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A copy of this document, which comprises a prospectus relating to JPMorgan Global Convertibles Income Fund Limited (the “Company”) in connection with the issue of Shares in the Company, prepared in accordance with the Prospectus Rules of the UK Listing Authority made pursuant to section 73A of the FSMA, has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. It should be remembered that the price of the Shares and the income from them can go down as well as up.

Applications will be made for the Shares to be admitted to the Official List of the UK Listing Authority with a premium listing and to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission will become effective and that dealings in the Shares which are the subject of the Issue will commence on 11 June 2013.

The Company and the Directors, whose names appear on page 34 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Investment Manager, JPMorgan Asset Management (UK) Limited, accepts responsibility for the information contained in this Prospectus attributed to it. To the best of the knowledge of the Investment Manager, who has taken all reasonable care to ensure that such is the case, the information contained in this document attributed to it is in accordance with the facts and contains no omission likely to affect its import.

Capitalised terms contained in this Prospectus shall have the meanings set out in Part IX of this Prospectus, save where the context indicates otherwise.

The attention of potential investors is drawn to the Risk Factors set out on pages 16 to 28 of this Prospectus.

The latest time and date for applications under the Offer is 1.00 p.m. on 5 June 2013. Further details of the Issue are set out in Part V of this Prospectus.

JPMORGAN GLOBAL CONVERTIBLES INCOME FUND LIMITED

(a non-cellular investment company limited by shares incorporated under the laws of Guernsey with registered number 56625)

Placing and Offer for Subscription for a target issue in excess of £100 million at an issue price of £1.00 per Share

Investment Manager

JPMorgan Asset Management (UK) Limited

Sponsor

Winterflood Securities Limited

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Investment Manager. The offer and sale of Shares have not been and will not be registered under the applicable securities laws of the United States, Australia, Canada, South Africa or Japan. The Shares may not be offered or sold within the United States, Australia, Canada, South Africa or Japan or to any U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”)) or to any national, resident or citizen of Australia, Canada, South Africa or Japan.

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “U.S. Investment Company Act”) and investors will not be entitled to the benefits of the U.S. Investment Company Act.

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Shares are being offered and sold only outside the United States to persons who are not U.S. Persons (as defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Winterflood Securities Limited (“Winterflood Securities”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting through its division, Winterflood Investment Trusts, as Sponsor to the Company and for no one else in connection with the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Issue, the contents of this Prospectus or any matters referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Winterflood Securities by FSMA or the regulatory regime established thereunder, Winterflood Securities does not accept any responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Investment Manager, the Shares or the Issue. Winterflood Securities accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

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

This Prospectus is dated 17 May 2013.

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SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

Section A – Introduction and Warnings

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
A1	Warning	This summary section should be read as an introduction to this Prospectus. Any decision to acquire Shares should be based on a consideration of this Prospectus as a whole by an investor. Where a claim relating to the information contained in this Prospectus is brought before a court, a plaintiff investor might, under national legislation of the member states of the European Union, have to bear the costs of translating that prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A2	Use of prospectus by financial intermediaries	Not applicable. No consent has been given by the Company or any person responsible for drawing up this Prospectus to the use of this Prospectus for subsequent resale or final placement of securities by financial intermediaries.

Section B – Issuer

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
B1	Legal and commercial name	JPMorgan Global Convertibles Income Fund Limited
B2	Domicile and legal form	The Company is a closed-ended investment company limited by shares, registered and incorporated in Guernsey under the Companies Law on 7 May 2013, with registered number 56625. The Company is a non-cellular company and has been declared by the GFSC to be a registered closed-ended collective investment scheme.
B5	Group description	Not applicable. The Company is not a part of a group and does not have any subsidiaries.
B6	Major Shareholders	As at the date hereof, insofar as is known to the Company, no person is or will, immediately following the Issue, be directly or indirectly interested in 5 per cent. or more of the Company’s issued share capital.

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
B7	Key financial information	Not applicable. The Company has been newly incorporated and has no historical financial information.
B8	Key <i>pro forma</i> financial information	Not applicable. No pro forma information about the Company is included in this document.
B9	Profit forecast	Not applicable. No profit estimate or forecast for the Company is made.
B10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The Company has been newly incorporated and has no historical financial information.
B11	Qualified working capital	Not applicable. The Company is of the opinion that, on the basis that the Minimum Net Issue Proceeds are raised, the working capital available to it is sufficient for its present requirements, that is for at least the next 12 months from the date of this Prospectus.
B34	Investment objective and policy	<p>Investment objective</p> <p>The Company will aim to provide investors with a dividend income, combined with the potential for long term capital growth, from investing in a globally diversified portfolio of convertible securities.</p> <p>Investment policy</p> <p>The Company will invest in a globally diversified portfolio of convertible securities and other suitable instruments exhibiting convertible or exchangeable characteristics.</p> <p><i>Diversification</i></p> <p>The Portfolio is expected to be broadly diversified across sectors, geography and market capitalisations and, while there are no specific limits placed on exposure to any sector, country or market capitalisation, the Company will at all times invest and manage the Portfolio in a manner consistent with spreading investment risk.</p> <p>The Company will have no restrictions with respect to the credit ratings of any issuer, or any securities, in which it may invest and the issuers of convertible securities may be located in any country, including emerging market countries.</p> <p>The number of holdings in the Portfolio will usually range between 60 and 80 when fully invested.</p> <p><i>Asset allocation</i></p> <p>Investment exposure to convertible securities will normally make up the majority of total assets and may take the form of convertible bonds, convertible notes, convertible preference shares, convertible unsecured loan stock, synthetic convertible securities, equity and equity-linked securities, index and participation notes, equity-linked notes, corporate bonds, pre-IPO bonds, warrants and other instruments exhibiting convertible or exchangeable characteristics.</p> <p>Pending investment or re-investment in convertible securities, the Company may hold cash on deposit or invest on a temporary basis in a range of high quality debt securities and cash equivalent instruments.</p>

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
		<p>The Company may hold equity securities arising on the conversion or exchange of convertible securities, exercise of options and similar events but it is not envisaged that such equity securities will be held on a long-term basis.</p> <p>The Company will use the MSCI World index (in Sterling terms) for reference purposes but will not be benchmark-driven in its asset allocation.</p> <p><i>Investment restrictions</i></p> <p>No exposure to any investee company, whether obtained through securities issued by that company or through instruments entered into with third parties which are referable to that company, will exceed 10 per cent. of Gross Asset Value at the time of investment.</p> <p>No exposure to any single counterparty, whether in its capacity as the issuer of convertible securities, as the counterparty to instruments which are referable to other companies, or as a banking counterparty (other than the Custodian holding cash resources on behalf of the Company from time to time) will exceed 15 per cent. of Gross Asset Value at the time of making the relevant investment or deposit.</p> <p>The majority of the Portfolio will be invested in listed convertible securities or those subject to regulatory reporting requirements. Investments in convertible securities that are neither listed nor subject to regulatory reporting requirements will not normally exceed 5 per cent. of Gross Asset Value at the time of investment.</p> <p>The Company may, from time to time, invest in synthetic convertible securities but such exposure shall be limited, in aggregate, to 15 per cent. of Gross Asset Value at the time of investment.</p> <p>The Company may invest in other investment funds, including listed closed-ended investment funds, to gain investment exposure to convertible securities but such exposure will be limited, in aggregate, to 10 per cent. of total assets at the time of investment.</p> <p>The Company will not invest in closed-ended investment funds which may invest more than 15 per cent. of their total assets in other listed closed-ended investment funds.</p> <p><i>Gearing</i></p> <p>The Company may employ gearing up to a maximum of 20 per cent. of Net Asset Value at the time of borrowing. Gearing is expected to be used tactically to make investments consistent with the Company's investment objective and policy and for working capital purposes.</p> <p><i>Derivatives</i></p> <p>The Company may use derivatives (both long and short) for purposes of efficient portfolio management. Short positions will be used to hedge the equity exposure of the Portfolio. The Company will not enter into uncovered short positions.</p> <p><i>Currency hedging</i></p> <p>The Company will operate in Sterling. The majority of the Company's assets from time to time are expected to be denominated in currencies other than Sterling. Accordingly, the Company would normally intend to hedge the value of any non-Sterling assets and the income derived from them into Sterling using suitable hedging contracts.</p>

