains from its equity investments

When the Company invests in debt securities, it generally expects also to acquire warrants to purchase equity as part of that debt investment. In addition, the Company may make equity investments which may consist of ordinary or preferred shares, although it is intended that this will generally be in conjunction with debt investments. The Company's goal is ultimately to dispose of these equity interests and realise gains upon the disposition of such interests. Over time, the gains that T2 may realise on the equity interests that it holds may offset, to some extent, losses T2 may experience on defaults under the debt securities that it holds. However, the equity interests T2 receives may not appreciate in value and, in fact, may decline in value. Accordingly, the Company may not be able to realise gains from its equity interests, and hence any gains that T2 does realise on the disposition of any equity interests may not be sufficient to offset any other losses the Company experiences.

As most of the Company's investments are not anticipated to be in publicly traded securities, there may be uncertainty regarding the value of the Company's investments, which could adversely affect the determination of net asset value

The Company's portfolio investments will generally not be in publicly traded securities. As a result, the fair value of these securities will not be readily determinable. The Company will seek to value these securities at fair value as determined in good faith by the Board. The Board intends to utilise the services of an independent valuation firm. However, the Board retains ultimate authority in determining the appropriate valuation of each investment. The type of factors that the valuation committee takes into account in providing its fair value recommendation to the Board include, as applicable, the nature and value of any collateral, the portfolio company's ability to make payments and its earnings, the markets in which the portfolio company does business, comparisons to valuations of publicly traded companies, comparisons to recent sales of comparable companies, the discounted value of the cash flows of the portfolio company and other relevant factors. As such valuations are inherently uncertain and may be based on estimates, the Board's determination of fair value may differ materially from the values that would be assessed if a ready market for these securities existed.

The lack of liquidity in its investments may adversely affect the Company's business

As stated above, the Company's investments will not generally be in publicly traded securities. Substantially all of the securities in which the Company invests will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. The illiquidity of the Company's investments may make it difficult for T2 to sell such investments if the need arises. Also, if T2 is required to liquidate all or a portion of its portfolio quickly, the Company may realise significantly less than the value at which it has previously recorded its investments. In addition, since T2 generally intends to invest in debt securities with a term of up to seven years and hold investments in debt securities and related equity securities until maturity of the debt, the Company does not expect realisation events, if any, to occur in the near-term. The Company expects that its holdings of equity securities may require several years to appreciate in value, and can offer no assurance that such appreciation will occur.

The Company may experience fluctuations in its results

The Company may experience fluctuations in its interim operating results due to a number of factors, including the rate at which the Company makes new investments, the interest rates payable on the debt securities it acquires, the default rate on such securities, the level of expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which it encounters competition in its

markets and general economic conditions. Accordingly, results for any period should not be relied upon as being indicative of performance in future periods.

A change in interest rates may adversely affect the Company's profitability

A portion of the Company's income may, in the future, if the Board determines that the Company should borrow to fund future investments, depend upon the difference between the rate of interest the Company is required to pay on borrowed funds and the rate of interest which it receives on the debt securities in which it invests. The Company anticipates that in the future it may use a combination of equity and long-term and short-term borrowings to finance its investment activities. Some of the Company's investments in debt securities will be at fixed rates and others will be at variable rates. To the extent that the Company's interest expense on its borrowings increases to a greater extent than the interest income on its investments, including as a result of defaults by portfolio companies, this may reduce the value of the Ordinary Shares, the Company's net income, and the Company's ability to pay dividends.

Exchange rate fluctuations may affect returns

The Company may make investments in currencies other than Pounds Sterling. To the extent that it does so, the Company will be exposed to a potentially adverse currency risk. Changes in the Pound's rate of exchange with other currencies may affect the value of the Company's investments, and the level of income that it receives from those investments.

Risks associated with hedging arrangements

The Company may, but will not be required to, hedge against interest rate fluctuations by using standard hedging instruments such as futures, options and forward contracts, subject to applicable legal requirements. These activities may limit the Company's ability to participate in the benefits of lower interest rates with respect to the hedged portfolio. Adverse developments resulting from changes in interest rates or losses on hedging transactions could have a material adverse effect on the Company's business, financial condition and results of operations.

There are significant potential conflicts of interest, which could adversely impact investment returns

The executive officers of the Company's investment manager, T2 Advisers, serve or may serve as officers and directors of entities who operate in the same or related line of business as T2. Accordingly, they may have obligations to investors in those entities, the fulfilment of which might not be in the best interests of T2 or its Shareholders. For example, Jonathan H. Cohen, the chief executive officer of T2 Advisers, is the chief executive officer of TIM, BDC Partners and TICC, and the principal of JHC Capital Management, LLC, a US registered investment adviser. In order to minimise the potential conflicts of interest that might arise, the Company has adopted a policy that prohibits it from making investments in, or otherwise knowingly doing business with, any company in which any fund or other client account managed by JHC Capital Management or Royce Associates, LLC holds a long or short position. The investment focus of each of these entities tends to be different from the Company's investment objective. Nevertheless, it is possible that new investment opportunities that meet the Company's investment objective may come to the attention of one of these entities in connection with another investment advisory client or programme, and, if so, such opportunity might not be offered, or otherwise made available, to T2. Also, T2's investment policy precluding the investments referred to above could cause the Company to miss out on some investment opportunities. However, the Company's executive officers, its Directors and the Investment Manager intend to treat the Company in a fair and equitable manner over time consistent with their applicable duties under law so that the Company will not be disadvantaged in relation to any other particular client.

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

The Company and its portfolio companies will be subject to regulation and laws imposed by the countries in which they operate. These laws and regulations, as well as their interpretation, may be changed from time to time. Accordingly, any change in these laws or regulations could have a material adverse effect on the Company's business.

Gearing

Prospective investors should be aware that, whilst the use of borrowings should enhance the Net Asset Value of the Ordinary Shares when the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the Company's income falls for

whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders.

Overseas jurisdictions

The Company will be subject to different laws and regulations regarding debt investments and the level of creditor protection it can receive in each of the jurisdictions in which it proposes to make investments. Differences in such laws and regulations may affect the Company's ability to structure investments in a consistent and cost effective manner and to take adequate security provisions.

RISKS RELATED TO THE COMPANY'S INVESTMENTS

The Company's portfolio may be concentrated in a limited number of portfolio companies in the technology-related sector

A consequence of this limited number of investments is that the aggregate returns T2 realises may be significantly adversely affected if a small number of investments perform poorly or if T2 needs to write down the value of any one investment. T2 may be subject to a risk of significant loss if any of these companies defaults on its obligations under any of its debt securities held by T2 or if the technology-related sector experiences a further downturn. T2 does not have fixed guidelines for diversification and investments could be concentrated in relatively few portfolio companies. In addition, T2 intends to concentrate in the technology-related sector and to invest, under normal circumstances, a substantial portion of the value of its assets (including the amount of any borrowings for investment purposes) in technology-related companies. As a result, a downturn in the technology-related sector could materially adversely affect T2.

The technology-related sector is subject to many risks, including volatility, intense competition, decreasing life cycles and periodic downturns

T2 intends to invest in companies in the technology-related sector, some of which may have relatively short operating histories. The revenues, income (or losses) and valuations of technology-related companies can and often do fluctuate suddenly and dramatically. Also, the technology-related market is generally characterised by abrupt business cycles and intense competition. Since mid-2000, there has been substantial excess capacity and a significant slowdown in many industries in the technology-related sector. In addition, this excess capacity, together with a cyclical economic downturn, resulted in substantial decreases in the market capitalisation of many technology-related companies. While such valuations have recovered to some extent, T2 can offer no assurance that such decreases in market capitalisations will not recur, or that any future decreases in technology company valuations will be insubstantial or temporary in nature. Accordingly, T2's portfolio companies may face considerably more risk of loss than companies in other industry sectors. In addition, because of rapid technological change, the average selling prices of products and some services provided by the technology-related sector have historically decreased over their productive lives. Accordingly, the average selling prices of products and services offered by T2's portfolio companies may decrease over time, which could adversely affect their operating results and their ability to meet their obligations under their debt securities, as well as the value of any equity securities, that T2 may hold. This could, in turn, materially adversely affect T2's business, financial condition and results of operations.

Non traditional financial profiles

The balance sheet of a technology-related company often includes a disproportionately large amount of intellectual property assets as compared to the balance sheets of traditional industrial and service companies. This can make these companies difficult to evaluate using traditional lending criteria and, to the extent that creditors seek collateral, makes the process of obtaining security on, and foreclosing on, collateral more difficult than would be the case in respect of loans to industrial companies.

Security arrangements

The debt investments that the Company intends to make may be wholly or partially secured, or may be unsecured. Some of the investments that the Company intends to make may be subordinated in right of payment, or rank junior to other secured debts of a portfolio company. In the event that the portfolio company defaults upon its obligations to repay the Company, or becomes insolvent, the Company's ability to recover the value of its investment will be dependent, among other things, upon its security interest. There can be no assurance that the Company will be able to recover the full value of its investment where it holds a senior ranking security interest, and the likelihood of its doing so where it holds a partial, second ranking, or unsecured interest is reduced still further.

The collateral securing an investment may be insufficient

The Company intends to invest a substantial amount of its assets in debt securities issued by technology-related companies. The assets of technology-related companies often include a large amount of intellectual property. Obtaining security over such assets, or realising value from such assets once secured, may be more difficult than in the case of tangible assets such as, for example, stock in trade or real property.

Enforcement of security in foreign jurisdictions

Bankruptcy and insolvency laws differ from country to country, and certain jurisdictions accord creditors more favourable rights than others. Should a portfolio company become insolvent, applicable bankruptcy laws may adversely affect the Company's ability to realise any collateral securing an investment, or to obtain or retain payments from a portfolio company.

Investments in the technology-related companies that the Company intends to target may be extremely risky and the Company could lose all or part of its investment

Investment in the technology-related companies that the Company intends to target involve a number of significant risks, including:

- although a prospective portfolio company's assets are one component of the T2 Advisers' analysis when determining whether to provide debt capital, T2 generally will not base an investment decision primarily on the liquidation value of a company's balance sheet assets. Instead, given the nature of the portfolio companies in which T2 intends to invest, T2 Advisers will review the portfolio company's historical and projected cash flows, equity capital and "soft" assets, including intellectual property (patented and non-patented), databases and business relationships (both contractual and non-contractual). Accordingly, considerably higher levels of overall risk are likely to be associated with T2's portfolio compared with that of a traditional asset-based lender whose security consists primarily of receivables, inventories, equipment and other tangible assets. Interest rates payable by portfolio companies may not compensate for these additional risks;
- portfolio companies may have limited financial resources and may be unable to meet their obligations under the debt securities that the Company holds, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of T2 realising any security it may have obtained in connection with its investment;
- portfolio companies will typically have limited operating histories, narrower product lines and smaller market shares than larger businesses, which, in turn, tends to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- because portfolio companies will generally be privately owned, there is generally little publicly available information about these businesses; accordingly, although the Investment Manager will perform "due diligence" investigations on these portfolio companies, their operations and their prospects, T2 Advisers may not learn all of the material information it needs to know regarding these businesses;
- the portfolio companies are more likely to depend on the management talents and efforts of a small group of persons; accordingly, the death, disability, resignation or termination of the employment of one or more of these persons could have a material adverse impact on the portfolio company and, in turn, on T2; and
- the portfolio companies will generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position.

A failure by a portfolio company to satisfy financial or operating covenants imposed by T2 or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardise that portfolio company's ability to meet its obligations under the debt securities that T2 holds. The Company may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if a portfolio company becomes insolvent, even though T2 Advisers may have structured the Company's interest as senior debt, depending on the facts and circumstances, a bankruptcy court might recharacterise the Company's debt holding and subordinate all or a portion of T2's claim to that of other creditors.

Payments in respect of the Company's investments may be subject to taxation or withholding

Although the Company is a Guernsey exempt investment company that will not be subject to entity level tax in Guernsey, payments made to the Company by portfolio companies or the proceeds of realisation of portfolio company investments may be subject to local tax or withholding in certain circumstances in certain jurisdictions. For example, interest payments of certain portfolio companies may be subject to mandatory withholding, and the withheld amounts may not be capable of recovery by the Company. While the Company and the Investment Manager propose, where appropriate, to structure the Company's investments to reduce such instances, it will not be able to avoid withholding or local taxation in respect of all investments.

Local licensing requirements

There may be certain jurisdictions in which the Company wishes to pursue investment opportunities where the making of investments, and in particular debt investments, is restricted by local law or regulation or requires specific licensing, for instance a banking or lending licence. In such cases, the Company may be restricted from pursuing an investment opportunity if it does not have the applicable local licence. The Company does not currently propose to apply for licences to conduct its business in any jurisdiction and the costs of applying for and maintaining such licences may in any event be prohibitive.

T2's portfolio companies may incur debt that ranks equally with, or senior to, T2's own investments in such companies

T2 intends to invest primarily in senior ranking debt securities, but may also invest in subordinated debt securities, issued by its portfolio companies. In some cases portfolio companies will be permitted to have other debt that ranks equally with, or senior to, the debt securities in which T2 invests. By their terms, such debt instruments may provide that the holders thereof are entitled to receive payment of interest or principal on or before the dates on which T2 is entitled to receive payments in respect of the debt securities in which T2 invests. Also, in the event of insolvency, liquidation, dissolution, reorganisation or bankruptcy of a portfolio company, holders of debt instruments ranking senior to T2's investment in that portfolio company would typically be entitled to receive payment in full before T2 receives any distribution in respect of its investment. After repaying such senior creditors, the portfolio company may not have any remaining assets to use to repay its obligation to T2. In the case of debt ranking equally with debt securities in which T2 invests, the Company would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganisation or bankruptcy of the relevant portfolio company.

Lack of voting control of portfolio companies

As a holder of a portfolio company's debt securities, T2 will not be able to exercise the same rights of control available to the holders of the portfolio company's equity. Accordingly, T2 is subject to the risk that a portfolio company in which it invests may make business decisions with which T2 disagrees and the management of such companies, when considering the interest of the portfolio company's shareholders, may take risks or otherwise act in ways that do not best serve the Company's interests as a debt investor, and T2 will not be able to prevent such actions.

RISKS RELATING TO THE INVESTMENT MANAGER

Experience of the Investment Manager and its personnel

While the employees of the Investment Manager have significant experience in making debt and equity investments in US technology-related companies, their experience in European jurisdictions, including the United Kingdom, is substantially less extensive. The lack of familiarity of the Investment Manager and its personnel with the laws, regulations and business environments of, and companies operating in, certain European jurisdictions (including, without limitation, lending laws, creditor protection laws and customary transaction structures) may have an adverse impact on the Company and could result in losses to the Company.

T2's performance is dependent on T2 Advisers, and T2 may not find a suitable replacement if T2 Advisers terminates the Investment Management Agreement

T2 has no employees other than a chief financial officer and no separate facilities and is reliant on T2 Advisers, which has significant discretion as to the implementation of T2's operating policies and strategies. T2 is subject to the risk that T2 Advisers will terminate the Investment Management Agreement

and that no suitable replacement will be found. In addition, the Directors believe that the Company's success depends to a significant extent upon the experience of the Investment Manager's executive officers, whose continued service is not guaranteed. The departure of a key executive of the Investment Manager may have an adverse effect on the performance of the Company.