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
B35	Borrowing limits	The Company may employ gearing up to a maximum of 20 per cent. of Net Asset Value at the time of borrowing. Gearing is expected to be used tactically to make investments consistent with the Company's investment objective and policy and for working capital purposes.
B36	Regulatory status	The Company is subject to, and will be required to comply with, certain regulatory requirements that are applicable to non-cellular investment companies which are domiciled in Guernsey and which have been declared by the GFSC to be registered closed-ended collective investment schemes. These include compliance with any decision of the GFSC. In addition, the Company is subject to the continuing obligations imposed by the UKLA and the London Stock Exchange on all investment companies whose shares are admitted to the Official List and to trading on the Main Market.
B37	Typical investors	Investment in the Company is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager, broker or tax adviser regarding an investment in the Company. Furthermore, an investment in the Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the Shares should constitute part of a diversified investment portfolio and Shareholders may need to hold the Shares on a long term basis since the Shares are not suitable for short term investment. Accordingly, typical investors in the Company are expected to be institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager, broker or tax adviser regarding investment in the Company.
B38	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable. No investment in any single underlying asset or investment company will represent more than 20 per cent. of the Gross Asset Value of the Company at the time of the investment.
B39	Investment of 40 per cent. or more in another collective investment undertaking	Not applicable. No investment in another collective investment undertaking will represent more than 40 per cent. of the Gross Asset Value of the Company at the time of the investment.
B40	Applicant's service providers	<i>Investment Manager</i> JPMorgan Asset Management (UK) Limited has been appointed as the Investment Manager of the Company. The Investment Manager has been given overall responsibility for the discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment objective and policy.

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
		<p>Under the terms of the Investment Management Agreement, the Investment Manager will be entitled to receive from the Company a management fee, calculated and payable monthly in arrear at a rate of 0.75 per cent. of NAV (before deduction of the management fee) per annum. The company secretarial costs of the Company are included in this management fee. No performance fees will be payable to the Investment Manager.</p> <p><i>Administrator</i></p> <p>JPM Administration Services (CI) Limited has been appointed as Administrator of the Company pursuant to the Administration Agreement. In such capacity, the Administrator is responsible for the day to day administration of the Company (including but not limited to the calculation and publication of the daily Net Asset Value). For the purposes of the RCIS Rules 2008, the Administrator is the designated manager of the Company.</p> <p>Under the terms of the Administration Agreement, the Administrator is entitled to various fees, which are expected to be approximately £55,000 in aggregate per annum.</p> <p>Investors should note that it is not possible for the Administrator to provide any investment advice to investors.</p> <p><i>Custodian</i></p> <p>JPMorgan Chase Bank, NA, Worldwide Securities Services, has been appointed as the Custodian of the Company, pursuant to the Custody Agreement, to act as principal custodian of the Company's investments, cash and other assets and to accept responsibility for the safe custody of the property of the Company which is delivered to and accepted by the Custodian or any of its sub-custodians as and when such custody services may be required. The Custodian has agreed to hold the investments of the Company on a segregated basis from its own assets and, accordingly, the Company's assets should not be available to the creditors of the Custodian in the event of its insolvency.</p> <p>Pursuant to the AIFM Directive and the current drafts of associated third country provisions, it is likely that the Company will enter into a depositary agreement in accordance with the AIFM Directive, subsequent to the entry into force and implementation of the AIFM Directive on 22 July 2013.</p> <p>The fees payable to the Custodian pursuant to the Custody Agreement are expected to be approximately £40,000 per annum.</p> <p><i>Registrar</i></p> <p>Capita Registrars (Guernsey) Limited has been appointed as Registrar of the Company. Under the Registrar Agreement, the Registrar is entitled to receive a minimum agreed fee of £7,999 per annum in respect of basic registration.</p>

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
B41	Regulatory status of investment manager and custodian	<p>The Investment Manager is regulated by the Financial Conduct Authority.</p> <p>JPMorgan Chase Bank, NA provides custodian services to the Company. The Custodian is a company organised under the laws of the State of New York with limited liability. Its main office is in Ohio, USA and it was registered as a branch in England and Wales with registration number BR000746 on 11 April 1960. The Custodian is authorised by the Prudential Regulation Authority, and is subject to regulation by the Financial Conduct Authority and to limited regulation by the Prudential Regulation Authority. The firm reference number is 124491.</p>
B42	Calculation of Net Asset Value	<p>The Company intends to publish its Net Asset Value per Share by a RIS announcement and on the website of the Company, both inclusive and exclusive of undistributed current year revenue, on a daily basis. The Company also intends to publish a monthly factsheet on its website. The Directors may, but are not obliged to, temporarily suspend the calculation of the NAV and NAV per Share in certain circumstances.</p> <p>The Company's Net Asset Value, which will be calculated in Sterling, will be calculated as follows:</p> <p>Securities (other than options) that are listed on a national securities exchange and that are freely transferable will be valued at their official listed closing bid price on the principal exchange on which such securities are listed. Options that are listed on a national securities exchange will be valued at the closing "bid" price on the principal exchange on which such options are traded. If, however, the trading of any such securities or options is suspended at the date of determination, then the securities or options shall be initially valued at either the last available price specified on the principal exchange on which such securities are listed prior to suspension or by reference to valuation techniques using inputs that may not be based on observable market data, deemed as fair value.</p> <p>Subsequently, securities or options will be valued using techniques deemed consistent with fair value basis. Such techniques may include recent arm's length market transactions, the current fair value of another instrument that is substantially the same or discounted cash flow analysis or net asset value. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique may be used.</p> <p>Securities traded over the counter that are freely transferable will be valued using an independent reporting system or, if not quoted on such a system, by at least one of the principal market makers in such securities.</p> <p>Forward, spot and swap contracts, other off-exchange instruments or derivative instruments not referred to above and for which there is no observable market data, will be valued by the Directors via a delegated authority to the Investment Manager on a consistently applied mark to model basis, respecting fair market value principles.</p>

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
		<p>With respect to securities and instruments other than those specified above, the Directors will write up or write down the valuation of such securities if the Directors determine, in accordance with their established valuation procedures, that the realisable value of such securities differs from their current valuation. The Directors will seek the advice of the Investment Manager in such circumstances. Such procedures include the use of independent pricing sources if available. If independent pricing sources are not available, the fair value of such securities or assets will be estimated by the Directors under advice from the Investment Manager, with such valuation referencing a variety of factors, including proprietary or industry-available valuation models, the issuer's financial strength and stability, the issuer's operating performance, strength of the issuer's management team, the Company's expected exit from the investment and any specific rights or restrictions associated with such investment. Such valuation procedures, as well as the value assigned to specific securities and other assets, will be reviewed from time to time by the Directors.</p> <p>In the Directors' discretion, independent appraisals of securities may be obtained and the Directors may, at their discretion, delegate any or all valuation responsibilities to any person, including the Investment Manager.</p>
B43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking.
B44	No financial statements have been made up	The Company has not commenced operations and no financial statements have been made up as at the date of this Prospectus.
B45	Portfolio	Not applicable. The Company has not commenced operations and so has no portfolio as at the date of this Prospectus.
B46	Net Asset Value	Not applicable. The Company has not commenced operations and so has no Net Asset Value as at the date of this Prospectus.

Section C – Securities

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>				
C1	Type and class of securities	<p>The Company will target an issue of in excess of 100 million Shares at an issue price of £1.00 per Share.</p> <p>The ISIN for the Shares is GG00B96SW597.</p>				
C2	Currency	Sterling				
C3	Number of securities in issue	<p>The following table shows the issued ordinary capital of the Company as at 7 May 2013, being the date of incorporation, and as at the date of this Prospectus:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;"><i>Number of Shares</i></th> </tr> </thead> <tbody> <tr> <td>Shares</td> <td style="text-align: right;">1</td> </tr> </tbody> </table> <p>Following Admission it is expected that the Company's issued share capital will comprise up to 300,000,000 Shares.</p>		<i>Number of Shares</i>	Shares	1
	<i>Number of Shares</i>					
Shares	1					

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
C4	Description of the rights attaching to the securities	<p><i>Dividends and other distributions</i></p> <p>Subject to the rights of any Shares which may be issued with special rights or privileges, the Shares carry the right to receive all income of the Company attributable to the Shares, and to participate in any distribution of such income made by the Company, and such income shall be divided <i>pari passu</i> among the Shareholders in proportion to the number of Shares held by them.</p> <p>The Directors may from time to time authorise dividends and distributions to be paid to Shareholders in accordance with the procedure set out in the Companies Law and subject to any Shareholders' rights attaching to their Shares. The Directors may from time to time authorise dividends and distributions to be paid to holders of C Shares out of the assets attributable to such C Shares in accordance with the procedure set out in the Companies Law and subject to any rights attaching to such C Shares.</p> <p>All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend unclaimed on the earlier of (i) a period of seven years after the date when it first became due for payment and (ii) the date on which the Company is wound-up, shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.</p> <p><i>Voting</i></p> <p>Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Shares, holders of Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company.</p> <p>Each Shareholder being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of each Share held by him. In the case of a general meeting of all Shareholders, each Shareholder shall have one vote in respect of each Share held by him.</p> <p>Save in certain limited circumstances, C Shares will not carry the right to attend and receive notice of any general meetings of the Company, nor will they carry the right to vote at such meetings.</p> <p><i>Capital</i></p> <p>As to a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Shares in accordance with the provisions of the Articles and the Companies Law), the surplus assets of the Company attributable to the Shares remaining after payment of all creditors shall, subject to the rights of any Shares that may be issued with special rights or privileges, including for these purposes C Shares, be divided <i>pari passu</i> among the Shareholders in proportion to the number of Shares held by them.</p>

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
		<p><i>Pre-emption rights</i></p> <p>There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of the Shares. However, the Articles provide that the Company is not permitted to allot (for cash) equity securities (being Shares or C Shares or rights to subscribe for, or convert securities into, Shares or C Shares) or sell (for cash) any Shares or C Shares held in treasury, unless it shall first have offered to allot to each existing Shareholder and holder of C Shares, as the case may be, on the same or more favourable terms a proportion of those Shares or C Shares the aggregate value of which (at the proposed issue price) is as nearly as practicable equal to the proportion of the total Net Asset Value of the Company represented by the Shares or C Shares held by such shareholder. These pre-emption rights may be excluded and disapplied or modified by extraordinary resolution of the Shareholders.</p> <p><i>Variation of rights</i></p> <p>Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated:</p> <ul style="list-style-type: none"> • with the consent in writing of the holders of more than seventy five per cent. in number of the issued shares of that class; or • with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class. <p>The necessary quorum at any separate class meeting shall be two persons present holding or representing by proxy at least one-third in number of the issued shares of that class (provided that if any such meeting is adjourned for lack of a quorum, the quorum at the reconvened meeting shall be one person present holding shares of that class or his proxy) provided always that where the class has only one member, that member shall constitute the necessary quorum and any holder of shares of the class in question may demand a poll.</p> <p>The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by (a) the creation or issue of further shares ranking <i>pari passu</i> therewith or (b) the purchase or redemption by the Company of any of its shares (or the holding of such shares as treasury shares).</p>
C5	Restrictions on the free transferability of the securities	Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
		<p>The Company has elected to impose the restrictions described below on the Issue and on the future trading of the Shares so that the Company will not be required to register the offer and sale of the Shares under the U.S. Securities Act, so that the Company will not have an obligation to register as an investment company under the U.S. Investment Company Act and related rules and in order to address certain ERISA, U.S. Tax Code and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Shares to trade such securities. Due to the restrictions described below, potential investors in the United States and U.S. Persons are advised to consult legal counsel prior to making any offer, resale, exercise, pledge or other transfer of the Shares.</p> <p>The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States.</p> <p>The Shares are being offered and sold only outside the United States in “offshore transactions” to persons who are not U.S. Persons in accordance with and in reliance on the exemption from registration provided by Regulation S under the U.S. Securities Act.</p> <p>Moreover, the Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. The Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S: (i) to a person outside the United States and not known by the transferor to be a U.S. Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.</p>
C6	Admission	<p>Applications will be made to the UK Listing Authority and the London Stock Exchange, respectively, for all of the Shares to be issued pursuant to the Issue to be admitted to the Official List with a premium listing and to trading on the Main Market. It is expected that Admission will become effective and that dealings in Shares will commence at 8.00 a.m. on 11 June 2013.</p>

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
C7	Dividend policy	<p>The Company's financial year will end on 30 June, with the Company's first accounting period ending on 30 June 2014. It is intended that the initial target gross dividend of 4.5 per cent. in respect of the Company's first financial year will be paid to Shareholders by way of two half-yearly distributions to Shareholders in respect of the periods ending 31 December 2013 and 30 June 2014, with the Company's first dividend expected to be declared in February 2014 in respect of the period ending 31 December 2013. In each subsequent financial year, the Company will seek to make quarterly distributions in respect of the quarters ending 30 September, 31 December, 31 March and 30 June. The payment of all dividends is subject to satisfaction of the solvency test prescribed by the Companies Law.</p> <p>The Company will seek to maintain its annual dividends. To the extent that the Company's net income (calculated as received revenue less the operating costs of the Company charged to the revenue column of the Company's income statement) in any financial year exceeds the amount paid as dividend, this excess may be retained for use in smoothing future dividend payments. Any amount so retained would increase the Net Asset Value of the Company. Conversely, to the extent that that the payment of the initial target gross dividend of 4.5 per cent. would represent an amount greater than the Company's net income (again calculated as received revenue less the operating costs of the Company), such dividend payment would decrease the Net Asset Value of the Company.</p> <p>Income from the Portfolio will comprise predominantly coupon and interest payments received from investments in the Portfolio but may also include the income, if any, arising from cash held by the Company pending investment or distribution.</p>

Section D – Risks

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
D1	Key information on the key risks specific to the issuer or its industry	<ul style="list-style-type: none"> • The Company is a newly formed company • The Company's target yield to best¹ on the Portfolio and target dividend yield are based on estimates and assumptions • Global capital markets have been experiencing volatility, disruption and instability. • The Company invests in corporate fixed interest securities some of which may be unrated or of sub-investment grade quality. As a result the Company is exposed to risk of default
D2	Key information on the key risks specific to the issuer	<ul style="list-style-type: none"> • The Company is a newly formed company • The Company's target yield to best² on the Portfolio and target dividend yield are based on estimates and assumptions
D3	Key information on the key risks specific to the securities	<ul style="list-style-type: none"> • The existence of a liquid market in the Shares cannot be guaranteed • The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share • Shareholders may be exposed to currency risk

1 "Yield to best" being the higher of yield to maturity or yield to put

2 "Yield to best" being the higher of yield to maturity or yield to put

Section E – Offer

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
E1	Net proceeds and costs of the Issue	<p>The target for the Issue is to raise Gross Issue Proceeds in excess of £100 million. The actual number of Shares to be issued pursuant to the Issue, and therefore the actual Gross Issue Proceeds, is not known as at the date of this Prospectus but will be notified by the Company via a RIS announcement prior to Admission and on the Company’s website, www.jpconvertiblesincome.co.uk. The Issue will not proceed if the Net Issue Proceeds would be less than £49 million (or such lesser amount as the Company, the Investment Manager and Winterflood Securities may determine and notify to investors via publication of a supplementary prospectus). The maximum Gross Issue Proceeds will be £300 million.</p> <p>The target size of the Issue should not be taken as an indication of the number of Shares to be issued. Applications for Shares under the Offer must be in multiples of £1,000.</p> <p>The initial expenses of the Company are those which are necessary for the Issue. The Company will bear such expenses up to a maximum of 2.0 per cent. of the Gross Issue Proceeds. To the extent that such expenses exceed an amount equal to 2.0 per cent. of the Gross Issue Proceeds, the Investment Manager will bear the excess. To the extent that the costs are less than 2.0 per cent., the difference will be retained for the benefit of the Company.</p> <p>These expenses will be paid on or around Admission and will include, without limitation, placing fees and commissions; registration, listing and admission fees; the cost of settlement and escrow arrangements; printing, advertising and distribution costs; legal and other professional fees, and any other applicable expenses. All such expenses will be charged to the Company’s share capital account as at Admission and will not be amortised.</p> <p>On the assumptions that the Company achieves an issue size of £100 million and that the initial expenses of the Issue borne by the Company are equal to 2.0 per cent. of the Gross Issue Proceeds, the Net Issue Proceeds and the NAV of the Company immediately following Admission will be £98 million (that is, 98.0 per cent. of the Gross Issue Proceeds and £0.98 per Share).</p>
E2a	Reasons for the offer and use of proceeds	<p>The Company will aim to provide investors with dividend income, combined with the potential for long term capital growth, from investing in a globally diversified portfolio of convertible securities.</p> <p>In accordance with the Company’s investment policy, the Company’s principal use of cash (including the Net Issue Proceeds) will be to fund investments in convertible securities, as well as to cover initial expenses related to the Issue (which will not exceed 2.0 per cent. of the Gross Issue Proceeds), ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company’s dividend policy described above. At the discretion of the Directors, cash may be used to buy back shares in the Company if, in the opinion of the Directors, this is in the best interests of Shareholders.</p>