There may be conflicts of interest in T2's relationship with T2 Advisers

T2 Advisers's personnel manage and invest in other investment vehicles, including TIM. These relationships may lead to conflicts of interest. For example, certain investments appropriate for T2 may also be appropriate for one or more of these other investment vehicles and T2 Advisers' personnel may decide to make a particular investment through another investment vehicle rather than through T2. T2 Advisers may also engage in additional management and investment opportunities in the future which may also compete with the Company for investments.

The ability of T2 Advisers and its officers and employees to engage in other business activities will reduce the time T2 Advisers spends managing T2, potentially to the detriment of the Company. T2 may engage in a material transaction with T2 Advisers or another entity managed by T2 Advisers provided the transaction is on arms' length commercial terms.

Broad investment guidelines

T2 Advisers is authorised to follow very broad investment guidelines. Although the Board will periodically review the Company's investment guidelines and investments, it will not review each proposed investment. Accordingly, transactions entered into by T2 Advisers may be difficult or impossible to unwind by the time they are reviewed by the Board.

Regulatory status of the Investment Manager

While the Investment Manager is registered as an investment adviser pursuant to the US Advisers Act, it will not (nor will its personnel) be subject to regulation by the Financial Services Authority. Accordingly, the Investment Manager will not be subject to the requirements applicable to persons who are authorised by the Financial Services Authority to provide investment management and similar services in the United Kingdom.

The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations involved in investing in T2. Accordingly and as noted above, additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business.

PART 2

THE COMPANY

Introduction

The Company is a newly established closed-ended Guernsey exempt investment company which will be managed by T2 Advisers and will invest primarily in the debt and equity securities of small to medium sized companies, with a particular focus on technology-related companies. Technology-related companies will include those in the following sectors: software, internet, information technology services, media, telecommunications, semiconductors, hardware and technology-enabled services. The Company will seek to achieve a high level of current income by investing in debt securities, and to obtain long-term capital growth through the acquisition of equity interests, which may be acquired as part of the Company's debt investments, or separately.

The Company intends to invest primarily in companies located in the United Kingdom and elsewhere in Europe. However, the Company has a broad investment policy and accordingly may invest outside these parameters and the attention of prospective investors is drawn to the information set out in the paragraph under the heading "Investment Limitations" contained in this Part 2 of this document.

T2 was established to take advantage of investment opportunities in the United Kingdom and elsewhere in Europe. T2 is managed by T2 Advisers whose principals are also the same senior management as Technology Investment Capital Corp. TICC is a NASDAQ quoted investment company that, due to US regulatory requirements, is generally unable to participate in non-US investment opportunities.

TICC has to date raised an aggregate of $182 million net in equity through its initial public offering in November 2003 and a subsequent public transferable rights offering to shareholders in January 2005. In addition, in May 2005, TICC entered into a $35 million revolving credit facility in order to provide debt finance for investments, bringing the total capital resources raised by TICC to approximately $217 million. Since November 2003, TICC has invested and committed approximately $180 million in 16 technology-related companies.

The investment manager is T2 Advisers, LLC, an investment adviser registered under the Advisers Act. The Investment Manager is owned by BDC Partners, its managing member, and Royce & Associates, LLC, a wholly owned subsidiary of Legg Mason, Inc. Jonathan H. Cohen, the chief executive officer of T2 Advisers, and Saul B. Rosenthal, the president of T2 Advisers, are the members of BDC Partners. Under the Investment Management Agreement, the Company has agreed to pay T2 Advisers an annual management fee based on the Company's gross assets in addition to granting to T2 Advisers share options whose exercise is dependent upon performance, as described further in Part 4 and in paragraph 8 of Part 10 of this document.

T2 Advisers and TIM, the respective investment managers of T2 and TICC, share common investment personnel, including Jonathan H. Cohen, Saul B. Rosenthal and Lee D. Stern.

Further details of the Investment Manager and the Investment Management Agreement are set out in Part 10 of this document.

Investment Objective and Policy

The investment objective of the Company is to provide Shareholders with an attractive level of income by investing in the debt securities of small to medium sized companies primarily located in the United Kingdom and elsewhere in Europe, with a particular focus on technology-related companies. T2 will seek to achieve a high level of current income by investing in debt securities, consisting primarily of senior debt, senior subordinated debt and junior subordinated debt, of primarily technology-related companies. The Company will also seek to provide Shareholders with long-term capital growth through the appreciation in the value of warrants or other equity instruments that may either be purchased separately or received as part of the Company's debt investments.

The Directors expect generally to concentrate the Company's investments in companies having annual revenues of less than £75 million and/or a market capitalisation of less than £150 million. The Directors anticipate that the size of individual investments will be limited at the time of their acquisition to 15 per cent. of the Company's gross assets from time to time, although T2 may originate investments having a value, at the time of their acquisition, larger than this percentage (including certain of the prospective portfolio companies referred to in Part 3 of this document) and in such circumstances it may seek to syndicate or sell a

portion of its initial investment. Additionally, the Directors expect investments typically to mature in up to seven years and accrue interest at fixed or variable rates. T2 anticipates that capital will generally be used by portfolio companies to finance organic growth, acquisitions, recapitalisations and working capital.

Once the Company has invested substantially all the Initial Equity Proceeds, the Directors will consider raising additional funds for investment through issues of its equity or through borrowing. The Directors anticipate that the amount of any borrowing, at the date it is incurred, will be no more than the Company's NAV (excluding any amounts in respect of such borrowing) on such date.

The Company may only amend its investment objectives and policy with the approval of the Shareholders in a general meeting.

Investment Strategy

T2 intends primarily to target UK and other European businesses with attractive fundamental characteristics including experienced management, a significant financial or strategic sponsor or partner, a strong competitive position, positive cash flow and a clearly defined exit strategy. T2 Advisers will seek to take advantage of its current relationships with US and global private equity and venture capital funds which are increasing investment activities outside the US. Investment decisions will be based on extensive analysis of the business operations of potential portfolio companies supported by an understanding of the quality of their recurring revenues and cash flow, variability of costs and the inherent value of their assets, including proprietary intangible assets and intellectual property.

Anticipated Dividends

The Directors will determine the Company's dividend policy. As at the date of this document, dividends on the Ordinary Shares are expected to be paid in respect of each financial year in quarterly instalments in March, June, September and December. The Company intends to distribute substantially all of its net income in the form of dividends. All dividends will be paid as interim dividends. The Directors anticipate that, on the basis of the Assumptions and in the absence of unforeseen circumstances, the Company will pay dividends totalling 7.2p* per Ordinary Share in respect of the four quarters to June 2006 representing an equivalent annual dividend yield of 7.20 per cent.* on the Placing Price over that period. **It must be emphasised that there can be no assurance that these forecasts will be accurate or that the Company will be able to pay dividends at the projected level or at all.**

Further information on the tax treatment of an investment in the Company is set out in Part 8 of this document.

On the basis of the Assumptions, the proceeds of the Placing will be fully invested within nine months of Admission. No account of potential gains from equity participation or warrant positions in portfolio companies, or other fees such as prepayment penalties have been taken into account in deriving the anticipated dividends. Such potential gains, should they arise, may be distributed to Shareholders as dividends or may be returned to Shareholders by way of repurchases of the Ordinary Shares, or retained by the Company.

Market Opportunity and Prospects

The period since mid-2000 has seen dramatic shifts in the competitive landscape across the technology sector. Significant global declines in corporate and consumer demand for information technology products and services have driven vigorous price competition and numerous corporate reorganisations in technology-related industries. Many companies have merged with competitors, scaled-back their operations or simply closed down in response to these difficult business conditions. The Directors believe that further consolidation will take place in these industries. At the same time, technology-related companies with strong balance sheets, stable revenues and efficient operating structures are benefiting from the consolidation or elimination of competitors in their markets.

Large, under-served market for the product

In this environment, the Directors believe that many European-based technology-related companies could benefit from improved access to capital and that a significant opportunity exists to provide them with debt capital. The compression of valuations of technology-related companies in the public equity markets, together with a decline in the number of successful initial public offerings, have limited the availability of

* These forecasts relate to dividends only, are not profit forecasts and are based on the Assumptions. There can be no assurance that these forecasts will be accurate or that the Company will be able to pay dividends at the projected level or at all. The Directors may revise the dividend policy from time to time.

public equity financing. These developments have also impeded new funding by private sources of equity capital, such as private equity and venture capital funds, to the extent they have been unable to execute successful exit strategies with respect to their portfolio holdings. At the same time, many technology-related companies have had difficulty raising alternative forms of capital. Historically, technology-related companies have generally relied upon equity rather than debt financing. Accordingly, the Directors and the Investment Manager believe that the market for debt financing of technology-related companies is generally less developed than the debt markets serving other types of businesses. Despite the current large number of technology-related companies in Europe, the Directors believe that these companies are significantly and broadly under-served by traditional lenders (such as commercial banks) including for the following reasons:

- *Non-traditional financial profiles* – the balance sheet of a technology-related company often includes a disproportionately large amount of intellectual property assets as compared to the balance sheets of traditional industrial and service companies. This can make technology-related companies difficult to evaluate using traditional lending criteria and, to the extent that creditors seek collateral, makes the process of obtaining security on, and foreclosing on, collateral more difficult than would be the case in respect of loans to industrial companies. In terms of the income statement profile, the high revenue growth rates characteristic of technology-related companies often render them difficult to evaluate from a credit perspective. Moreover, technology-related companies often incur relatively high expenditures for research and development, utilise unorthodox sales and marketing techniques and selling structures, and experience rapid shifts in technology, consumer demand and market share. These attributes can, the Directors believe, make it difficult for traditional lenders to analyse technology-related companies using traditional analytical methods.

- *Industry scale, concentration and regulation* – many companies in technology-related industries lack the size, and the markets in which they operate lack the concentrations, necessary to justify large loans by traditional lenders. A portfolio of numerous small loans to smaller companies typically entails greater management oversight and has associated with it greater monitoring costs than a portfolio consisting of a few large loans to larger companies. Accordingly, small loans are less attractive for large institutions burdened by sizeable administrative overheads. In addition, traditional lending institutions operate in a regulatory environment that favours lending to large, established businesses. Over time, many traditional lending institutions have developed loan approval processes in response to such regulation that conflict with the entrepreneurial culture of smaller technology-related companies.

For the reasons outlined above, the Directors believe that many viable European technology-related companies have either not been able, or have not elected, to obtain financing from traditional lending institutions. The Directors further believe that these factors are likely to continue, given the ongoing consolidation in the financial services industry, and T2 will seek to take advantage of this perceived opportunity to invest profitably in the debt securities of technology-related companies.

Complementing private equity and venture capital funds

The Directors believe that the Company's investment approach complements other sources of capital available to technology-related companies. For example, although T2 may compete with private equity and venture capital funds as a source of capital for such businesses, those types of investors typically invest primarily or solely in equity securities.

The Directors further believe that the nature of the Company's proposed investments in debt securities will be viewed by such entities as an attractive alternative source of capital. Private equity and venture capital funds often base their investments on anticipated annual internal rates of return that are substantially higher than the annual internal rates of return that the Company has set as its operating target. However, private equity and venture capital investments typically entail considerably more risk than the debt investments that the Company expects to make, as they are usually uncollateralised and rank lower in priority in the capital structure of the portfolio companies. Moreover, private equity and venture capital funds often demand a significantly greater percentage of equity ownership interests than would be required in a transaction involving debt.

As described further in Part 3 of this document under the heading "Prospective Portfolio Companies", the Investment Manager is in negotiations with a number of potential portfolio companies in which the Company may invest. The Directors believe that, as a result of the Placing, the Company will be well positioned to take advantage of these and other opportunities for investment.

Competitive Advantages

The Directors believe that T2 is well positioned to provide financing to UK and European technology-related companies for the following reasons:

Technology focus

T2 intends to concentrate on investments in companies in technology-related industries. The Directors believe that this focus, together with the experience of the investment personnel of T2 Advisers in analysing, investing in and financing such companies (primarily in the US), will enable the Company to develop a sustainable competitive advantage. In particular, the investment personnel of T2 Advisers have significant expertise in assessing the value of intellectual property assets, and in evaluating the operating characteristics of technology-related companies. The Directors believe that the Investment Manager's expertise in financing companies in a range of industries within the technology-related sector will enable it to identify investment opportunities and to advise technology-related companies on consolidation and exit financing opportunities more rapidly and effectively than less specialised investors.

Expertise in originating, structuring and monitoring investments

The senior investment professionals of the Investment Manager are as follows:

- Jonathan H. Cohen, the chief executive officer of T2 Advisers and BDC Partners, has more than 15 years of experience in technology related equity research and investment. Mr. Cohen is also the chief executive officer of TICC and the owner and a principal of JHC Capital Management, LLC, a US registered investment adviser that serves as the sub-adviser to Royce Technology Value Fund, a technology-focused mutual fund. He was a member of the Institutional Investor's "All-American" research team in 1996, 1997 and 1998. During his career, Mr. Cohen has managed technology research groups covering computer software and hardware companies, telecommunication companies and semiconductor companies at several firms, including Wit SoundView, Merrill Lynch & Co., UBS Securities and Salomon Smith Barney.
- Saul B. Rosenthal, the president of T2 Advisers and BDC Partners, has six years of experience in the capital markets, with a focus on small to middle-market transactions in the technology sector. Mr. Rosenthal is also the President of TICC. Previously, Mr. Rosenthal served as President of Privet Financial Securities, LLC, a broker-dealer providing advisory services to technology companies, and previously led the private financing/public company effort at SoundView Technology Group, where he co-founded SoundView's Private Equity Group. He was a Vice-President and co-founder of the Private Equity Group at Wit Capital from 1998 to 2000. Prior to joining Wit Capital, Mr. Rosenthal was an attorney at the law firm of Shearman & Sterling LLP.
- Lee D. Stern, the chief transaction officer of T2 Advisers and BDC Partners, has more than 20 years of financial and investment experience in leveraged finance and in financing technology companies. Mr. Stern is also the Chief Transaction Officer of TICC. Previously, Mr. Stern was a senior professional at Hill Street Capital, and prior to that, he was a partner of ThomasWeisel Partners and its predecessor, NationsBanc Montgomery, where he focused on leveraged transactions relating to acquisition finance and leveraged buyouts, including private and public mezzanine finance. Mr. Stern was also previously a managing director at Nomura Securities International, Inc., where he played a key role in building that firm's merchant banking and principal debt investing business, and was a member of Nomura Securities International's commitment and underwriting committees.