<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
E3	Terms and conditions of the offer	<p>Shares are available under the Offer at a price of £1.00 per Share.</p> <p>Subscriptions under the Offer are to be in multiples of £1,000.</p> <p>Applications to acquire Shares must be made on the Application Form attached at Appendix I to this Prospectus or otherwise published by the Company.</p> <p>The Offer will be conditional upon:</p> <ul style="list-style-type: none"> • Admission occurring by 8.00 a.m. on 11 June 2013 (or such later time or date, not being later than 28 June 2013, as the Company, the Investment Manager and Winterflood Securities may agree); • the Placing Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission occurs; and • the Minimum Net Issue Proceeds having been raised.
E4	Material interests	Not applicable. No interest is material to the Issue.
E5	Name of person selling securities	Not applicable. No person is selling securities.
E6	Dilution	Not applicable. No dilution will result from the Issue. One Share is held in the legal reserve at the date of the Placing and Offer.
E7	Expenses charged to the investor	<p>The costs of the Issue to be borne by the Company are fixed at an amount equal to 2.0 per cent. of the Gross Issue Proceeds. To the extent that such expenses exceed an amount equal to 2.0 per cent. of the Gross Issue Proceeds, the Investment Manager will bear the excess. To the extent that the costs are less than 2.0 per cent., the difference will be retained for the benefit of the Company.</p> <p>The expenses will be paid on or around Admission and will include, without limitation, placing fees and commissions; registration, listing and admission fees; the cost of settlement and escrow arrangements; printing, advertising and distribution costs; legal fees; and any other applicable expense. All such expenses will be charged to the Company's share capital account as at Admission and will not be amortised.</p>

RISK FACTORS

An investment in the Shares carries a number of risks, including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following factors should be considered when deciding whether to make an investment in the Shares. The risks set out below are those which are considered to be the material risks relating to an investment in the Shares but are not the only risks relating to the Shares or the Company. Additional risks and uncertainties of which the Company is presently unaware or that the Company currently believes are immaterial may also adversely affect its business, financial condition, results of operations and the NAV and/or market price of the Shares.

The Shares are only suitable for investors who understand the risk of capital loss and that there may be limited liquidity in the underlying investments of the Company and in the Shares, for whom an investment in the Shares would be of a long-term nature and constitute part of a diversified investment portfolio and who understand and are willing to assume the risks involved in investing in the Shares. No assurance can be given that Shareholders will realise a profit on, or recover the value of, their investment in the Shares. It should be remembered that the price of Shares and the income from them can go down as well as up.

Potential investors in the Shares should review this Prospectus carefully and in its entirety and consult with their professional advisers prior to making an application to subscribe for Shares.

Risks relating to the Company

The Company is a newly formed company

The Company is a newly formed company with no operating history, and it will not commence operations until obtaining funding through the Issue. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.

The Company's returns and operating cash flows will depend on many factors. Such factors include, but are not limited to, the price and performance of its investments, the availability and liquidity of investment opportunities falling within the Company's investment objective and policy, the level and volatility of interest rates, and the Company's ability to successfully operate its business and execute its investment strategy. There can be no assurance that the Company's investment strategy will be successful.

The Company's target yield to best³ on the Portfolio and target dividend yield

The Company's target yield to best on the Portfolio and target dividend yield set out in this Prospectus are targets only and are based on estimates and assumptions which depend on a variety of factors including, without limitation, availability of investment opportunities, the price and performance of the Company's investments, asset mix, value, volatility, holding periods, performance of the underlying issuers, issuer default, investment liquidity, changes in current market conditions, interest rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances or the occurrence of risks described elsewhere in this Prospectus, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve the target yields. Such targets have been set based on market conditions and the economic environment at the time of publication of the Prospectus and the assumption that the Company will be able to implement its investment policy and strategy successfully, and are therefore subject to change. There is no guarantee or assurance that the target yields can be achieved at or near the level set out in this Prospectus. Accordingly, the actual rates of return achieved may be materially lower than the targets, or may result in a loss.

The Company does not intend to update or otherwise revise its target yields to reflect subsequent events or circumstances. A failure to achieve the target yields set out in this Prospectus may adversely affect the Company's business, financial condition, results of operations and the NAV and/or the market price of the Shares.

³ "Yield to best" being the higher of yield to maturity or yield to put

Global capital markets

Global capital markets have been experiencing extreme volatility and disruption for a number of years, as evidenced by a lack of liquidity in the equity and debt capital markets, significant write-offs in the financial services sector, the repricing of credit risk in the credit market and the failure of major financial institutions. Despite actions of government authorities, these events have contributed to worsening general economic conditions that have materially and adversely affected the broader financial and credit markets and reduced the availability of debt and equity capital.

The default of any financial institution could lead to defaults by other institutions. Concerns about, or default by, one financial institution could lead to significant liquidity problems, losses or defaults by other institutions, because the credit quality and integrity of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as “systemic risk” and may adversely affect brokers, lending banks and other trading counterparties with whom the Company deals. The Company may, therefore, be exposed to systemic risk when it deals with various third parties, such as brokers, lending banks and other trading counterparties whose creditworthiness may be interlinked.

Risks relating to the Shares

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

The Company will apply for the Shares to be admitted to the Official List and to trading on the Main Market. However, there can be no guarantee that an active secondary market in the Shares will develop or be sustained or that the Shares will trade at prices close to their underlying Net Asset Value per Share. The number of Shares to be issued pursuant to the Issue is not yet known and there may be a limited number of holders of Shares. Limited numbers and/or holders of Shares may mean that there is limited liquidity in such Shares which may affect: (i) a Shareholder’s ability to realise some or all of their investment; (ii) the price at which a Shareholder can effect such realisation; and/or (iii) the price at which such Shares trade in the secondary market.

The Company has been established as a closed-ended vehicle. Accordingly, Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. While the Directors retain the right to effect buy-backs of Shares in the manner described in this Prospectus, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to do so. Shareholders wishing to realise their investment in the Company will normally therefore be required to dispose of their Shares through the secondary market. Accordingly, Shareholders’ ability to realise their investment at NAV per Share or at all is dependent on the existence of a liquid market for the Shares.

The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share

The Shares may trade at a discount to their Net Asset Value for a variety of reasons, including market or economic conditions, an imbalance between supply and demand for the Shares and general investor sentiment. While the Directors may seek to mitigate any discount to NAV per Share through discretionary Share buy-backs where appropriate, there can be no guarantee that they will do so or that Share buy-backs will be successful and the Directors accept no responsibility for failure of any such strategy to effect a reduction in any discount.

Shareholders may be exposed to currency risk

Investments may be subject to foreign currency fluctuations between Sterling and any local market currency in which investments are made by the Company, which may have an adverse effect on the performance of the Company. The Company will normally intend to hedge the value of any non-Sterling assets and the income derived from them into Sterling using suitable hedging contracts.

Hedging arrangements will be implemented on behalf of the Company only when suitable hedging contracts are available in a timely manner and on terms acceptable to the Investment Manager. To the extent that the Investment Manager does not seek to hedge currency exposure or is unable to engage, or

is unsuccessful, in hedging currency exposure, Shareholders will be subject to currency exchange fluctuations between Sterling and the local market currencies in which investments are denominated.