Flexible investment approach

The Investment Manager will have significant flexibility in selecting and structuring the Company's investments. The Investment Manager will seek to structure the Company's investments by means of debt or equity securities (as appropriate), so as to take into account the uncertain and potentially variable financial performance of portfolio companies. Portfolio companies are expected to be able to retain access to committed capital at different stages in their development and eliminate some of the uncertainty surrounding their capital planning decisions. The Company's rates of return will be calculated on invested capital based on a combination of up-front closing and commitment fees, current and deferred interest payments and exit values, which may take the form of ordinary shares, warrants, or other equity-linked instruments. The Directors believe that this flexible approach to structuring investments will facilitate positive, long-term relationships with portfolio companies and their equity sponsors and enable the Company to become a preferred source of capital. The Directors also believe that the Company's approach should enable debt

financing to develop into a viable alternative capital source for funding the growth of technology-related companies that wish to avoid the dilutive effects of equity financings for existing equity holders.

Certain investment funds are required to distribute all proceeds realised on disposal of their investments, have a limited life, or enable investors to redeem their interests in the fund periodically. T2 is not subject to those requirements which often force such funds to seek the return of their investments in portfolio companies through mergers, public equity offerings or other liquidity events more quickly than they otherwise might, and this can result in a lower overall return to investors and adversely affect the ultimate viability of the affected portfolio companies. The Directors believe that the Company's flexibility to take a longer-term view should help to maximise returns on invested capital while still meeting the needs of portfolio companies.

Established deal sourcing network

The senior investment professionals of T2 Advisers and the Directors are expected to provide extensive contacts and sources from which to generate investment opportunities for the Company. These contacts and sources include private equity and venture capital funds, public and private companies, investment banks, law firms, accounting firms and commercial banks. The Directors believe that the senior professionals of T2 Advisers have developed strong reputations within the investment community over the course of their careers in the investment banking, investment management and equity research businesses.

Investment Business

Identification of prospective portfolio companies

It is intended that the Investment Manager will identify and source new prospective portfolio companies through a network of venture capital and private equity funds, investment banks, accounting and law firms and direct company relationships. The Directors have identified several criteria that they believe are important in implementing the Company's investment objective with respect to technology-related companies. These criteria provide general guidelines for the Company's investment decisions; however, T2 will not require each prospective portfolio company in which it invests to meet all of these criteria.

- *Experienced management* – T2 will generally require that its portfolio companies have an experienced management team. It is intended that the Company will also generally require the portfolio companies to have in place proper incentives, including having significant equity interests, to induce management to succeed and to align their individual interests with those of the Company by virtue of being an investor.
- *Significant financial or strategic sponsor and/or strategic partner* – T2 prefers to invest in technology-related companies in which established private equity or venture capital funds or other financial or strategic sponsors have previously invested and are willing to make an ongoing contribution to the management of the business.
- *Strong competitive position in industry* – it is intended that T2 will seek to invest in technology-related companies that have developed a strong competitive position within their respective sector or niche of a technology-related industry.
- *Profitable on a cash flow basis* – T2 will focus on technology-related companies that are profitable or nearly profitable on an operating cash flow basis. Typically, the Company would not expect to invest in start-up companies.
- *Clearly defined exit strategy* – prior to making an investment in a debt security that is accompanied by an equity interest in a portfolio company, it is intended that T2 Advisers will analyse the potential for that company to increase the liquidity of its common equity through a future event that would enable T2 to realise appreciation, if any, in the value of its equity interest. Liquidity events may include an initial public offering, a merger or an acquisition of the company, a private sale of T2's equity interest to a third party, or a purchase of T2's equity interest by the portfolio company or one of its shareholders.
- *Liquidation value of assets* – although T2 will not operate as an asset-based lender, the prospective liquidation value of the assets, if any, securing the debt securities that the Company is expected to hold will be an important factor in the credit analysis undertaken by the Investment Manager. Asset classes considered appropriate security by the Company include both tangible assets, such as accounts receivable, inventory and equipment, and intangible assets, such as intellectual property, software code, customer lists, networks and databases.

Due diligence

If a technology-related company meets some or all of the characteristics described above, a preliminary due diligence review will be performed which will include company and technology evaluations, market analysis, competitive analysis, evaluation of management, risk analysis and transaction size, pricing and structure analysis. The criteria outlined below provide general parameters for investment decisions as they are expected to be taken, although not all of such criteria will be followed in each instance. Upon successful completion of this preliminary evaluation process, it is expected that a decision will be made as to whether to deliver a non-binding letter of intent, after which the Company would generally receive a payment in advance from the potential portfolio company to partially cover due diligence-related expenses, begin the due diligence process and proceed towards completion of a transaction. The following summarises the preferred due diligence process of the Investment Manager:

Management team and financial sponsor

- management assessment including a review of management's track record with respect to product development and marketing, mergers and acquisitions, alliances, collaborations, research and development outsourcing and other strategic activities, reference and background checks; and
- financial sponsor reputation, track record, experience and knowledge.

Business

- industry and competitive analysis;
- customer and vendor interviews to assess both business prospects and standard practices of the company;
- assessment of likely exit strategies; and
- potential regulatory and legal issues.

Financial condition

- detailed review of the historical financial performance and the quality of earnings;
- development of detailed pro forma financial projections;
- review of internal controls and accounting systems;
- review of assets and liabilities, including contingent liabilities; and
- customer and vendor interviews to assess both business prospects and standard practices of the company.

Technology assessment

- evaluation of intellectual property position;
- review of research and development milestones;
- analysis of core technology under development;
- assessment of collaborations and other technology validations; and
- assessment of market and growth potential.

At the same time as the due diligence process, it is expected that the investment team of the Investment Manager will prepare a detailed credit memorandum for presentation to the investment committee of the Investment Manager (currently comprising Lee D. Stern, Saul B. Rosenthal and Jonathan H. Cohen).

Investment structuring

T2 will seek to achieve a high level of current income by investing in debt securities, consisting primarily of senior debt, senior subordinated debt and junior subordinated debt, of technology-related companies. The Company will also seek to provide Shareholders with long-term capital growth through the appreciation in the value of warrants or other equity interests that may be purchased or received as part of the Company's debt investments. In structuring investments, it is expected that the Investment Manager will ascertain the asset quality as well as the earnings quality of the prospective portfolio companies. The Directors expect that the Company will frequently seek to obtain a senior secured position and thus receive a security interest in substantially all of its portfolio companies' assets which will entitle the Company to a preferred position on payments in the event of liquidation, and in some cases a pledge of the portfolio company's equity by the equity owners. In addition, it is expected that the Investment Manager will propose structured loan

covenants to assist in the management of risk. The Company's loan documents are expected ordinarily to include affirmative covenants that require the portfolio company to take specific actions such as periodic financial reporting, notification of material events and compliance with laws, restrictive covenants that prevent portfolio companies from taking a range of significant actions such as incurring additional indebtedness or making acquisitions without the Company's consent, covenants requiring the portfolio company to maintain or achieve specified financial ratios such as debt to cash flow, interest coverage and operating covenants requiring them to maintain certain operational benchmarks such as minimum revenue or minimum cash flow. The Company's loan documents are also expected to contain customary events of default such as non-payment, breach of covenant, insolvency and change of control.

Senior debt

The senior debt in which it is expected that the Company will invest will generally hold a senior position in the capital structure of a portfolio company. Such debt may include loans that hold the most senior position or loans that hold an equal ranking with other senior debt. A senior position in the borrower's capital structure should generally give the holder of the senior debt a claim on some or all of the borrower's assets that is senior to that of the holders of subordinated debt, preferred shares, and ordinary shares in the event the borrower defaults or becomes insolvent. The senior debt in which the Company may invest may be wholly or partially secured, or may be unsecured.

Senior subordinated debt

The rights of the holders of senior subordinated debt to receive principal and interest payments are subordinated to the rights of the holders of senior debt. As a result, senior subordinated debt is riskier than senior debt.

Junior subordinated debt

Structurally, junior subordinated debt is subordinated in priority of payment to senior debt, and senior subordinated debt, (and is often unsecured), but is senior in priority to equity. Due to its higher risk profile and less restrictive covenants, loans associated with junior subordinated debt financing generally earn a higher return than senior debt or senior subordinated debt instruments.

Equity investments

The Company may receive warrants to purchase equity in conjunction with its investments. In addition the Company may make equity investments which may consist of preferred shares which may or may not pay current dividends. Preferred shares generally have a preference over ordinary shares as to distributions on liquidation and dividends. In some cases, T2 may acquire ordinary shares. The Company generally expects to make investments in preferred or ordinary shares in conjunction with debt investments that are made in portfolio companies.

Investment limitations

The Company's investments and operations will be subject to the following limitations:

- investments may be made in businesses operating primarily in the UK and elsewhere in Europe, however the Company will not be limited purely to investing in the UK and Europe if suitable investment opportunities elsewhere are presented to it;
- the Company will have a particular focus on technology-related companies, however it will not be limited purely to the technology sector if suitable other investment opportunities are presented to it;
- the Directors anticipate that the Company's maximum investment size, at the time of investment, will be limited to 15 per cent. of the Company's gross assets; however, the Company may make larger investments (including certain of the potential portfolio companies referred to in Part 3 of this document) and in such circumstances it may seek to syndicate or sell a portion of its initial investment;
- the Company may seek bank debt (or raise additional funds through the issue of its equity) to fund future investments. Any gearing will not be undertaken without the approval of the Board. Although the Company's Articles do not set any limit on the amount the Company may borrow, the Directors anticipate any borrowing by the Company will be limited to 100 per cent. of the Company's NAV at the time any borrowing is incurred;
- The Company will be a passive investor and will generally not control or seek to control or be actively involved in the management of any company or business in which it invests.

Ongoing Relationship with Portfolio Companies

Monitoring

T2 Advisers intends to monitor the financial trends of each portfolio company to assess the appropriate course of action for each company and to evaluate overall portfolio quality. T2 Advisers will aim to monitor the status and performance of each individual company on at least a quarterly and, in most cases, a monthly basis. T2 Advisers will have several methods of evaluating and monitoring the performance of T2's investments, including but not limited to the following:

- review of monthly and quarterly financial statements and financial projections for portfolio companies;
- periodic and regular contact with portfolio company management to discuss the portfolio company's financial position, requirements and accomplishments;
- assessment of business development success, including product development, profitability and the portfolio company's overall adherence to its business plan;
- periodic formal update interviews with portfolio company management and, if appropriate, the financial or strategic sponsor; and
- attendance at board meetings.

Competition

The Company's primary competitors to provide financing to technology-related companies include private equity and venture capital funds, other equity and non-equity based investment funds, and investment banks and other sources of financing, including traditional financial services companies such as commercial banks and specialty finance companies. Many of these entities have greater financial and managerial resources than T2 will have. Additional information concerning the competitive risks is set out in Part 1 of this document under the heading "Certain Risk Factors".

Employees

T2 currently has no employees other than a chief financial officer. Day-to-day investment operations will be managed by the Investment Manager.

PART 3

PROSPECTIVE PORTFOLIO COMPANIES

The following summary describes examples of some of the Company's potential portfolio companies. As at the date of this document, T2 Advisers has entered into non-binding letters of intent to make five investments in companies totalling approximately £42 million. T2 Advisers is making these potential investments available to the Company. The Company currently expects that, if made, the investments described in these non-binding letters of intent will be funded from the net proceeds of the Placing. The Company may syndicate a portion of certain of the investments. The completion of each investment depends not only upon the completion of the Placing but also, among other things, upon satisfactory completion of due diligence investigation of the prospective portfolio company, acceptance of the investment terms, structure and financial covenants, the execution and delivery of final binding agreements in a form mutually satisfactory to the parties and the receipt of any necessary consents. **There can however be no guarantee that the Company will make these or similar investments, whether on the same or similar terms or at all.**

Unless otherwise stated, the only relationship between each prospective portfolio company and T2 Advisers is the non-binding letter of intent referred to above.

Name	*Description*	*Type of investment*	*Term (Years)*	*Principal amount*	*Principal financial terms*
Company A	Provider of turn-key software solutions enabling telecom carriers to offer end users advanced communications services	Senior Notes	Five	€10,000,000	10.5 per cent. interest rate; 2 per cent. funding fee; warrants to purchase 2 per cent. of ordinary shares
Company B	Worldwide supplier and integrator of electrochemistry products	Senior Notes	Four	€15,000,000	12 per cent. interest rate; 2 per cent. funding fee; warrants to purchase 0.5 per cent. of ordinary shares
Company C	Provider of personal productivity software	Senior Notes	Five	CA$20,000,000	12 per cent. interest rate; 2 per cent. funding fee
Company D	Holding company acquiring full service marketing agencies	Senior Notes	Five	£10,000,000	12.0 per cent. interest rate; 2 per cent. funding fee; warrants to purchase 2 per cent. of ordinary shares
Company E	International interactive media, direct marketing and technology solutions sales and service organisation	Senior Notes	Five	£6,500,000	10.5 per cent. interest rate; 2 per cent. funding fee; warrants to purchase 1 per cent. of ordinary shares

PART 4

DIRECTORS, MANAGEMENT AND ADMINISTRATION

Directors of the Company

The Board comprises three independent non-executive Directors and two non-independent Directors who are also senior investment personnel of the Investment Manager.

William Harley Tozier, aged 68 (Non-Executive Chairman)

Mr. Tozier served as a managing director in equity management for Smith Barney and successors from 1978 to 1999, where he was responsible for integration of global sales and senior account management, and thereafter as a senior adviser from 2000 to 2001. Mr. Tozier graduated with a BA in American Literature from Brown University in 1958.

Frederick Peter Forni, aged 40 (Non-Executive Director)

Mr. Forni is currently an executive director at Macquarie Securities (USA) Inc, a US affiliate of Macquarie Bank Limited, an Australian investment bank, where he is responsible for developing, marketing and executing structured financial products transactions. Mr Forni also co-manages the financial products team at the New York offices of Macquarie Securities (USA) Inc. From 1995 to 1997 Mr. Forni worked as a tax associate for Morgan, Lewis & Bockius LLP. Mr. Forni graduated with a BA in Economics from Connecticut College. Mr. Forni graduated from Georgetown University Law Center with a Juris Doctorate, and from New York University School of Law with a Master of Laws in taxation.

Patrick Anthony Seymour Firth, aged 43 (Non-Executive Director)

Mr. Firth is currently managing director of Butterfield Fund Services (Guernsey) Limited and a director of a number of offshore funds and management companies. Prior to joining Butterfield Fund Services (Guernsey) Limited, Mr. Firth was head of operations and subsequently managing director of BISYS Fund Services (Guernsey) Limited, where he was responsible for the administration of both offshore and onshore (FSA regulated) funds. Mr. Firth qualified as a Chartered Accountant with KPMG in 1990 having worked in the audit departments in Cambridge and Guernsey. Mr. Firth graduated from the University of Newcastle and received a Masters degree from Bath University.

Saul Barak Rosenthal, aged 36 (Non-Independent Director)

Mr. Rosenthal is president and chief operating officer of T2 Advisers. Mr. Rosenthal is also president and chief operating officer of TICC and a member of BDC Partners, the managing member of TIM and T2 Advisers. Previously, Mr. Rosenthal was the president of Privet Financial Securities, LLC, a registered broker dealer and financial consultant to small and medium sized private and public technology companies. Mr. Rosenthal led the private financing/public company effort at SoundView Technology Group from 2000 to 2002, where he co-founded SoundView's Private Equity Group. Previously, Mr. Rosenthal was a vice president and co-founder of the Private Equity Group at Wit Capital from 1998 to 2000. Prior to joining Wit Capital, Mr. Rosenthal was an attorney at the law firm of Shearman & Sterling LLP from 1996 to 1997. He received a Bachelor of Science degree magna cum laude from the Wharton School of the University of Pennsylvania, a Juris Doctorate from Columbia University Law School, where he was a Harlan Fiske Stone Scholar, and a Master of Laws in taxation from New York University School of Law.

Lee Douglas Stern, aged 54 (Non-Independent Director)

Mr. Stern is the chief transaction officer of T2 Advisers. Mr. Stern is also chief transaction officer of TICC, TIM and BDC Partners. He has over 20 years of financial and investment experience in leveraged finance and in financing technology companies. Mr. Stern was previously a partner of Thomas Weisel Partners and its predecessor, NationsBanc Montgomery, from 1997 to 2000, where he focused on leveraged transactions relating to acquisition finance and leveraged buyouts, including private and public mezzanine finance. From 1993 to 1997, Mr. Stern was a managing director at Nomura Securities International, where he played a key role in building the firm's merchant banking and principal debt investing business. He sat on Nomura Securities International's commitment and underwriting committees. He has also held managing director positions at Kidder, Peabody & Co., Inc. from 1990 to 1992 and Drexel Burnham Lambert from 1985 to 1990. Mr. Stern received a Bachelor of Arts degree from Middlebury College and an MBA from the Wharton School of the University of Pennsylvania.

Senior Management of the Company

Patrick F. Conroy

Mr. Conroy is the chief financial officer of T2. Mr. Conroy is also the chief financial officer and chief compliance officer of TICC, TIM and BDC Partners. Mr. Conroy is the former chief financial officer of Nymex Holdings, Inc. and its operating subsidiary, New York Mercantile Exchange, Inc., the largest physical commodities futures exchange in the world. He has extensive experience of the reporting requirements of the US Securities and Exchange Commission, including securities registration, periodic reporting requirements, and the requirements of the US Sarbanes-Oxley Act. From 1987 to 1993, Mr. Conroy was the senior vice-president of finance for the American Stock Exchange, where he was responsible for all financial functions, including controllership and treasury. Mr. Conroy's professional career began at KPMG Peat Marwick, serving clients in the financial services industry, primarily broker/dealers, mutual funds and diversified financial institutions. Mr. Conroy received his Bachelor of Science in Accounting summa cum laude from St. John's University and did graduate work at Bernard Baruch College of the City University of New York. He is a certified public accountant in New York and New Jersey, and a member of the American Institute of Certified Public Accountants.

The Company has established an audit committee comprising William Tozier, Frederick Forni and Patrick Firth. Given its nature as an investment company, the Company does not currently intend to establish nominations or remuneration committees of the Board.

Investment Manager Personnel

The investment personnel of T2 Advisers currently consists of Jonathan H. Cohen, the Non-Independent Directors, Saul B. Rosenthal and Lee D. Stern (whose details are given above), and five US-based investment professionals.

Jonathan H. Cohen

Mr. Cohen is chief executive officer of T2 Advisers. Mr. Cohen is also chief executive officer of TICC, TIM, a member of BDC Partners and a principal of JHC Capital Management, a US investment adviser registered under the Advisers Act that serves as the sub-adviser to Royce Technology Value Fund, a technology focused mutual fund that had net assets of approximately $29 million as of 30 April 2005. Prior to founding JHC Capital Management in 2001, Mr. Cohen managed technology research groups at Wit SoundView from 1999 to 2001. He has also managed securities research groups at Merrill Lynch & Co. from 1998 to 1999, UBS Securities from 1997 to 1998 and Salomon Smith Barney from 1993 to 1997. Mr. Cohen has more than 15 years of experience in technology-related equity research and was a member of the Institutional Investor ''All-American'' research team in 1996, 1997 and 1998. Mr. Cohen received a Bachelor of Arts degree in Economics from Connecticut College and an MBA from Columbia University.

Branko Krmpotic

Mr. Krmpotic is a managing director of T2 Advisers. Mr. Krmpotic is also a managing director of TIM and BDC Partners. Previously, Mr. Krmpotic was a principal and co-founder of The Bank of New York's Mezzanine Group from 1998 to 2003, and prior to that was a Vice President in the High Yield Group at The Bank of New York. Previously, Mr. Krmpotic was a Vice President in the High Yield Group at NatWest Markets, and began his career in the proprietary high yield trading group at NatWest Plc in New York.

Darryl M. Monasebian

Mr. Monasebian is a managing director, portfolio management of T2 Advisers. Mr. Monasebian is also a managing director, portfolio management, of TIM and BDC Partners. Previously, Mr. Monasebian was a director in the Merchant Banking Group at BNP Paribas, and prior to that was a director at Swiss Bank Corporation and a senior account officer at Citibank. He began his business career at Metropolitan Life Insurance Company as an investment analyst in the Corporate Investments Department. Mr. Monasebian has more than 15 years of banking and investment management experience.

David J. Grossman, PhD

Dr. Grossman is a principal of T2 Advisers. Dr. Grossman is also a principal of TIM and BDC Partners. Previously, Dr. Grossman co-founded and developed the $100 million financial technology and services venture capital fund at Toronto Dominion Bank, where, as a vice president of the private equity group from 1999 to 2001 and an associate from 1997 to 1999, he also sourced, analysed and made investments in a number of telecommunications companies. During his tenure at Toronto Dominion Bank, Dr. Grossman

was involved with more than 20 investments and served on the board of directors of six private companies. Previously, he was a management consultant with A.T. Kearney, from 1994 to 1997, where he advised Fortune 500 companies on strategic, cost reduction, activity-based costing and operations improvement issues.

Barry A. Osherow

Mr. Osherow is a vice president of T2 Advisers. Mr. Osherow is also a vice president of TIM and BDC Partners. He has nine years of experience in financing companies. From 2002 to 2004, Mr. Osherow was vice president of Privet Financial Securities, a registered broker-dealer and financial consultant to small- to medium-sized private and public technology companies. He was previously at SoundView Technology Group from 2000 to 2002, where he was most recently employed as an associate in the Private Equity Group, which he co-founded. Mr. Osherow was a founding employee of Wit Capital in 1996 (which merged with SoundView) and worked on developing several business units, including brokerage, public relations, investor relations, equity sales and marketing. Prior to Wit Capital, he was vice president of Spring Street Brewing Company, where he was in charge of investor relations, sales, marketing and merchandising. He began his career at Lehman Brothers in 1994.

Matthew D. Bass

Mr. Bass is a vice president of T2 Advisers. Mr. Bass is also a vice president of TICC, TIM and BDC Partners. From 2000 to 2004, Mr. Bass was an associate director in the Investment Banking Division of UBS Securities LLC, where he worked on mergers and acquisition, financing and general advisory assignments for financial services companies.

The Investment Manager

Organisation of the Investment Manager

T2 Advisers is a recently formed Delaware limited liability company that is registered as an investment adviser under the Advisers Act. T2 Advisers is owned by BDC Partners, its managing member, and Royce & Associates, LLC, a wholly owned subsidiary of Legg Mason Inc. Jonathan H. Cohen, the chief executive officer of T2 Advisers, and Saul B. Rosenthal, the president of T2 Advisers, are the members of BDC Partners. The principal address of T2 Advisers is 8 Sound Shore Drive, Greenwich, Connecticut 06830, USA.

Management services

By an agreement dated 29 July 2005 between the Company and T2 Advisers, the Company has appointed T2 Advisers to act as the discretionary investment manager of the assets of the Company conditional on Admission. Subject to the overall supervision of the Board and to the investment objective, policies and restrictions set out in Part 2 of this document, T2 Advisers:

- determines the composition of the Company's portfolio, the nature and timing of the changes to the Company's portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of the investments the Company will make;
- arranges finance for the Company if appropriate and approved by the Board; and
- closes, monitors and services the investments the Company will make.

Pursuant to the Investment Management Agreement, T2 Advisers is authorised to appoint other investment managers or advisers to assist it in carrying out its duties provided that it may only delegate its authority to take investment decisions on behalf of the Company to any unaffiliated entity with the prior consent of Board.

Where the Investment Manager becomes aware of a potential investment that falls within the investment remit of the Company which is an investment which the Investment Manager considers carries on its business wholly or substantially outside the USA, the Investment Manager will refer that investment first to the Company.

Management fee

T2 Advisers will be paid a management fee for its investment management services provided pursuant to the Investment Management Agreement. The management fee will be payable quarterly in advance in pounds sterling at an annual rate of 2.00 per cent. For the period from Admission until the quarter end next

following the date six months from Admission, the management fee will be calculated on the initial value of the Company's gross assets upon Admission. Thereafter, the management fee will be calculated on the average value of the Company's gross assets at the end of the two most recently completed calendar quarters. Management fees for any partial quarter will be appropriately pro rated.

Share option plan

The Directors believe that the success of the Company will depend to a significant extent on the future performance of the investment management team. The Directors also recognise the importance of ensuring that the investment management team is well motivated and identifies closely with the profitability and overall performance of the Company. Accordingly, the Company will grant to the Investment Manager (or to such other person as the Investment Manager may specify, which includes employees of, and shareholders in, the Investment Manager) options to acquire 4,222,222 Ordinary Shares at an exercise price per Ordinary Share equal to the Placing Price upon completion of the Placing. 50 per cent. of the options will vest immediately upon the Company achieving an 8.0 per cent. annualised quarterly dividend yield, with the remaining 50 per cent. vesting twelve months thereafter. The option exercise price will decrease by an amount equal to the cumulative total amount of dividends paid by the Company and capital distributions. For the purposes of this calculation, dividend yield will equal the amount of the most recent quarter declared dividend multiplied by four divided by net asset value as of the most recent quarter end.

The Company will also grant the Investment Manager options equal to 10 per cent. (on a fully diluted basis) of any securities of the Company being offered in any subsequent capital raising by the Company on the same terms as specified above.

Other activities of the Investment Manager and its personnel

The Investment Manager may engage in any other businesses or provide similar or different services to persons or entities other than the Company, provided that its services to the Company are not thereby impaired. Nothing in the Investment Management Agreement shall limit or restrict the right of any manager, officer or employee of the Investment Manager to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature.

Payment of the Company's expenses

All employees of the Investment Manager when and to the extent engaged in providing investment management services, and the compensation of such personnel allocated to such services, will be provided and paid for by T2 Advisers. The Company is responsible for all other costs and expenses of the Company's operations and transactions, including (without limitation) the cost of calculating the Company's net asset value; the cost of effecting sales and repurchases of its share capital; investment management fees; fees payable to third parties relating to, or associated with, making investments to the extent not reimbursed by portfolio companies or prospective portfolio companies where the Company has executed a letter of intent to close on a transaction and such transaction is not consumated; travel-related expenses for executive and administrative staff in connection with performing their Company responsibilities (including travel expenses incurred in attending meetings of the Board); expenses for branding, marketing and advertising the Company; any transfer agent and custodial fees; any exchange listing fees; rent, office furniture, furnishings, equipment and supplies of the Company; local taxes; independent directors' fees and expenses and those of their counsel; the costs associated with valuing the Company's portfolio; brokerage commissions; costs of shareholder circulars; shareholder reports and notices; fidelity bond, directors'/officers' errors/omissions liability insurance and other insurance premiums; direct costs such as printing, mailing, telecoms, staff, independent audits and outside legal costs and all other expenses incurred by the Company. In addition, if the independent Directors of the Board agrees, the Company will reimburse to T2 Advisers all or part of the costs incurred by T2 Advisers of personnel, services or equipment that are used for the benefit of the Company.

Duration and termination

The Investment Management Agreement may be terminated by the Board giving at least 12 months' notice, such notice to expire on 31 December 2008 or 31 December of any subsequent year. The Investment Management Agreement may be terminated at any time by the Company or T2 Advisers in certain circumstances including in the event there has been a material breach of the Investment Management Agreement by the other party which, if capable of remedy, has not been remedied within sixty days of receipt of notice requiring such remedy or if certain winding up events occur in relation to the other party.

Indemnification

The Investment Management Agreement provides that, absent fraud, wilful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations under the Investment Management Agreement, T2 Advisers and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with T2 Advisers (the "Indemnified Parties"), shall be indemnified by the Company and held harmless from and against all damages, liabilities, costs and expenses (including reasonable legal fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of or otherwise based upon the performance of any of T2 Advisers' duties or obligations under the Investment Management Agreement or otherwise as an investment manager of the Company.

The Investment Management Agreement provides that the Indemnified Parties shall not be liable to the Company for any action taken or omitted to be taken by T2 Advisers in connection with the performance of any of its duties or obligations under the Investment Management Agreement or otherwise as investment adviser to the Company, except to the extent arising by reason of fraud, wilful misfeasance, bad faith or gross negligence in the performance of T2 Advisers' duties or by reason of the reckless disregard of T2 Advisers' duties and obligations under the Investment Management Agreement.

The Investment Management Agreement is governed by Delaware law.

The Administrator

Butterfield Fund Services (Guernsey) Limited has been appointed by the Company to act as administrator, registrar and secretary to the Company with effect from, and conditional upon, Admission under the terms of the Administration Agreement. Further details of the Administration Agreement are set out in paragraph 8 of Part 10 of this document.

The Custodian

Butterfield Bank (Guernsey) Limited has been appointed by the Company to act as custodian with effect from, and conditional upon, Admission under the terms of the Custodian Agreement. Further details of the Custodian Agreement are set out in paragraph 8 of Part 10 of this document.

PART 5

OTHER INFORMATION

Annual Expenses

Formation and initial expenses

The formation and initial expenses of the Company are those that are necessary for the incorporation of the Company and in order to effect the Placing. These expenses will be met by the Company and will be paid on or around Admission. Such expenses will include fees payable under the Placing, registrar's fees, admission fees, printing, distribution costs, legal, travel and accounting fees and any other applicable expenses. The Directors do not anticipate that these formation and initial expenses will exceed 3.6 per cent. of the Initial Equity Proceeds, on the assumption that such proceeds are £38,000,000, before expenses.

Ongoing and annual expenses

The Company will also incur ongoing and annual expenses. These expenses will include, among other things, the fees payable to the Investment Manager, the Administrator, the Custodian, the UK Transfer Agent and the non-executive Directors (each such Director will initially be paid a fee of £20,000 per annum, except that the Chairman will be paid £25,000 per annum). Other ongoing operational expenses of the Company will be borne by the Company including, among other things, bank fees, regulatory fees, legal fees, insurance costs, audit fees and other expenses. It is estimated that the total expenses of the Company for period ending 31 December 2005 (excluding the initial expenses of the Company) are not expected, on the basis of the Assumptions, to exceed 3.5 per cent. of the gross assets of the Company, annualised over this period.