The use of derivatives and other instruments to reduce risk involves costs. Consequently, the use of hedging transactions might result in lower performance than if the Investment Manager had not sought to hedge exposure against foreign currency exchange risk.

Risks relating to the investment policy and strategy and the investment portfolio

The Company's investments are subject to strategy risk. The Company is therefore at risk that market factors may result in the failure of one or more strategies followed

The Company will be exposed to strategy risk both in terms of the convertible securities and other securities in which it invests, and through equity securities underlying the convertible securities held by the Company.

Strategy risk is associated with the failure or deterioration of an entire strategy such that most or all investment managers employing that strategy suffer losses. Strategy-specific losses may result from excessive concentration by the Company in the same country or general economic or other events that adversely affect particular strategies (for example, the disruption of historical pricing relationships). The strategies employed by the Company may involve risk of loss in the event of such failure or deterioration.

The value of convertible securities is principally determined by the value of the yield from the fixed income component and/or the value of the conversion right depending upon the conversion price and the value of the relevant equity security for which the convertible security can be exchanged

Under normal circumstances, the majority of the Company's Portfolio will comprise convertible securities. Convertible securities generally offer lower yields than non-convertible but otherwise equivalent securities of a similar quality. The market values of the fixed income component of convertible securities often decline as interest rates increase and, conversely, increase as interest rates decline. The effect on market prices of convertible securities of rising interest rates will be greater for long-term securities than for short-term securities. The risk of losses as a result of rising interest rates may be magnified by the current record-low level of short term and long term interest rates when interest rates begin to rise.

The current level of uncertainty in the global macro-economic environment means that equity prices are volatile and the direction of equity markets is uncertain. In the event that equity prices fall significantly, whether as a result of macro-economic crisis or otherwise, this could cause material losses in the value of the Company's Portfolio.

Risk of fluctuation in the share price of the issuer of convertible securities

The market prices of the convertible securities in which the Company will invest are expected to be affected by fluctuations in the market prices of the underlying shares and it is not possible to predict whether the price of these underlying shares will rise or fall.

Trading prices of underlying shares will be influenced by, among other things, the financial position of the underlying company, the results of operations and political, economic, financial and other factors. Any decline in the market price of the underlying shares may have an adverse effect on the market price of the related convertible securities in which the Company invests. Future issues of shares in, or disposals of shares by substantial shareholders of, the underlying company may also significantly affect the trading prices of the convertible securities or the underlying shares. Even the expectation that such issues or disposals may occur may significantly affect the trading prices of the convertible securities and the issuer's shares.

The Company may invest in convertible securities and, in certain circumstances, debt securities or equities which rank behind other outstanding securities and obligations of an issuer

The Company may invest in convertible securities and, in certain circumstances, debt securities or equities which rank behind other securities and obligations of an issuer, all or a significant proportion of which may be secured on that issuer's assets. The Company may, therefore, be subject to credit and liquidity risk in relation to such investments.

In the event of the liquidation or financial distress of an issuer, holders of convertible securities would typically be paid after the holders of non-convertible debt securities. To the extent that the Company holds equity securities arising from the conversion or exchange of convertible securities, exercise of options and similar events, it may be paid in respect of such equity securities after holders of convertible securities and non-convertible debt securities have been paid.

Consequently, there is no guarantee that the Company would receive any value for its holdings of an issuer's convertible securities or any other securities it may hold if the issuer were to go into liquidation.

The Company could also suffer significant, or total, loss of the value of some securities in the event that the issuer enters some other type of restructuring event, such as Chapter 11 in the United States or certain types of consensual default.

The convertible securities in which the Company invests may provide only limited anti-dilution protections, if any

The terms of the convertible securities in which the Company will invest may provide that the conversion price of those convertible securities will be adjusted in certain circumstances (for example, if there is a consolidation, reclassification or subdivision in relation to the equitable securities of the issuer, a capitalisation of profits or reserves, or a rights issue or grant of other subscription rights or other adjustment which affects the issuer). However, even where the terms of convertible securities include such provision, there may be no requirement that there be an adjustment for every (or any) event that may affect the value of the underlying equity. Events in respect of which no adjustment is made may adversely affect the value of the underlying shares or the credit-worthiness of the issuer and, therefore, adversely affect the value of the Company's investments.

The timing of exercise of conversion rights or the ability to exercise conversion rights

There may be a limited period for, and costs associated with, the exercise of the conversion rights of the convertible securities. Failure or inability of the Company to exercise the right to convert during any such prescribed period could adversely affect the value of that investment.

In addition, there may be a delay between the time at which a right to convert is exercised and the time at which the corresponding equity securities are delivered. The value of those equity securities may consequently vary substantially between the date on which right to convert is exercised and the date on which they are delivered.

While the Company usually intends to sell convertibles before they reach their maturity date, certain convertible securities in which the Company may invest may have mandatory conversion rights or forced conversion features at the discretion of the issuer, which may mean that the Company has no control over the conversion of such securities. If the issuer has the right, it may choose to redeem the outstanding bonds at times when prevailing interest rates may be relatively low. In such circumstances, if the Company is not able to reinvest the redemption proceeds, this may adversely affect the performance of the Company.

The issuers in which the Company invests may deteriorate to the extent that they are not able to make principal and/or coupon payments when due or at all, or may default

The issuers of convertible securities in which the Company invests may be unable to meet their liabilities, including coupon payments, when due or at all. Issuers could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, a worsening economic downturn or legal or tax or regulatory changes.

Issuers may be highly geared and there may be no restriction on the amount of debt an issuer can incur. Substantial indebtedness may increase risk with respect to an issuer and geared companies are often more sensitive to declines in revenues, increases in expenses, and adverse business, political, or financial developments or economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such companies or their industries. A geared company's income and net assets will tend to increase or decrease at a greater rate than if gearing were not used.

If an issuer is unable to generate sufficient cash flow to meet its liabilities, including coupon payments, it may be forced to take other actions to satisfy its obligations. These alternative measures may include reducing or delaying capital expenditures, selling assets, seeking additional capital, or restructuring or refinancing indebtedness (which indebtedness may include convertibles held by the Company). Any of these actions could significantly reduce the value of the Company's investment in such issuer. If such strategies are not successful and do not permit the issuer to meet its liabilities, the issuer may also be forced into liquidation, dissolution or insolvency, and the value of the Company's investment in such issuer could be eliminated.

In the event of any default on the Company's investment in an issuer, the Company will bear a risk of loss of principal and any outstanding coupon or interest payments owed to the Company, which could have a material adverse effect on the Company's investment.

The Company will have significant exposure to corporate debt securities and is likely to invest in non-investment grade or unrated convertible securities and, in some circumstances, debt securities

The Company will invest in securities issued by various corporations and will, therefore, bear credit risk whether investing in investment grade, non-investment grade or unrated securities. The Company is, as a result, exposed to the risk of partial or full default on principal or interest payments by such issuers with the consequent risk of material capital loss by the Company.

The Company is likely to invest in convertible securities and, in some circumstances, debt securities that are rated in non-investment grade categories or in other securities that are not rated but with comparable characteristics. A non-investment grade rating reflects, in the opinion of the ratings agencies, the riskier credit profile of a company compared to an investment grade issuer. Securities rated in these lower rating categories are generally considered to be speculative with respect to their issuers' capacity to make coupon or interest payments and to repay the principal amount of such securities, and are therefore subject to greater risks of loss of principal amount and non-payment of coupon or interest payments than securities rated in higher rating categories. They are also more susceptible to the effects of a deterioration of general economic conditions than securities in higher rating categories. Adverse publicity and negative investor perception about these lower rated securities, whether or not based on an analysis of the fundamentals with respect to the relevant issuers, may contribute to a decrease in the value and liquidity of such securities. In addition, because investors generally perceive these lower rated securities as being associated with greater risk, the yields and prices of such securities may fluctuate more than those of higher rated securities. The market for lower rated or unrated securities may be less liquid than that for higher rated securities, which can adversely affect the prices at which these lower rated securities can be sold.

The value of synthetic convertible securities will respond to market fluctuations differently to conventional convertible securities

The Company may invest in synthetic convertible securities as well as conventional convertible securities. The value of a synthetic convertible security will respond differently to market fluctuations than a conventional convertible security because a synthetic convertible is composed of two or more separate securities, options or derivatives, each with its own market value. If the value of an underlying equity security or the level of the index involved in the convertible component falls below the exercise price of the warrant or option, the warrant or option may lose all value.