Accounting Policies

The audited accounts of the Company will be prepared under International Financial Reporting Standards ("IFRS"). Under IFRS, the Company will prepare an income statement which, unlike a statement of total return, does not differentiate between revenue and capital and also includes net realised and unrealised investment gains. The Company's management and administration fees, finance costs and all other expenses (other than the expenses incurred in connection with its formation and Admission) will be charged through the income statement.

Shareholder Information

The Company's annual report and accounts will be prepared up to 31 December each year. The first accounting period of the Company will end on 31 December 2005, and it is expected that copies of the report and accounts will be sent to Shareholders within the following six months. Shareholders will also receive an unaudited interim report covering the six months to 30 June each year, which is expected to be despatched within the three months following that date. The first financial report and accounts that Shareholders will receive will be the audited financial statements for the period ended 31 December 2005.

All general meetings of the Company and separate shareholder meetings will be held in Guernsey. The Company will hold an annual general meeting, the first of which will be held in 2006.

The Company's investment portfolio will be valued on a quarterly basis by the Board, supported by an external valuer. The Net Asset Value attributable to an Ordinary Share will be published quarterly based on the most recent valuation of the Company's investment portfolio and calculated under IFRS.

The Net Asset Value will be published through a regulatory information service provider to the London Stock Exchange as soon as practicable after the end of the relevant quarter. It is expected that the first Net Asset Value of an Ordinary Share will be calculated as at 30 September 2005 and will be published in November 2005.

Further Issues of Ordinary Shares

The Directors will have authority to allot the authorised but unissued share capital of the Company following Admission on a non-pre-emptive basis. There is no limit on the number of Ordinary Shares that the Directors may allot.

Purchase of Ordinary Shares by the Company

The Directors will have authority to buy back up to 14.99 per cent. of the Ordinary Shares in issue immediately following Admission and will seek annual renewal of this authority from Shareholders. There is

no present intention to exercise such authority. Any buy back of Ordinary Shares will be made subject to Guernsey law and within guidelines established from time to time by the Board (which will take into account the income and cash flow requirements of the Company) and the making and timing of any buy backs will be at the absolute discretion of the Board. Purchases of Ordinary Shares will only be made through the market for cash at prices below the prevailing Net Asset Value of the Ordinary Shares where the Directors believe such purchases will enhance Shareholder value. Such purchases will also only be made at a price no more than 5 per cent. above the average of the middle market quotations for the Ordinary Shares for the five business days before the purchase is made.

The Directors anticipate that they may authorise the repurchase of Ordinary Shares in the following circumstances: (i) as a means of returning capital to shareholders and (ii) if the Ordinary Shares were persistently trading at a deep discount to NAV.

PART 6

PRINCIPAL BASES AND ASSUMPTIONS

The principal bases and assumptions used in this document are that:

(a) Admission occurs on or before 5 August 2005 and the Company will be fully invested within nine months of Admission;

(b) the Initial Equity Proceeds amount to £38,000,000;

(c) 38 million New Ordinary Shares of the Company are issued pursuant to the Placing at the Placing Price;

(d) the total expenses and commission relating to the Placing borne by the Company are 3.6 per cent. of the Initial Equity Proceeds;

(e) the annual running costs of the Company (including Investment Management fees, Directors' fees, bank's fees, Administrator's fees, other costs of managing the Investment Portfolio, legal fees and irrecoverable VAT) are 3.5 per cent. per annum of the gross assets of the Company;

(f) the Company pays dividends as described in the section titled "Dividends" in Part 2 of this document;

(g) the issued share capital of the Company does not change following Admission;

(h) the Company does not incur any liability to taxation on income or gains, except for an average 15 per cent. withholding tax provision applied to interest income on investments;

(i) the gross initial yield on the Company's investment portfolio is 11.5 per cent.*;

(j) interest rates remain constant over the period of the life of the Company;

(k) potential gains from equity participation in portfolio companies or warrant positions or other such fees such as prepayment penalties are ignored;

(l) one time closing fees are earned by the Company in respect of cash investments at a rate equal to 2.0 per cent. of the capital invested by the Company; and

(m) within 9 months of Admission, the Company invests in each of the potential portfolio companies referred to in Part 3 of this document on the terms set out in Part 3.

* These forecasts are not profit forecasts.

PART 7

THE PLACING

Shares subject to the Placing

The Placing comprises an offer by the Company of 38,000,000 New Ordinary Shares to raise net proceeds of approximately £36,600,000 million.

The Placing is to be arranged by JPMorgan Cazenove in accordance with the terms of the Placing Agreement (further details of which are set out under "Placing Arrangements" below and in paragraph 8(d) of Part 10 of this document).

The Placing

Under the Placing, the New Ordinary Shares have been offered to institutional investors in the UK and certain other European jurisdictions. No New Ordinary Shares have been sold or are available in whole or in part to the public in the UK or elsewhere in connection with the Placing. **The terms and conditions governing the Placing are set out in Part 11 of this document.**

The Placing is subject to the satisfaction of conditions contained in the Placing Agreement, including Admission occurring on or before 5 August 2005 (or such later date as JPMorgan Cazenove and the Company may agree (not being later than 31 August 2005)). Certain conditions are not capable of waiver. In addition, the Placing Agreement includes the right for JPMorgan Cazenove to terminate the Placing Agreement in certain circumstances prior to Admission.

The Ordinary Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

Allocation

All New Ordinary Shares issued pursuant to the Placing will be issued at the Placing Price and JPMorgan Cazenove has procured placees to subscribe for such New Ordinary Shares at such price. Allocations have been determined at the absolute discretion of JPMorgan Cazenove (following consultation with the Company in certain circumstances) after offers from prospective investors had been received in the manner described below.

Until Admission, the Company and JPMorgan Cazenove will be entitled to withdraw the Placing without prior consultation with prospective investors and will not be obliged to proceed with the Placing, in which case Admission will not occur.

JPMorgan Cazenove has solicited from prospective institutional investors, offers to subscribe for New Ordinary Shares in the Placing at the Placing Price. On this basis, prospective investors were asked to specify the number of New Ordinary Shares for which they were prepared to make an offer at the Placing Price.

In light of these offers, JPMorgan Cazenove, (following consultation with the Company in certain circumstances), has determined the basis of allocation at their absolute discretion. In determining such allocation, a number of factors were taken into account, including the level and the nature of the demand for Ordinary Shares.

Dealing Arrangements

Admission of the entire share capital of the Company to be issued pursuant to the Placing to trading on AIM is expected to take place and dealings in the Ordinary Shares are expected to commence at 8.00 a.m. on 5 August 2005. The earliest date for settlement will be on that date. Dealings on AIM before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

Where applicable, definitive share certificates in respect of the New Ordinary Shares issued pursuant to the Placing are expected to be posted on or as soon as possible after 12 August 2005. The New Ordinary Shares are in registered form and can also be held in uncertificated form. Prior to despatch of definitive share certificates in respect of any New Ordinary Shares which are not settled in CREST, transfer of those New Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Upon Admission, the Articles will permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. An investor applying for Ordinary Shares in the Placing may, however, elect to receive Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

Placing Arrangements

On 29 July 2005, the Company, T2 Advisers, the Directors and JPMorgan Cazenove entered into the Placing Agreement pursuant to which JPMorgan Cazenove agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for the New Ordinary Shares which are allocated pursuant to the Placing. All such subscriptions will be at the Placing Price. For the avoidance of doubt, JPMorgan Cazenove is not itself obliged under the Placing Agreement to subscribe for any New Ordinary Shares for which it is unable to procure subscribers.

The Placing Agreement contains provisions entitling JPMorgan Cazenove to terminate the Placing (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Placing and these arrangements will lapse and any monies received in respect of the Placing will be returned to applicants without interest.

The Placing Agreement provides for JPMorgan Cazenove to be paid (*inter alia*) commissions in respect of the New Ordinary Shares to be allotted pursuant to the Placing. Any commissions received by JPMorgan Cazenove may be retained for its own benefit.

Further details of the terms of the Placing Agreement are set out in paragraph 8(d) of Part 10 of this document.

Selling Restrictions

Members of the public have not been and are not eligible to take part in the Placing. Invitations to participate in the Placing have been limited (i) at all times to persons reasonably believed by the Company to be investment professionals within the meaning of paragraph (5) of Article 19, or to high net worth companies or unincorporated associations within the meaning of paragraph (2) of Article 49, of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529) and (ii)(aa) prior to 1 July 2005, to persons whose ordinary activities involved him/her or it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of his/her or its business and (bb) from 1 July 2005, to persons who are qualified investors within the meaning of section 86(7) of FSMA.

This document does not constitute an offer to sell or subscribe for, or the invitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. Certain restrictions apply to the Company's distribution of this document and the Ordinary Shares in jurisdictions outside the UK.

Persons into whose possession this document comes should inform themselves about, and observe, any restrictions and legal or regulatory requirements in relation to the distribution of this document and their participation in the Placing. Any failure to comply with these requirements may constitute a violation of the laws of the relevant jurisdictions. In particular, the Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States. The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada; no document in relation to the Placing has been, or will be, lodged with, or registered by, The Australian Securities and Investments Commission; no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Placing; and no registration statement has been, or will be, filed with The Irish Stock Exchange in relation to the Placing. Accordingly, subject to certain exceptions, the Ordinary Shares the subject of the Placing may not, directly or indirectly, be offered or sold within the United States, Canada, Australia, Japan or the Republic of Ireland or offered or sold to a national, resident or citizen of Canada, Australia, Japan or the Republic of Ireland or any person located in the United States.

No purchase, sale or transfer of any Ordinary Share may be made unless such purchase, sale or transfer will not result in the assets of the Company constituting "plan assets" within the meaning of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA") that are subject to Title I of ERISA or Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, investors using assets of retirement plans or benefit plans that are subject to ERISA or Section 4975 of the Code (including, as applicable, assets of an insurance company general account) will not be permitted to acquire Ordinary Shares, and each investor will be required to represent or will, by its acquisition of an Ordinary Share be deemed to have represented, that it is not a "benefit plan investor" within the meaning of ERISA that is using assets of a plan that is subject to ERISA or Section 4975 of the Code. Any actual or purported purchase or transfer of an Ordinary Share that would cause the Company's assets to be deemed to be "plan assets" under ERISA that are subject to Title I of ERISA or Section 4975 of the Code, or otherwise does not comply with the foregoing, is subject to restrictions as provided in the Articles as further described in Part 10 of this document under the heading "Transfer and Compulsory Transfer of Ordinary Shares".

Anti Money Laundering

Under the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law 1999, measures aimed towards the prevention of money laundering require an investor to verify his/her/its identity. This obligation is absolute unless (i) the application is being made via a regulated credit or financial institution or (ii) payment is made to the Company from an account held in the investor's name with a banking institution, which in either case is in a country which is a member of the Financial Action Task Force. However, in the event of either (i) or (ii) the Administrator may seek to obtain written assurance of the investor's identity.

PART 8

TAXATION

General

The comments below are of a general and non-exhaustive nature based on the Directors' understanding of the current revenue law and practice in Guernsey, the United Kingdom and the United States of America, which is subject to change. The following summary does not therefore constitute legal or tax advice and applies only to persons who are both legal and beneficial owners of Ordinary Shares and who hold their Ordinary Shares as an investment (other than under a personal equity plan or an individual savings account). The following summary does not apply to persons such as market makers, brokers, dealers, pension funds, insurance companies, collective investment schemes, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules may apply.

An investment in the Company involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which the Company will have investments or in Guernsey (or in any other country in which a subsidiary of the Company through which investments are made, is located), or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to investors.

Prospective investors should consult their professional advisers on the potential tax consequences of subscribing for, purchasing, holding, converting or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

Guernsey Taxation

(A) The Company

It is the Directors' intention to apply for exempt company status. On the basis that the Company is granted exempt company status by the Guernsey tax authorities, the Company will not be liable to income tax in Guernsey on its income.

This assumes that the Company will not have any Guernsey-source income (other than bank interest), which would be taxed at 20 per cent.

Any interest and dividend income will generally be received after deduction at source of withholding or other taxes applicable in countries in which the Company earns interest or dividends. Gains arising on the sale of investments in countries in which the Company invests may be taxed in the country where the investment is located.

(B) Shareholders

Guernsey does not impose any additional tax liabilities or withholding taxes on non-Guernsey resident Shareholders. Thus, a non-Guernsey resident Shareholder should not be liable to any Guernsey tax on dividends paid by the Company.

The receipt of dividends by Shareholders may result in a tax liability for Shareholders according to the tax regime applicable in their various countries of citizenship, residence, ordinary residence or domicile, as the case may be. Investors resident in or citizens of certain countries which have anti-offshore company legislation, may have a current liability for a proportion of the undistributed income and gains of the Company. Such investors should seek their own professional advice.

No stamp duty is levied in Guernsey on the issue or transfer of Ordinary Shares.

On the death of a Shareholder, it may be necessary to obtain probate in Guernsey in connection with the transfer of such Shareholder's Ordinary Shares for which a fee of approximately £35 per £10,000 of assets applies.

EU Savings Tax Directive

Although not in the European Union, Guernsey in common with other jurisdictions has voluntarily agreed to apply the same or equivalent measures to those in the EU Savings Tax Directive; with the exception that the individual to whom interest is paid may choose between paying a retention tax or permitting the disclosure of information to their home state tax authority.

However, dividends paid on Ordinary Shares are outside the scope of these measures.

United Kingdom

(A) The Company

The Directors intend to conduct the affairs of the Company in such a manner as to minimise, so far as they consider reasonably practicable, taxation suffered by the Company. This will include conducting the affairs of the Company so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a permanent establishment situated therein), the Company will not be subject to United Kingdom income tax or corporation tax other than on United Kingdom source income.

(B) The Shareholders

(i) Disposal of Ordinary Shares

The Company is a closed-ended company incorporated in Guernsey and therefore the Company should not as at the date of Admission be a "collective investment scheme" as defined in the Financial Services and Markets Act 2000. Accordingly, the provisions of sections 757 to 764 of the Income and Corporation Taxes Act 1988 (the "Taxes Act") should not apply. For so long as the Company is not a collective investment scheme, any disposal of Ordinary Shares by a Shareholder may give rise to a chargeable gain for United Kingdom tax purposes.

(a) United Kingdom resident Shareholders

A disposal of Ordinary Shares by a Shareholder who is (at any time in the relevant United Kingdom tax year) resident or, in the case of an individual, ordinarily resident in the United Kingdom for tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation on chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

(b) Non-United Kingdom resident Shareholders

A Shareholder who is not resident in the United Kingdom for tax purposes but who carries on a trade in the United Kingdom through a branch or agency, or in the case of a company a permanent establishment, may be subject to United Kingdom taxation on chargeable gains on a disposal of Ordinary Shares which are used, held or acquired for the purposes of the trade carried on through the branch, agency or permanent establishment.

A Shareholder who is an individual who has ceased to be resident or ordinarily resident in the United Kingdom for tax purposes for a period of less than five years of assessment and who disposes of Ordinary Shares during that period may also be liable, on his return to the United Kingdom, to United Kingdom taxation on chargeable gains (subject to any available exemption or relief).

(ii) Income from the Company

According to their personal circumstances, Shareholders resident in the United Kingdom for tax purposes will be liable to income tax or corporation tax in respect of dividend or other income distributions of the Company. No UK tax credit will be attached to dividends received by Shareholders. Where investments of the Company are distributed *in specie* to Shareholders other than by way of dividend, such distributions may represent a part disposal of Ordinary Shares for United Kingdom tax purposes.

(iii) Anti-avoidance

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of sections 739 to 745 of the Income and Corporation Taxes Act 1988 (the "Taxes Act"). These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of undistributed income and profits of the Company on an annual basis.

More generally, the attention of Shareholders is also drawn to the provisions of sections 703 to 709 of the Taxes Act which give powers to the Inland Revenue to cancel tax advantages derived from certain transactions in securities.

The Taxes Act also contains provisions which subject certain United Kingdom resident companies to corporation tax on profits of companies not so resident in which they have an interest. The provisions may affect United Kingdom resident companies which are deemed to be interested (together with any connected or associated companies) in at least 25 per cent. of the profits of a non-resident company which is controlled

by residents of the United Kingdom and which does not distribute substantially all of its income and is resident in a low tax jurisdiction. The legislation is not directed towards the taxation of chargeable gains.

It is anticipated that the shareholdings in the Company will be such as to ensure that the Company would not be a close company if resident in the United Kingdom. If, however, the Company were to be such that it would be close if resident in the United Kingdom, chargeable gains accruing to it may be apportioned to a United Kingdom resident or, in the case of an individual, ordinarily resident Shareholder who holds, alone or together with connected persons, more than 10 per cent. of the Ordinary Shares. Such Shareholders may thereby become chargeable to capital gains tax or corporation tax on chargeable gains on the gains apportioned to them.

(iv) Stamp duty and stamp duty reserve tax

No United Kingdom stamp duty or stamp duty reserve tax will be payable on the issue of the Ordinary Shares. No United Kingdom stamp duty will be payable on the transfer of the Ordinary Shares, provided that any instrument of transfer is not executed in the United Kingdom and does not relate to any property situate, or to any matter or thing done or to be done, in the United Kingdom. Provided that the Ordinary Shares are not registered in any register of the Company kept in the United Kingdom, any agreement to transfer the Ordinary Shares will not be subject to United Kingdom stamp duty reserve tax.

United States of America

The following discussion is a summary based on present law of certain aspects of the US federal income taxation of the Company and of certain US federal income tax considerations relevant to persons subject to US tax buying, owning and disposing of Ordinary Shares. The Company has not sought nor does it expect to seek a ruling from the US Internal Revenue Service (the "IRS") or any other US federal, state or local agency with respect to any of the tax issues affecting the Company or the US federal tax matters discussed in this summary. This discussion is not a complete description of all US tax considerations relating to the purchase, ownership and disposition of Ordinary Shares by a person, including tax considerations that may be relevant to persons subject to US tax subject to special rules, and does not address foreign, state, local, estate or gift tax considerations to buying, owning and disposing of Ordinary Shares.

(A) The Company

The Directors intend that the Company will conduct its affairs so that, except to the extent that the Company holds equity securities issued by non-corporate entities that are so engaged, the Company will not be engaged in a trade or business within the United States for US federal income tax purposes and its net income therefore generally will not be subject to US federal income tax. Prospective investors should be aware that the Company cannot rely on this advice to avoid tax penalties, that advice of counsel is not binding on the IRS or the courts and that no ruling will be sought from the IRS regarding the US federal income tax treatment of the Company. There can be no assurance that the IRS will not take a contrary position or that a court will not agree with a contrary position and sustain tax penalties if the matter were litigated.

As long as the Company conducts its affairs so that it is not engaged in a trade or business within the United States, its net income will not be subject to US federal income tax. Should the Company acquire equity securities issued by a non-corporate entity engaged in a US trade or business, those investments should not cause the Company's income from other investments to become subject to net income tax in the United States. The Company also expects that payments received on its investments generally will not be subject to withholding taxes imposed by the United States. There can be no assurance, however, that the Company's income will not become subject to net income or withholding taxes in the United States as the result of unanticipated activities by the Company, changes in law, contrary conclusions by relevant tax authorities or other causes. Income from equity securities of US issuers is likely to be subject to US tax. The extent to which United States taxes may apply to the Company's income will depend on the actual composition of its assets. The imposition of unanticipated net income or withholding taxes could materially impair the Company's ability to make distributions on its Ordinary Shares.

(B) The Shareholders

(i) Dividends on Ordinary Shares

Subject to the passive foreign investment company ("PFIC") rules and the controlled foreign corporation ("CFC") rules discussed below, a US person generally must treat distributions received with respect to the Ordinary Shares as dividend income from sources outside the United States. These

distributions will not be eligible for the dividends received deduction allowable to corporations or for the special reduced tax rate applicable to qualified dividend income of individuals.

(ii) Disposal of Ordinary Shares

The Company will be a passive foreign investment company (a "PFIC"). Because the Company will be a passive foreign investment company, a US person holding Ordinary Shares may be subject to additional taxes unless it elects to treat the Company as a qualified electing fund and to recognise currently its proportionate share of the Company's income. However, the Company does not expect to provide its Shareholders with the information needed to make a QEF election. The Company also may be a controlled foreign corporation, in which case persons subject to United States taxation holding Ordinary Shares could be subjected to different tax treatments, which may also include the recognition of income prior to receipt of any actual cash distribution.

(iii) US Information Reporting and Backup Withholding

Distributions on and proceeds from the disposition of the Ordinary Shares that are made within the United States or through certain US-related intermediaries generally will be subject to US information reporting unless the Shareholder is a corporation or otherwise establishes a basis for exemption. Payments to non-US persons that provide certification of foreign status generally are exempt from information reporting. Backup withholding tax may apply to reportable payments unless the Shareholder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. Any amount withheld may be credited against a Shareholder's US federal income tax liability or refunded to the extent it exceeds the Shareholder's liability provided that the required information is furnished to the IRS.

PART 9

FINANCIAL INFORMATION ON THE COMPANY

Grant Thornton UK LLP
Chartered Accountants
UK member of
Grant Thornton International

Grant Thornton

The Directors
T2 Income Fund Limited
Regency Court
Glategny Esplanade
St Peter Port
Guernsey GY1 3NQ

Grant Thornton Corporate Finance
Grant Thornton House
Melton Street
London NW1 2EP

29 July 2005

Dear Sirs

T2 Income Fund Limited (the "Company")

Introduction

We report on the financial information of the Company set out below. This financial information has been prepared for inclusion in the AIM admission document of the Company dated today ("the Document").

Basis of preparation

The financial information set out below is based on the transactions of the Company from incorporation on 9 June 2005 to 29 July 2005, being the date of this report.

Responsibility

The Directors of the Company are responsible for the contents of the Document in which this report is included. It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Company at 29 July 2005.

Consent

We consent to the inclusion in the Document of this report and accept responsibility for this report for the purposes of paragraph 45(8)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995 as in force prior to 1 July 2005.

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Financial information

The Company has not completed its first accounting period. No statutory financial statements have been prepared, audited or filed since incorporation. The Company was incorporated as a closed-ended company incorporated with limited liability under the laws of Guernsey (with registered number 43260) on 9 June 2005 with the name T2 Income Fund Limited. As at today's date the Company has carried out no trading, has declared no dividends and has not entered into any transactions which impact on the Company's financial position at 29 July 2005. On incorporation the authorised share capital of the Company comprised an unlimited number of ordinary shares of no par value, of which two ordinary shares were issued. The Company has not entered into any material contracts at the date of this report other than those at paragraph 8 of Part 10 of the Document.

Yours faithfully,

GRANT THORNTON UK LLP

PART 10

ADDITIONAL INFORMATION

1. Responsibility

The Directors whose names appear on page 5 of this document, accept responsibility both individually and collectively for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1 The Company was incorporated and registered in Guernsey on 9 June 2005 as a limited liability company under the provisions of the Companies (Guernsey) Laws, 1994 to 1996, as amended, with registered number 43260. The Company's registered office is located at Regency Court, Glategny Esplanade, St. Peter Port, Guernsey GY1 3NQ.

2.2 The liability of the members of the Company is limited.

2.3 The principal activity of the Company is investment in securities, both debt and equity.

2.4 The Company has no subsidiaries.

3. Share Capital of the Company

3.1 The share capital history of the Company is set out below:

The authorised and issued share capital of the Company as at the date of Admission is expected to be as follows:

Authorised share capital		*Issued and fully paid up share capital on Admission*
		Number
Unlimited	Ordinary Shares of no par value	38,000,000

3.2 The Company was incorporated with an authorised share capital comprising an unlimited number of Ordinary Shares of no par value of which two Ordinary Shares were issued at 100p each to the subscribers to the Memorandum of Association of the Company. On Admission, the Company will repurchase these Ordinary Shares.

3.3 On Admission, the Company is expected to issue 38,000,000 New Ordinary Shares at a price of 100p per share to other third party investors procured by JPMorgan Cazenove under the Placing Agreement. The New Ordinary Shares to be issued on Admission will rank *pari passu*, when fully paid, in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid by the Company.

3.4 The Directors are authorised under the Articles to issue and allot the entire authorised but unissued share capital of the Company as at the date of its incorporation, for cash and/or other consideration, free from any rights of pre-emption.

3.5 At the date of this document, the authorised share capital of the Company comprises an unlimited number of Ordinary Shares of no par value of which two such shares were issued.

3.6 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option, other than as described under the heading "Share Option Plan" in Part 4 of this document.

3.7 So far as is known to the Directors as at 29 July 2005 (the latest practicable date prior to the publication of this document), the following shareholders will hold direct or indirect interests in 3 per cent. or more in the issued share capital of the Company on Admission:

Shareholder	*No. of ordinary shares*	*Percentage of issued ordinary shares*
Newstar Asset Management	6,750,000	17.8%
MMA Finance	5,500,000	14.5%
JO Hambro Investment Management	5,000,000	13.2%
Artemis Investment Management Limited	3,800,000	10.0%
Lansdowne Partners Limited	3,799,800	9.999%
Framlington Investment Management Limited	3,000,000	7.9%
Henderson Global Investors Limited	2,500,000	6.6%
Cazenove Capital Management	1,500,000	3.9%

3.8 Save as disclosed in paragraph 3.7 above, the Directors are not aware of any person, who has, at the date of this document, or will be, at the date of Admission, directly or indirectly interested in 3 per cent. or more of the issued share capital of the Company or who does or would exercise control over the Company.

4. Memorandum of Association and Articles

4.1 The Memorandum of Association of the Company sets out a comprehensive list of principal objects of the Company including *inter alia*:

(a) to carry on business as a general commercial company;

(b) to lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid);

(c) to borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, security interest, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, security interest, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it; and

(d) to subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.

4.2 The Articles which were adopted by the Company on incorporation, include provisions to the following effect:

4.3 Voting of class rights and changes of capital

(a) The special rights attached to any class of shares may, subject to any applicable law, be altered or abrogated in such manner (if any), either with the consent in writing of the holders of not less than three fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class.

(b) The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its shares into shares of a larger amount, cancel any shares not taken or agreed to be taken by any person and sub-divide its shares into shares of a smaller amount or convert all or any of its

fully paid shares the nominal amount of which is expressed in a particular currency into fully paid shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other date specified by the resolution.

(c) The Company may by special resolution reduce its authorised or issued share capital or any capital redemption reserve and any share premium account in any way subject to any authority required by law. Subject to applicable law, the Company may purchase its own shares.

4.4 Class meetings

The provisions of the Articles applicable to general meetings apply *mutatis mutandis* to every class meeting but the necessary quorum is two persons holding or representing by proxy not less than one tenth of the issued shares of that class except where there is only one holder of the relevant class of shares in which case the quorum shall be that holder.

4.5 Votes of members

Subject to any rights or restrictions as to voting attached to any class of shares, at any general meeting, on a show of hands, every member who is present in person has one vote and, in the case of a poll, every member present in person or by proxy has one vote for every share of which he is the holder. No member is entitled to attend or vote at a general meeting either personally or by proxy if he or any person appearing to be interested in shares held by him has been duly served with a disclosure notice (as defined in the Articles) and is in default for the prescribed period in supplying to the Company the information required thereby or, unless the Directors determine otherwise, if any calls from him have not been paid.

4.6 Directors

(a) A Director is not required to hold any qualification Ordinary Shares.

(b) The amount of any fees payable to Directors (in their capacity as such) shall be determined by the Directors. The Directors are also entitled to be repaid all expenses properly incurred by them respectively in the performance of their duties. Any Director holding an executive office or otherwise performing services which in the opinion of the Directors are outside the scope of his ordinary duties as a Director may be paid such remuneration as the Directors may determine.

(c) The Directors from time to time appoint one or more of their body to be the holder of any executive office (including the office of chairman, deputy chairman, managing director or chief executive) on such terms as they think fit provided that a managing director or other Director holding executive office must not be resident and/or ordinarily resident in the UK.

(d) Provided that he has disclosed to the Directors in accordance with the Articles the nature and extent of any material interest of his, a Director notwithstanding his office:

(i) may be a party to, or otherwise interested in, any contract or arrangement with the Company or in which the Company is otherwise interested;

(ii) may be a director or other officer of, or employed by, or a party to, any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;

(iii) may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act in a professional capacity to the Company on such terms as to remuneration and otherwise as the Directors may arrange; and

(iv) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such contract, transaction or arrangement or from any interest in any such body corporate, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

(e) A Director may vote and be counted in the quorum in respect of any resolution notwithstanding that he may be materially interested in it.

(f) A Director shall not be subject to any mandatory retirement age.

4.7 Transfer and compulsory transfer of Ordinary Shares

Subject as described below:

(a) Any Shareholder may transfer all or any of his uncertificated Ordinary Shares by means of a relevant system authorised by the Directors in such manner provided for, and subject as provided in the Articles and the rules of such relevant system, and accordingly no provision of the Articles shall apply in respect of an uncertificated Ordinary Share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred.

(b) Any Shareholder may transfer all or any of his certificated Ordinary Shares by an instrument of transfer in any usual form, or in any other form which the Directors may approve, signed by or on behalf of the transferor and, unless the Ordinary Share is fully paid, by or on behalf of the transferee.

(c) The Directors shall not be bound to register more than four persons as joint holders of any Ordinary Share.

If it comes to the notice of the Directors that, without the consent of the Directors, a registered holder or beneficial owner of any Ordinary Share is a ''non-qualified person'' (as defined below), the Directors may at any time serve a notice on such non-qualified person requiring the transfer of the relevant interest in the relevant shares and if a stock transfer form effecting the transfer and any relevant share certificate(s) have not been received at the registered office of the Company within 28 days of service of the notice, or the person to whom such notice is addressed does not within such period satisfy the Directors that the requirements of the notice have been satisfied, the Company may sell the relevant shares on behalf of the holder of the shares by instructing a stockbroker to sell them in accordance with the best practice then obtaining to a person who is not a non-qualified person.