The equity options or derivatives in a synthetic convertible security usually have limited or no investor protections, such as the anti-dilution rights, dividend pass-through and takeover protection rights which are typically embedded in conventional convertible securities. The value of such equity options or derivatives will therefore be adversely affected by certain events against which similar conventional convertible securities may be protected.

Some equity options and other derivatives are issued by banks and similar counterparties. As a result, they can contain counterparty risk and associated systemic risk which could cause material losses to the Company's Portfolio.

The Company may use various derivative instruments, including options, futures and swaps, as part of its investment strategy for efficient portfolio management, which may involve additional risks

The Company may use various derivative instruments, including options, futures, forward contracts and swaps, as part of its investment strategy for purposes of efficient portfolio management. Further, the Company may use synthetic convertible securities that may include such derivative instruments. Some of these derivative instruments may be volatile and speculative in nature, and may be subject to wide and sudden fluctuations in market value. Derivatives, especially over-the-counter derivatives in the form of a privately negotiated contract against a principal counterparty, may also be subject to adverse valuations reflecting the counterparty's marks (or valuations), which might not correspond to the valuations of other market or exchange traded instruments. In addition, derivative instruments also may not be liquid in all circumstances, so that in volatile markets the Company may not be able to exit its position without incurring a loss. Investing in derivative instruments can result in large amounts of gearing, which may magnify the gains and losses experienced by the Company and could cause the Company's NAV to be subject to wider fluctuations than would otherwise be the case.

Any use of call and put options and futures by the Company will entail additional risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. Futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. Because of the low margin deposits normally required for investments in futures, a high degree of gearing is typical of a futures investment account, so that a relatively small price movement in a futures contract may result in substantial losses to the investor. Futures positions are marked to market each day and variation margin payments must be paid to or by the Company. Futures investments may also be illiquid and certain exchanges do not permit investing in particular contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. Should prices fluctuate during a single day's trading beyond those limits (which might last for several days with respect to certain contracts), the Company could be prevented from promptly liquidating unfavourable positions and thus be subjected to substantial losses.

In addition, the Company would be exposed to the credit risk of the counterparty bank or other market maker writing any derivative instrument. Further details on the credit risk of counterparties are set out below.

There is a risk of counterparty default in relation to exposure to derivative or synthetic instruments

To the extent that the Company obtains exposure to derivative or synthetic instruments, its interest (if any) in the securities underlying the derivative may be supplemented or replaced by exposure to the counterparty of the derivative or synthetic instruments. These instruments may not offer any capital guarantee. In the event of the insolvency of an issuer or other event of default, the Company may only rank as an unsecured creditor in respect of sums due from the counterparty. In such event, the Company may receive an amount of money in respect of the amount due under the derivative or synthetic instrument in question at a time later than would otherwise have been the case, the amount received may be zero and returns to Shareholders may be significantly adversely affected.

Short positions

The Company may take short positions by way of financial derivatives instruments. Short positions through financial derivatives instruments involve trading on margin and accordingly can involve greater risk than investments based on a long position. Due to regulatory or legislative action taken by regulators around the world as a result of recent volatility in the global financial markets, taking short positions on certain securities has been restricted. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions have made it difficult, and in some cases impossible, for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions. Accordingly, the Investment Manager may not be in a position to fully express its negative views in relation to certain securities, companies or sectors and the ability of the Investment Manager to fulfil the investment objective may be constrained. This position will be monitored regularly by the Investment Manager.

The Company may invest in securities for which no liquid market exists due to legal or other restrictions on transfer, or lack of demand

Liquidity risk, which includes the risk of the Company's failure to fund trading activities at settlement dates, or liquidate or trade securities positions in a timely manner at a reasonable price, may arise in the Company's trading activities. Although the Portfolio will comprise principally publicly traded or quoted securities, the Company may invest in securities, including swaps and other derivatives, which are subject to legal or other restrictions on transfer, which are thinly-traded or for which no liquid market exists or which otherwise become illiquid or difficult to trade. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable, and the Company may not be able to trade them when it desires to do so or to realise what it perceives to be their fair value. Trading restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts, considerably worse pricing and other expenses than does trading eligible securities on national securities exchanges or in the over-the-counter markets or that are otherwise more liquid. The Company may not readily be able to exit such illiquid positions and, in some cases, may be contractually prohibited from exiting such positions for a specified period of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Investments may not be regulated by the rules of any investment exchange

Investments made by the Company may not be regulated by the rules of any investment exchange or other regulatory body or authority. The counterparties to such investments may have no obligation to make markets in such investments and may have the ability to apply essentially discretionary margin and credit requirements. In the event of a default by a counterparty, the Company will not be able to seek recourse against such party under the rules of a regulated exchange, which may adversely affect the Company's business, financial condition, results of operations and the NAV and/or the market price of the Shares.

The value of the Company's investments may be subject to jurisdiction-specific insolvency regimes

The value of the investments held by the Company may be affected by various laws enacted for the protection of creditors in the jurisdictions of incorporation of the issuers thereunder and, if different, the jurisdictions from which the issuers conduct their business and in which they hold their assets, which may adversely affect such issuers' abilities to make payment on a full or timely basis.

In particular, it should be noted that a number of jurisdictions, including certain emerging market jurisdictions, operate "debtor-friendly" insolvency regimes which could result in delays in payments where obligations, debtors or assets thereunder are subject to such regimes. The different insolvency regimes applicable in different jurisdictions result in a corresponding variability of recovery rates for convertible securities issued in such jurisdictions.

Jurisdiction-specific insolvency regimes may negatively affect an issuer's ability to make payments to the Company, or the Company's recovery in a restructuring or insolvency, which may adversely affect the Company's business, financial condition, results of operations and the NAV and/or the market price of the Shares.

Risks relating to investments in emerging markets

The Company's investments in emerging markets may be subject to greater risks than investments in developed countries

The Company may invest in convertible securities whose issuers are domiciled in emerging markets. Such investments in emerging markets are subject to greater risks than investments in developed countries. Among other things, emerging market investments may carry the risk of reduced public availability of information, more volatile markets, less strict securities market regulation, less favourable tax provisions, and a greater likelihood of severe inflation, unstable currency, corruption, war, nationalisation and expropriation of personal property than investments in securities of issuers based in developed countries. In addition, investment opportunities in certain emerging markets may be restricted by legal limits on foreign investment in local securities.

Emerging markets may not operate as efficiently as those in developed countries: in some cases, a market for a given security may not exist locally and, where relevant, transactions will need to be made on a neighbouring exchange; volume and liquidity levels are generally lower; little or no market may exist for the securities; issuers are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices; and the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported.

Some securities may be subject to brokerage or transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale. In addition, settlement of trades in some emerging markets is much slower and subject to a greater risk of failure than in markets in developed countries, and interest payments from, and capital gains in respect of, certain securities may be subject to taxes that may or may not be reclaimable.

Many of the laws that govern private investment, securities transactions and other contractual relationships in emerging markets are relatively new and largely untested

Many of the laws that govern private investment, securities transactions and other contractual relationships in emerging markets are relatively new and largely untested. As a result, the Company may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, lack of awareness or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the emerging markets in which the Company's assets may be invested.

Regulatory control and corporate governance of companies in emerging markets confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty to shareholders by officers and directors is also limited when compared to such concepts in developed markets. In certain instances, management may take significant actions without the consent of shareholders and anti-dilution protection may also be limited.

In the event that any of the above risks are realised, the Company could suffer a material adverse effect on the value of its Portfolio, financial condition, results of operations and the NAV and/or the market price of the Shares.

Risks relating to the Investment Manager

The Company is dependent on the expertise of the Investment Manager and its key personnel to evaluate properly investment opportunities and to implement its investment strategy

In accordance with the Investment Management Agreement, the Investment Manager is responsible for the management of the Company's investments. The Company does not have employees and its Directors are appointed on a non-executive basis. All of its investment and asset management decisions will be made by the Investment Manager and not by the Company and, accordingly, the Company will be heavily reliant upon, and its success will depend to a significant extent on, the Investment Manager and its personnel, services and resources. The Investment Manager is not required to nor will it generally submit individual investment decisions for approval to the Board. Consequently, the Company will be dependent on the experience and expertise of the individuals employed by the Investment Manager.