To give effect to any sale of Ordinary Shares pursuant to the preceding paragraph the Directors may authorise some person to transfer the shares in question and an instrument of transfer executed by that person will be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The purchaser will not be bound to see to the application of the purchase monies nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The proceeds of sale will belong to the Company and, upon their receipt, the Company will become indebted to the former holder of, or person entitled by transmission to, the shares for an amount equal to the net proceeds of transfer. No trust will be created in respect of the debt, and no interest will be payable in respect of it, and the Company will not be required to account for any monies earned from the net proceeds of transfer. The Company may employ such monies earned in its business or as it thinks fit.

The Directors may, at any time, require the registered holder of any Ordinary Shares to provide evidence that the beneficial owner of those shares is not a non-qualified person and that such shares have not been acquired for the account, or for the benefit, of any non-qualified person or with a view to offering or selling the shares to a non-qualified person or in any jurisdiction in which an offer or sale of shares would not be permitted in the manner contemplated.

For the purposes of the preceding three paragraphs a ''non-qualified person'' is any person:

(i) to whom a transfer of Ordinary Shares

  (a) would be a breach of any laws or requirements of any country or governmental authority; or

  (b) might, in the opinion of the Directors (as a result of circumstances directly or indirectly affecting such persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) result in the Company incurring any liability to taxation or suffering any pecuniary or regulatory disadvantage which the Company might not otherwise have incurred or suffered;

(ii) whose holding of Ordinary Shares might in the opinion of the Directors cause the assets of the Company to be deemed ''plan assets'' for the purposes of the U.S. Employee Retirement Income Security Act 1974, as amended; or

(iii) to whom a transfer of Ordinary Shares or whose holding of Ordinary Shares might in the opinion of the Directors require registration of the Company as an investment company under the U.S. Investment Company Act of 1940, as amended.

4.8 Borrowing powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Articles do not include any limitations on the Company's power to borrow.

4.9 Disclosures of beneficial interests in Ordinary Shares

(a) The Directors may serve notice on any Shareholder requiring that Shareholder to disclose to the Company the identity of any person (other than the Shareholder) who has an interest in the Ordinary Shares held by the Shareholder and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine.

(b) If any Shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), the Directors in their absolute discretion may serve a direction notice on the Shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the ''Default Shares'') and any other shares held by such Shareholder, such Shareholder shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. of the Ordinary Shares for the time being in issue, the direction notice may additionally direct that dividends on such Default Shares will be retained by the Company (without interest), and that no transfer of Default Shares (other than a transfer approved under the Articles) shall be registered until the default is rectified.

4.10 Annual general meeting

It is intended that the annual general meeting of the Company will normally be held in Guernsey or such other place as may be determined by the Directors. Notices convening the annual general meeting in each year will be sent to Shareholders at their registered addresses or given by advertisement not later than 10 days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders at their registered addresses or by Shareholders requisitioning such meetings in accordance with Guernsey law, and may be held in Guernsey or elsewhere.

4.11 Untraceable Shareholders

The Company shall be entitled to sell at the best price reasonably obtainable the Ordinary Shares of a Shareholder or any Ordinary Shares to which a person is entitled by transmission on death or bankruptcy if and provided that:

(i) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Shareholder or to the person so entitled to the share at his address in the Register of Members or otherwise the last known address given by the Shareholder or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Shareholder or the person so entitled provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final;

(ii) the Company has at the expiration of the said period of twelve years by advertisement in a newspaper circulating in the area in which the address referred to in sub-paragraph (i) above is located given notice of its intention to sell such shares;

(iii) the Company has not during the period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Shareholder or person so entitled; and

(iv) if any part of the share capital of the Company is quoted on the London Stock Exchange the Company has given notice in writing to the London Stock Exchange of its intention to sell such shares.

4.12 Distribution of assets on liquidation

The Company may be wound up voluntarily by a special resolution of the Shareholders in general meeting. The Company may also be wound up at any time in accordance with the provisions of the Companies (Guernsey) Laws, 1994 to 1996, as amended.

If the Company is wound up the liquidator will, as soon as is practicable, realise the assets of the Company. The liquidator will be required to apply the assets of the Company to satisfy liabilities incurred by the Company and, after paying off such liabilities or retaining adequate provision for all liabilities properly so payable and retaining for the costs of the winding-up, distribute proceeds of that realisation to the holders of Ordinary Shares, in each case upon production by holders of such evidence as the liquidator may reasonably require as to their entitlement thereto.

The holders of Ordinary Shares are entitled *pari passu* amongst themselves, but in proportion to the numbers of shares held by them and to the amounts paid up or credited as paid up, to share in the proceeds of realisation.

The liquidator may, with the sanction of an extraordinary resolution of the Company, divide among the Shareholders *in specie* the whole or any part of the assets of the Company and (whether or not the assets consist of property of one kind or of properties of different kinds) may, for that purpose, value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, again with the sanction of an extraordinary resolution of the Company, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as he determines. However no Shareholder shall be compelled to accept any assets on which there is a liability.

Unclaimed dividends

Any dividend unclaimed after a period of 6 years from the date of its declaration shall be forfeited and shall revert to the Company.

5. Directors

5.1 The names, business addresses and functions of each of the Directors, are as follows:

Directors	*Business address*	*Function*
Patrick Firth	PO Box 211, Regency Court, Glategny Esplanade, St Peter Port, Guernsey GY1 3NY	Non-Executive Director
Fred Forni	600 5th Avenue, 21st Floor, New York, NY 10020, USA	Non-Executive Director
Saul Rosenthal	8 Sound Shore Drive, Suite 225, Greenwich CT 06830, USA	Non-Independent Director
Lee Stern	8 Sound Shore Drive, Suite 225, Greenwich CT 06830, USA	Non-Independent Director
William Tozier	8 Sound Shore Drive, Suite 225, Greenwich CT 06830, USA	Non-Executive Chairman

5.2 Save as set out below, or as disclosed elsewhere in this document, no directorships of any company, other than the Company, have been held or occupied over the previous five years by any of the Directors, nor over that period has any of the Directors been a partner in a partnership.

Director	*Current directorships and partnerships*	*Former directorships and partnerships*
Patrick Firth	Butterfield Fund Services (Guernsey) Limited	Belvedere Fund Limited
	Cardona Lloyd (Guernsey) Limited	BISYS Fund Services (Guernsey) Limited
	Cardona Lloyd Hedge Portfolio Limited	ED&F Man Investment Products (Guernsey) Limited
	Merchbanc Management (Guernsey) Limited	Liontrust International (Guernsey) Limited
	Global Industrial Investments Limited	Liontrust Guernsey Fund Limited
	Stratos Ventures General Partner 1 Limited	Man – Fidex Diversified Limited
	CBI Finance Limited	Man – Fidex Global Investments Limited
	Investment Fund Services Limited	Man – Vector Diversified Limited
	Halsfield Limited	Man – Vector Global Investments Limited
	Rosebank Management Limited	Man – Drapeau Response Limited
	Sierra GP Limited	Man – Alternative Strategy Investments Limited
	The Professional Investor Fund PCC Limited	Global Investments Limited
		AHL Global Investments Limited
		RG World Fund Limited
		RG Management Limited
		The Royal London Property Investment Company Limited
		The Royal London Property Portfolio Limited
Fred Forni	Diversified CLO Investments No. 1 Inc.	Asher Securities Limited
	Diversified CMBS Investments Inc.	
	MEIF Sophisticated Investor Fund	
	TAC Acquisition Corp.	
	Macquarie Global Infrastructure Total Return Fund Inc.	
	Macquarie Intrastructure Fund Advisor	
Saul Rosenthal	BDC Partners, LLC	Privet Financial, LLC
	TAC Acquisition Corp.	
Lee Stern	None	None
William Tozier	None	None

5.3 None of the Directors has any unspent convictions in respect of indictable offences. None of the Directors has been a bankrupt or entered into an individual voluntary arrangement. None of the Directors was a partner of any partnership at the time of or within 12 months of any compulsory liquidation, administration or partnership voluntary arrangement. None of the Directors has owned an asset over which a receiver has been appointed nor has any of the Directors been a partner of any partnership at the time of or within 12 months of receivership of any assets of the partnership.

5.4 There have been no public criticisms of any of the Directors by any statutory or regulatory authority (including recognised professional bodies) and none of the Directors has ever been disqualified by a court from acting in the management or conduct of the affairs of any company.

5.5 None of the Directors was a director of any company or partner in any partnership at the time of or within twelve months preceding any receivership, compulsory liquidation, creditors voluntary

liquidation, administration, company voluntary arrangement or any composition or arrangements with its creditors generally or any class of its creditors.

6. Directors and Other Interests

6.1 The interests of the Directors, and of persons connected with them in Ordinary Shares as at 29 July 2005 (the latest practicable date prior to the publication of this document), which have been notified to the Company and are shown in the register of Directors' interests, are as follows:

Director	*Ordinary Shares*	*Type of interest*	*Percentage*
Saul Rosenthal	1,055,556	Beneficial	2.5%

Note: Saul Rosenthal holds a beneficial interest in 25 per cent. of the membership interests in the Investment Manager. He accordingly holds a 25 per cent. interest in the Ordinary Shares subject to the option granted to the Investment Manager by the Company. He will accordingly have a beneficial interest in 2.5 per cent. of the Ordinary Shares on the basis of the share capital when diluted by the number of Ordinary Shares subject to the option.

7. Directors' Appointment Letters

7.1 On 17 June 2005 each of the Directors entered into a letter of appointment with the Company with effect from 17 June 2005 formalising the terms of their current appointments as Directors. Each appointment is until the next annual general meeting of the Company. If the appointment is renewed at the next annual general meeting, it will continue for a term of three years.

Each appointment anticipates a time commitment of 20 days per year, including attendance at quarterly board meetings and committees of the board.

Patrick Firth and Fred Forni will each be paid a fee of £20,000 per annum and William Tozier will be paid a fee of £25,000 per annum, subject to annual review by the Board. No fees or benefits in kind have been granted to the Directors during the last financial year.

7.2 There are no loans or guarantees provided by the Company for the benefit of any Director.

7.3 No Director has or has had any interest in any transaction which is of an unusual nature, which contains unusual terms or is significant in relation to the business of the Company and which was effected during the current or immediately preceding financial year and remains in any respect outstanding or under performed.

8. Material Contracts

8.1 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since its incorporation on 9 June 2005, and are, or may be, material:

(a) The Investment Management Agreement, details of which are summarised in Part 4 of this document;

(b) An administration and secretarial agreement made between the Company and Butterfield Fund Services (Guernsey) Limited dated 29 July 2005, and conditional upon Admission, pursuant to which the Administrator provides for the day-to-day administration of the Company, including maintenance of accounts and provision of a company secretary.

For the provision of its services under the Administration and Secretarial Agreement, the Administrator is entitled to receive a fee calculated at an annual rate of 0.075 per cent. of the net asset value of the Company subject to a minimum fee of £40,000 (in respect of valuation, administration and compliance services) and a fixed annual fee of £10,000 (in respect of accounting services). Fees in respect of arranging board meetings and take-on fees are also payable. In addition to the fees payable, the Company will reimburse the Administrator for all expenses incurred by the Administrator in connection with the performance of its services under the Administration Agreement.

The Administration and Secretarial Agreement may be terminated on 90 days notice by the Company or the Administrator. The Administration and Secretarial Agreement may be terminated immediately by either party on the occurrence of certain specified events or if the other party is materially in breach of the Administration and Secretarial Agreement and fails (in the case of a breach capable of being remedied) to remedy such breach within thirty days of receipt of a written notice from the other requiring it to do so.

The Administrator will not be liable for any loss suffered by the Company or any shareholder or otherwise in connection with the subject matter of the Administration and Secretarial Agreement, unless such loss arises from any fraud, wilful default or gross negligence of the Administrator.

The Company has indemnified the Administrator against all actions, proceedings, claims, costs, demands and expenses which may be brought against or suffered or incurred by the Administrator in connection with the performance or non-performance of its duties, including legal expenses, except as arise from any fraud, wilful default or gross negligence of the Administrator.

The Administration and Secretarial Agreement is governed by Guernsey law.

(c) A Custodian Agreement made between the Company and Butterfield Bank (Guernsey) Limited (the "Custodian") dated 29 July 2005, and conditional upon Admission, pursuant to which the Custodian will be responsible for providing custodial services which include holding in safe custody for the Company all of the assets of the Company and all documents of title to or evidencing ownership of those assets, the registration of title to the property of the Company and the settlement of all transactions relating to the property of the Company.

For the provision of its services under the Custodian Agreement, the Custodian is entitled to a fee calculated at an annual rate of 0.02 per cent. of the net asset value of the Company subject to a minimum fee of £15,000 per annum. In addition to this fee, the Company will reimburse the Custodian for reasonable out of pocket expenses incurred for the benefit of the Company and the fees paid to, and the expenses of, any delegates appointed by the Custodian.

The Custodian Agreement is terminable on six months' notice by the Company or the Custodian. The Custodian Agreement may be terminated immediately by either party on the occurrence of certain specified events or if the other party is materially in breach of the Custodian Agreement and fails (in the case of a breach capable of being remedied) to remedy such breach within sixty days of receipt of a written notice from the other requiring it to do so.

The Custodian will not be liable for any loss suffered by the Company or any shareholder or otherwise in connection with the subject matter of the Custodian Agreement, unless such loss arises from any fraud, wilful default or gross negligence of the Custodian. The Company has indemnified the Custodian against all actions, proceedings, claims, costs, demands and expenses which may be brought against or suffered or incurred by the Custodian in connection with the performance or non-performance of its duties, including legal expenses, except as arise from any fraud, wilful default or gross negligence of the Custodian.

The Custodian Agreement is governed by Guernsey law.