Further, the future ability of the Company to pursue its investment policy successfully may depend on the ability of the Investment Manager to retain its existing staff and/or to recruit individuals of similar experience and calibre. Whilst the Investment Manager has endeavoured to ensure that the principal members of its management teams are suitably incentivised, the retention of key members of the teams cannot be guaranteed. In the event of a departure of a key employee of the Investment Manager, there is no guarantee that the Investment Manager would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Company.

The Investment Manager's strategy is resource and time intensive. Although the Investment Management Agreement requires the Investment Manager to commit an appropriate amount of its business efforts to the management of the Company, the Investment Manager is not required to devote all of its time to the management of the Company and may continue to advise and manage the investment portfolios of other clients and/or other investment vehicles in the future. If the Investment Manager is unable to allocate the appropriate time or resources to the Company's investments, the Company may be unable to achieve its investment objective. In addition, the Investment Management Agreement does not require the Investment Manager to dedicate specific personnel to the Company or to require personnel servicing the Company's business to allocate a specific amount of time to the Company.

The due diligence process that the Investment Manager plans to undertake in evaluating specific investment opportunities for the Company may not reveal all facts that may be relevant in connection with such investment opportunities

When conducting due diligence and making an assessment regarding an investment, the Investment Manager will be required to rely on resources available to it, including internal sources of information as well as information provided by existing and potential issuers, any equity sponsor(s), lenders and other independent sources. The due diligence process may at times be required to rely on limited or incomplete information.

The Investment Manager will make investments for the Company in part on the basis of information and data relating to potential investments filed with various government regulators and publicly available or made directly available to the Investment Manager by such issuers or third parties. Although the Investment Manager will evaluate all such information and data and seek independent corroboration when it considers it appropriate and reasonably available, the Investment Manager will not be in a position to confirm the completeness, genuineness or accuracy of such information and data. The Investment Manager is dependent upon the integrity of the management of the entities filing such information and of such third parties, as well as the financial reporting process in general.

Further, investment analysis and decisions by the Investment Manager may be undertaken on an expedited basis in order to make it possible for the Company to take advantage of short-lived investment opportunities. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete. Furthermore, the Investment Manager is unlikely to have sufficient time to evaluate fully such information even if it is available.

The value of the investments made by the Company may be affected by fraud, misrepresentation or omission on the part of the issuer to which the investment relates, by parties related to the issuer or by other parties (or related collateral and security arrangements). Such fraud, misrepresentation or omission may increase the likelihood of a default in repayment of the relevant coupon proceeds and adversely affect the value of any security in respect of the investment in question or may adversely affect the Company's ability to enforce its contractual rights under the investment.

Accordingly, due to a number of factors, the Company cannot guarantee that the due diligence investigation carried out by the Investment Manager with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by the Investment Manager to identify relevant facts through its due diligence process may cause it to make inappropriate investment decisions, which may have a material adverse effect on the Company's business, financial condition, results of operations and the NAV and/or the market price of the Shares.

Access to material non-public information may restrict the ability of the Investment Manager to take action with respect to some investments

The Investment Manager has established policies and procedures reasonably designed to prevent the misuse by the Investment Manager and its personnel of material information regarding particular issuers that has not been publicly disseminated ("**material non-public information**") in accordance with applicable legal and regulatory requirements. In general, under such policies and procedures and applicable law, when the Investment Manager is in possession of material non-public information related to a publicly traded security or the issuer of such security, whether acquired unintentionally or otherwise,

neither the Investment Manager nor its personnel are permitted to render investment advice as to, or otherwise trade or recommend a trade in, the securities of such issuer until such time as the information that the Investment Manager has is no longer deemed to be material non-public information.

The Investment Manager has procedures that outline the process by which it will determine whether to elect to receive material non-public information, or whether it will determine not to receive material non-public information, in any given case. This determination will be made on an issuer-by-issuer basis using objective criteria established by the Investment Manager. It should be noted that the Investment Manager's determination regarding whether or not to receive material non-public information regarding a specific issuer may have implications for the services the Investment Manager is able to provide to certain clients in certain situations, including the Company.

Risks relating to regulation and taxation

Changes in law or regulations, or a failure to comply with any laws or regulations, may adversely affect the businesses, investments and performance of the Company and the Investment Manager

The Company is subject to, and will be required to comply with, certain regulatory requirements that are applicable to closed-ended investment companies which are domiciled in Guernsey. These include compliance with any decision of the Guernsey Financial Services Commission. In addition, the Company is subject to the continuing obligations imposed by the UKLA and the London Stock Exchange on all investment companies whose shares are respectively admitted to the Official List and to trading on the Main Market.

The Investment Manager is subject to, and will be required to comply with, certain regulatory requirements of the FCA.

The laws and regulations affecting the Company and/or the Investment Manager are evolving and any changes in such laws and regulations may have an adverse effect on the ability of the Company and/or the Investment Manager to carry on their respective businesses. Any such changes may also have an adverse effect on the ability of the Company to pursue its investment policy, and may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. In such event, the investment returns of the Company may be materially affected.

For regulatory, tax and other purposes, the Company and the Shares may potentially be treated in different ways in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Shares may be treated as more akin to holding units in a collective investment scheme, which may have an adverse effect on the taxation of Shareholders in such jurisdictions.

The AIFM Directive

The AIFM Directive, which is due to be transposed by EU member states into national law by July 2013, seeks to regulate alternative investment fund managers (in this paragraph, "AIFM") and imposes obligations on managers who manage alternative investment funds (in this paragraph, "AIF") in the EU or who market shares in such funds to EU investors. In order to obtain authorisation under the AIFM Directive, an AIFM will need to comply with various organisational, operational and transparency obligations, which may create significant additional compliance costs, some of which may be passed to investors in the AIF.

The Investment Manager may be required to seek authorisation to manage the Company under the AIFM Directive. If the Investment Manager were to elect not to, fail to, or be unable to obtain such authorisation, it may be unable to continue to manage the Company or its ability to manage the Company may be impaired.

Following national transposition of the AIFM Directive in a given EU member state, the marketing of shares in AIFs that are established outside the EU (such as the Company) to investors in that EU member state will be prohibited unless certain conditions are met. Certain of these conditions are outside the Company's control as they are dependent on the regulators of the relevant third country (in this case Guernsey) and the relevant EU member state entering into regulatory co-operation agreements with

one another. The Company cannot guarantee that such conditions will be satisfied. In cases where the conditions are not satisfied, the ability of the Company to market Shares or raise further equity capital in the EU may be limited or removed.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that limit the Company's ability to market future issues of its Shares may materially adversely affect the Company's ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

If the Company becomes subject to tax on a net income basis in any tax jurisdiction, including Guernsey and the United Kingdom, the Company's financial condition and prospects could be materially and adversely affected

The Company intends to conduct its affairs so that it will not be treated under English law and practice as UK resident for taxation purposes, or as having a permanent establishment or otherwise being engaged in a trade or business, in the UK. The Company intends that it will not be subject to tax on a net income basis in any country. There can be no assurance, however, that the net income of the Company will not become subject to income tax in one or more countries, including Guernsey and the United Kingdom, as a result of unanticipated activities performed by the Company, adverse developments or changes in law with possible retrospective effect, contrary conclusions by the relevant tax authorities, changes in the Directors' personal circumstances or management errors, or other causes. The imposition of any such unanticipated net income taxes could materially reduce the post-tax returns available for distributions on the Shares, and consequently may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Changes in the Company's tax status or tax treatment may adversely affect the Company. If the Company becomes subject to the UK offshore fund rules there may be adverse tax consequences for certain UK resident Shareholders

Any change in the Company's tax status, or in taxation legislation or practice in any relevant jurisdiction or in the Company's tax treatment (for example, due to the disposition of equity accepted in settlement for debt), may affect the value of the investments held by the Company or the Company's ability to pursue its investment policy successfully or achieve its investment objective, or may alter the after-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of Shareholders are based upon current UK, Guernsey and U.S. tax law and published practice, any aspect of which law and practice is, in principle, subject to change (potentially with retrospective effect), which change may adversely affect the ability of the Company to pursue its investment policy successfully or achieve its investment objective, and which may adversely affect the taxation of Shareholders.