(d) On 29 July 2005, the Company, T2 Advisers, the Directors and JPMorgan Cazenove entered into the Placing Agreement. Pursuant to the Placing Agreement, *inter alia*:

(i) the Company agreed, subject to certain conditions (as detailed further in paragraph (iv) below), to allot and issue the New Ordinary Shares pursuant to the Placing at the Placing Price;

(ii) JPMorgan Cazenove agreed to use reasonable endeavours to procure subscribers for the New Ordinary Shares pursuant to the Placing;

(iii) subject to and following Admission, JPMorgan Cazenove will deduct from the proceeds of the Placing a fee of £225,000 and a commission of 1.25 per cent. of the product of the Placing Price and the number of New Ordinary Shares allotted pursuant to the Placing;

(iv) save in relation to JPMorgan Cazenove's obligations to use reasonable endeavours to procure subscribers for the New Ordinary Shares at the Placing Price pursuant to the Placing, each of the obligations of JPMorgan Cazenove under the Placing Agreement is subject to certain conditions. These conditions include (a) the application for Admission having been made by or on behalf of the Company in accordance with the Nominated Adviser Agreement described in paragraph 8(e) of this Part 10, (b) the delivery of certain documents to JPMorgan Cazenove, (c) any supplementary admission document which the Company is required to publish, being prepared by the Company and published prior to Admission in accordance with the AIM Rules and (d) the New Ordinary Shares being allotted and Admission occurring on or before 8.00 a.m. on 5 August 2005 (or such later time and/or date as the Company and JPMorgan Cazenove may agree, being not later than 31 August 2005). The conditions to the Placing Agreement, or the time for satisfaction thereof, may be extended, but not beyond 5.30 p.m. on 31 August 2005. JPMorgan Cazenove may waive the conditions (in whole or in part) in its absolute discretion other

than the condition relating to Admission described in sub-paragraph (d) of this paragraph (iv);

(v) JPMorgan Cazenove has the right to terminate the Placing Agreement, exercisable in certain circumstances including if at any time prior to Admission (a) any of the conditions to the Placing Agreement which is not waived (if capable of waiver), is not satisfied or becomes incapable, for any reason, of being satisfied, (b) the Company, T2 Advisers or the Directors fail to comply in any respect which is material in the context of any or all of Admission, the Company or the Placing with any of their respective obligations under the Placing Agreement or a material breach of the Placing Agreement shall have occurred, (c) if it shall come to the notice of JPMorgan Cazenove that any statement contained in (*inter alia*) this document has become untrue, incorrect or misleading in any material respect or that statements have been omitted from (*inter alia*) this document which, in any such case is material in the context of Admission or the Company or the Placing or (f) there shall have occurred or come into effect any event or omission which is or may be materially adverse to the Company or the Placing in accordance with (*inter alia*) this document;

(vi) the Company has agreed to pay the costs, charges, fees and expenses of the Placing;

(vii) each of the Company, the Directors and T2 Advisers has given certain representations, warranties and undertakings to JPMorgan Cazenove including as to the accuracy of the information contained in this document and (in the case of the Company) in relation to other matters relating to the Company and its business;

(viii) the Company has given an indemnity in favour of JPMorgan Cazenove relating to certain liabilities connected with the Placing; and

(ix) the Company and T2 Advisers has given certain undertakings to JPMorgan Cazenove relating (*inter alia*) to the making of announcements and other statements or communications at any time prior to the date of announcement of the Company's preliminary results for the financial year ending 31 December 2005.

(e) An agreement dated 17 June 2005 made between the Company and Grant Thornton Corporate Finance under which the Company has appointed Grant Thornton Corporate Finance as nominated adviser to the Company. The agreement contains certain undertakings and indemnities from the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement is terminable on 30 days notice in writing by either party;

(f) The Company has adopted a Share Option Plan. Under the rules of the Plan, the Company will grant options to the Investment Manager to subscribe for Ordinary Shares equal in number 10 per cent. of the total number of Ordinary Shares in issue on the date of Admission and the number of Ordinary Shares over which options have been granted pursuant to the Share Option Plan, at an exercise price per Ordinary Share equal to the Placing Price, subject to reduction as described below. The Directors may grant further options over Ordinary Shares to the Investment Manager from time to time, as they consider appropriate. The Investment Manager may assign options granted to it to any of its members, employees, directors or consultants to acquire Ordinary Shares from it. The Investment Manager may also grant options to any of its members, employees, directors or consultants, up to the number of Ordinary Shares over which options have been granted to it by the Company pursuant to the Share Option Plan, and exercisable at the same time as the options granted to it by the Company. Additionally, the Company may grant options over Ordinary Shares to employees of the Investment Manager. Such options will be treated as existing in parallel to the options granted to the Investment Manager, so that they may only be exercised at the same time as the referable number of options granted to the Investment Manager.

The Directors believe that the success of the Company will depend to a significant extent on the future performance of the investment management team. The Directors also recognise the importance of ensuring that the investment management team is well motivated and identifies closely with the profitability and overall performance of the Company. Accordingly, the Company will grant to the Investment Manager (or to such other person as the Investment Manager may specify) options to acquire 4,222,222 Ordinary Shares at an exercise price per Ordinary Share equal to the Placing Price upon completion of the Placing. 50 per cent. of the options will vest immediately upon the Company achieving an 8.0 per cent. annualised quarterly dividend yield, with the remaining 50 per cent. vesting in twelve months. The option exercise price

will decrease by an amount equal to the cumulative total amount of dividends paid by the Company and capital distributions. For the purposes of this calculation, dividend yield will equal the amount of the most recent quarter declared dividend multiplied by four divided by net asset value as of the most recent quarter end.

The Company will also grant the Investment Manager options equal to 10 per cent. (on a fully diluted basis) of any securities of the Company being offered in any subsequent capital raising by the Company on the same terms as specified above.

The Company and the Investment Manager entered into a Share Option Award Agreement dated 29 July 2005, pursuant to which the Company has granted to the Investment Manager conditional on completion of the Placing the options referred to above to acquire 4,222,222 Ordinary Shares at an exercise price per Ordinary Share equal to the Placing Price. The exercise price is reduced by the amount of each dividend declared by the Company, subject to a minimum exercise price of 1 pence per Ordinary Share. The options become exercisable (in respect of 50 per cent. of the Ordinary Shares subject to the options) on conclusion of the first three month period during which the Company pays dividends on the Shares in an aggregate amount during that three month period equal to or exceeding 8 per cent. (on an annualised basis) of the Placing Price, and (in respect of the remaining 50 per cent.), immediately on conclusion of the next following twelve month period. All options otherwise become exercisable on a change of control of the Company.

(g) An agreement dated 29 July 2005 made between the Company and Lloyds TSB Registrars under which the Company has appointed Lloyds TSB Registrars as transfer agent of the Company. The Transfer Agent provides registration services for the Ordinary Shares in accordance with the AIM Rules.

For the provision of its services under the Transfer Agent Agreement, the Company will pay the Transfer Agent fees for the services provided as from time to time agreed between the Company and the Transfer Agent and out of pocket expenses incurred by the Transfer Agent for the performance of its services.

The Company has indemnified the Transfer Agent against all liabilities which the Transfer Agent may incur arising out of the Transfer Agent properly performing its duties under the Transfer Agent Agreement.

9. Litigation and Arbitration

There are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had, since the date of its incorporation, a significant effect on the Company.

10. Working Capital

The Directors are of the opinion, having made due and careful enquiry, the working capital available to the Company will, from the date of Admission, be sufficient for its present requirements, that is for the twelve months from Admission.

11. Issue Arrangements

11.1 No admission to listing or trading of the Ordinary Shares is being sought on any stock exchange other than AIM.

11.2 Allocations of New Ordinary Shares in the Placing will be determined by JPMorgan Cazenove in consultation with the Company after offers to subscribe for New Ordinary Shares have been received from prospective investors.

12. Consents

12.1 The reporting accountants, Grant Thornton UK LLP, have given and have not withdrawn their written consent to the inclusion in Part 9 of this document of their accountant's report on the Company, the references thereto and to their name in the form and context in which they appear.

12.2 Grant Thornton Corporate Finance, which is regulated in the United Kingdom by the Financial Services Authority, 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.

12.3 JPMorgan Cazenove, which is regulated in the United Kingdom by the Financial Services Authority, 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.

13. General Information

13.1 Save as disclosed in this document, there has been no significant change in the trading or financial position of the Company since its incorporation on 9 June 2005.

13.2 The total costs and expenses of and incidental to the Placing and Admission, including commissions which are payable by the Company, are estimated to amount to £1.4 million. The Initial Equity Proceeds are expected to be £38,000,000.

13.3 Other than as described in this document, there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business.

13.4 The Articles allow the holding and transfer of Ordinary Shares through CREST. The Directors have applied for the Ordinary Shares to be admitted to CREST following Admission. However, CREST is a voluntary system and holders of Ordinary Shares who wish to receive share certificates will be able to do so even after admission to CREST.

13.5 Temporary documents of title will not be issued. It is expected that share certificates will be despatched by post to those Shareholders whose entitlements are to be dealt with outside CREST at the risk of the persons entitled thereto on or before 12 August 2005 and that the CREST accounts of those Shareholders who have requested that their entitlements be dealt with inside CREST will be credited on or before 5 August 2005.

13.6 In the Directors' opinion, the minimum amount that must be raised pursuant to the Placing is £38,000,000, which will be applied as follows:

(i)	purchase price of investments;	£nil
(ii)	commissions and preliminary expenses payable in respect of the Placing;	£1.4 million
(iii)	repayment of monies borrowed in respect of (i) and (ii) above; and	£nil
(iv)	working capital (available for investment)	£36.6 million

There are no amounts to be provided in respect of the matters mentioned above otherwise than out of the proceeds of the Placing.

13.7 No person (excluding professional advisers and service providers as stated in this document) has received, directly or indirectly, from the Company within the twelve months preceding the date of this document, and no persons have entered into contractual arrangements to receive, directly or indirectly, from the Company on or after the date of this document:

(i) fees totalling £10,000 or more;

(ii) securities in the Company with a value of £10,000 or more calculated by reference to the consideration under the Placing; or

(iii) any other benefit with a value of £10,000 or more at the date of this document.

14. Documents on Display

Copies of the following documents are available for inspection at the offices of Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS during normal business hours on any weekday (Saturday, Sunday and public holidays excepted) for a period of one month from Admission:

(a) the memorandum of association of the Company and the Articles;

(b) the report produced by the reporting accountants set out in Part 9 of this document;

(c) the Directors' appointment letters referred to in paragraph 7 of this Part 10;

(d) the material contracts referred to in paragraph 8 of this Part 10;

(e) the consent letters referred to in paragraph 12 of this Part 10; and

(f) this document.

15. Availability of this Document

Copies of this document are available free of charge during normal business hours on any weekday (except Saturday, Sunday and public holidays) at the offices of Grant Thornton Corporate Finance, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP and will remain available for a period of one month following Admission.

Dated: 1 August 2005

PART 11

SUMMARY OF, AND TERMS OF AND CONDITIONS TO, THE PLACING

Terms of and conditions to the Placing

1. Introduction

These terms and conditions apply to persons making an offer to subscribe for New Ordinary Shares under the Placing.

Each person to whom these conditions apply, as described above, who confirms his agreement to JPMorgan Cazenove to subscribe for New Ordinary Shares (an "Investor") hereby agrees with each of JPMorgan Cazenove, the Company, Grant Thornton Corporate Finance and the Transfer Agent to be bound by these terms and conditions as being the terms and conditions upon which New Ordinary Shares will be issued and sold under the Placing. An Investor shall, without limitation, become so bound if JPMorgan Cazenove (i) confirms to the Investor its allocation and (ii) notifies the Transfer Agent (as registrars to the Company) on behalf of the Company that it has given that confirmation to the Investors.

2. Agreement to subscribe for New Ordinary Shares

Conditional on (i) the Placing Agreement being entered into by the parties thereto, (ii) Admission occurring on or prior to 5 August 2005 (or such later time and/or date as the Company and JPMorgan Cazenove may agree, being not later than 31 August 2005) and (iii) the confirmation mentioned under paragraph 1 above, an Investor agrees to become a member of the Company and agrees to subscribe, as more particularly described below, at the Placing Price, the number of New Ordinary Shares allocated to such Investor under the Placing in accordance with the arrangements described in Part 7 of this document. To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights such Investor may have.

3. Payment for New Ordinary Shares

Each Investor undertakes to pay the Placing Price for the New Ordinary Shares issued to such Investor in such manner as shall be directed by JPMorgan Cazenove.

In the event of any failure by any Investor to pay as so directed by JPMorgan Cazenove, the relevant Investor shall be deemed hereby to have appointed JPMorgan Cazenove or any nominee of JPMorgan Cazenove to sell (in one or more transactions) in accordance with applicable law and regulation any or all of the New Ordinary Shares in respect of which payment shall not have been made as directed by JPMorgan Cazenove and to have agreed to indemnify on demand JPMorgan Cazenove in respect of any liability for stamp duty and/or SDRT arising in respect of any such sale or sales.

4. Representations and warranties

By receiving this document, each Investor and, in the case of paragraphs 4.3, 4.4 and 4.6 below, any person confirming his agreement to subscribe for New Ordinary Shares on behalf of an Investor or authorising JPMorgan Cazenove to notify an Investor's name to the Transfer Agent (as registrars to the Company), is deemed to represent and warrant to each of JPMorgan Cazenove, the Company, Grant Thornton Corporate Finance and T2 Advisers that:

4.1 in agreeing to subscribe for New Ordinary Shares under the Placing, the Investor is relying on this document, and not on any other information or representation concerning the Company, the Placing or the Ordinary Shares. Without prejudice to paragraph 6 below, such Investor agrees that neither the Company, T2 Advisers, Grant Thornton Corporate Finance nor JPMorgan Cazenove nor any of their respective officers or directors will have any liability for any such other information or representation;

4.2 if the laws of any place outside the United Kingdom are applicable to the Investor's agreement to subscribe for New Ordinary Shares under the Placing and/or acceptance thereof, such Investor has complied with all such laws and none of the parties mentioned under paragraph 1 above will infringe any laws outside the United Kingdom as a result of such Investor's agreement to subscribe for New Ordinary Shares under the Placing and/or acceptance thereof or any actions arising from such Investor's rights and obligations under the Investor's agreement to subscribe for New Ordinary Shares under the Placing and/or acceptance thereof or under the Articles;

4.3 in the case of a person who confirms to JPMorgan Cazenove on behalf of an Investor an agreement to subscribe for New Ordinary Shares under the Placing and/or who authorises JPMorgan Cazenove to notify the Investor's name to the Transfer Agent (as registrars to the Company) as mentioned under paragraph 1 above, that person represents and warrants that he has authority to do so on behalf of the Investor;

4.4 the Investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services);

4.5 the Investor is a person who:

(i) falls within paragraph 5 of Article 19 and/or paragraph (2) of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529); and

(ii) (a) prior to 1 July 2005, was a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) from 1 July 2005 until Admission, is a "qualified investor" within the meaning of section 86(7) of FSMA; and

4.6 in the case of an Investor (or any person acting on its behalf) who confirms to JPMorgan Cazenove on behalf of an Investor an agreement to subscribe for New Ordinary Shares and who is acting on behalf of a third party, that the terms on which the Investor (or any person acting on its behalf) are engaged enable it to make investment decisions in relation to securities on that third party's behalf without reference to that party.

5. Supply and disclosure of information

If the Company, Grant Thornton Corporate Finance, JPMorgan Cazenove or any of their agents request any information about an Investor's agreement to subscribe for New Ordinary Shares, such Investor must promptly disclose it to them.

6. Miscellaneous

The rights and remedies of the Company, T2 Advisers, Grant Thornton Corporate Finance, the Transfer Agent and JPMorgan Cazenove under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, each Investor may be asked to disclose, in writing or orally to JPMorgan Cazenove:

(a) if he is an individual, his nationality; or

(b) if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

All documents will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to JPMorgan Cazenove.

Each Investor agrees to be bound by the Articles once the New Ordinary Shares for which such Investor has agreed to subscribe have been issued to such Investor.

The contract to subscribe for New Ordinary Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England. For the exclusive benefit of the parties mentioned under paragraph 1 above, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an Investor in any other jurisdiction.

In the case of a joint agreement to subscribe for New Ordinary Shares, references to an Investor in these terms and conditions are to each of such Investors and such Investors' liability is joint and several.

The Company, Grant Thornton Corporate Finance and JPMorgan Cazenove expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined.

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