Statements in this Prospectus take into account, in particular, the UK offshore fund rules contained in Part 8 of the Taxation (International and Other Provisions) Act 2010. Should the Shares of the Company be regarded as being subject to the offshore fund rules this may have adverse tax consequences for certain UK resident Shareholders.

Potential investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effect of an investment in the Company.

The Company is not, and does not intend to become, registered in the United States as an investment company under the U.S. Investment Company Act and related rules

The Company has not, does not intend to, and may be unable to, become registered in the United States as an investment company under the U.S. Investment Company Act. The U.S. Investment Company Act provides certain protections to U.S. investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered, and does not intend to register, none of these protections or restrictions is or will be applicable to the Company.

In addition, in order to ensure that the Company is not required to register as an investment company under the U.S. Investment Company Act and to avoid violating the U.S. Investment Company Act, the Company has implemented restrictions on the purchase of the Shares by persons who are located in the United States or are U.S. Persons. For more information, prospective investors should refer to the section entitled “Purchase and Transfer Restrictions” in Part V of this Prospectus.

The Foreign Account Tax Compliance Act (“FATCA”)

Certain payments of (or attributable to) U.S.-source income, and the proceeds of sales of property that give rise to U.S.-source payments made to the Company, will in future be subject to 30 per cent. withholding tax unless the Company agrees to certain reporting and withholding requirements and certain Shareholders may themselves be subject to such withholding tax if they do not provide the Company with required information.

FATCA was enacted by the United States Congress in March 2010 and has come into effect this year (although implementation will be staggered). Pursuant to FATCA, the Company will be classified as a “foreign financial institution”. If, however, shares in the Company are considered “regularly traded on an established securities market”, as defined under the final FATCA regulations, Shareholders would not be regarded as holding “financial accounts” in the Company. Although the London Stock Exchange is an established securities market, it is unclear whether the Shares will be considered regularly traded as this is a factual determination made annually.

The Company will be required, in order to be compliant for FATCA purposes, to file a FATCA agreement with the IRS, under which the Company may be required to obtain information about its Shareholders and to disclose information about its Shareholders to the IRS (if Shareholders are treated under FATCA as holders of “financial accounts” in the Company). Alternatively, the United States proposes to enter into Intergovernmental Agreements by which foreign financial institutions can comply with FATCA by reporting relevant information to their domestic tax authority. It is expected that rules will be introduced in Guernsey to implement FATCA or alternatively that Guernsey may enter into an Intergovernmental Agreement with the United States. On 9 October 2012, the Chief Minister of Guernsey announced the intention of the States of Guernsey to negotiate an Intergovernmental Agreement with the United States regarding the implementation of FATCA. The Chief Minister said that discussions had taken place at an official level with the United States and formal negotiations are ongoing. Once signed, any Intergovernmental Agreement will be subject to ratification by Guernsey’s parliament and implementation of the Agreement will be through Guernsey’s domestic legislative procedure. Under this Intergovernmental Agreement, it may be that the Company may comply with FATCA by reporting to Guernsey’s domestic tax authority relevant information in relation to certain Shareholders which will be shared with the IRS.

The Company would also be deemed to be compliant with the FATCA legislation if the Investment Manager or other sponsor performed the Company’s obligations under FATCA on its behalf and certain other requirements were met, or if it were to be categorised as either a “Qualified collective investment vehicle” or a “Restricted fund” pursuant to the final form regulations published by the IRS on 17 January 2013. It is possible that the Company would not be deemed compliant under these categories.

Failure by the Company to file such an agreement with the IRS, or to fall within such ‘deemed’ compliant categories, could mean that the Company would from 1 January 2014 become subject to a 30 per cent. withholding tax on certain U.S. source payments to the Company, which may have an adverse effect on the Company’s performance.

Additionally, if the Company were to enter into such an agreement with the IRS, the Company may be compelled under FATCA to withhold tax on payments it makes to Shareholders that do not provide information as to their FATCA status or which are themselves non-compliant “foreign financial institutions”. This potential withholding tax on “Foreign Passthru Payments” is not applicable before 2017 and is a matter for further discussion between the United States and other governments that enter into FATCA Intergovernmental Agreements with the United States.

Further, even if the Company is not characterised under FATCA as a “foreign financial institution”, it nevertheless may become subject to such 30 per cent. withholding tax on certain US source payments to it unless it either provides information to withholding agents with respect to its “substantial US owners” or certifies that it has no such “substantial US owners”. This may have a material adverse effect on the Company’s performance. As a result, Shareholders may be required to provide any information that the Company determines necessary to avoid the imposition of such withholding tax or in order to allow the Company to satisfy such obligations.

The Company may become subject to withholding tax in certain jurisdictions in which it invests, which may adversely affect returns to Shareholders

The Company may become subject to withholding tax in certain jurisdictions in which it invests, which may adversely affect returns to Shareholders. The Company expects that the majority of its Portfolio will comprise U.S. Dollar denominated convertible securities and that, subject to the information provided above in relation to FATCA, it will not be subject to withholding tax on the income or interest payable under these instruments. However, the Company may invest in local currency denominated convertible securities and the coupon or interest payments on such investments may attract withholding tax. Any withholding tax accruing on the coupons would have the effect of reducing the yield received on the Portfolio and, consequently, reducing the returns to Shareholders.

Changes to tax treatment of derivative instruments may adversely affect the Company and certain tax positions it may take may be successfully challenged

The regulatory and tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by the Company and its ability to pursue its investment policy and investment strategy. In addition, the Company may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by an applicable taxing authority, there could be a material adverse effect on the Company.

IMPORTANT NOTICES

Prospective investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Investment Manager or Winterflood Securities. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G(1) of FSMA, neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained in this Prospectus is correct as of any time subsequent to its date.

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

Investment in the Company is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager, broker or tax adviser regarding an investment in the Company. Furthermore, an investment in the Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the Shares should constitute part of a diversified investment portfolio and Shareholders may need to hold the Shares on a long term basis since the Shares are not suitable for short term investment. Accordingly, typical investors in the Company are expected to be institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager, broker or tax adviser regarding investment in the Company.

General

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

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

Application will be made to the London Stock Exchange for all the Shares to be issued pursuant to the Issue to be admitted to trading on the Main Market. It is expected that such admission will become effective and that dealings in such Shares will commence at 8.00 a.m. on 11 June 2013.

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

Restrictions on Distribution and Sale

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

For a description of restrictions on offers, sales and transfers of Shares, see “Selling restrictions” beginning on page 31 and “Purchase and transfer restrictions” in Part V of this Prospectus.

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

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

No incorporation of Website

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

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company concerning, amongst other things, the investment objective and investment policy, financing strategies, investment performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it, and its portfolio of investments, invest and/or operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are

not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus.

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

Selling Restrictions

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

European Economic Area

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

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

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

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Shares in any Relevant Member State means a communication in any form and by any means presenting

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

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

United States

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

The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares are being offered and sold only outside the United States to persons who are not U.S. Persons (as defined in Regulation S) in reliance on Regulation S under the U.S. Securities Act.

For a description of restrictions on offers, sales and transfers of Shares, see also “Purchase and transfer restrictions” in Part V of this Prospectus.

Bailiwick of Guernsey

The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 (the “**RCIS Rules 2008**”) issued by the Guernsey Financial Services Commission (the “**Commission**”). The Commission, in granting registration, has not reviewed this Prospectus but has relied upon specific warranties provided by the Administrator, the Company’s designated manager.

Neither the Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

If potential investors are in any doubt about the contents of this Prospectus they should consult their accountant, legal, or professional adviser, or financial adviser.

Jersey

An application has been made to the Jersey Financial Services Commission (the “**JFSC**”) for consent to be granted under Article 8 of the Control of Borrowing (Jersey) Order 1958 to the circulation of this Prospectus in Jersey. The JFSC is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.

It must be distinctly understood that, if the aforementioned consent is granted, the JFSC will take no responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it.

Marketing activities carried on in Jersey in connection with the Company may also be subject to the Financial Services (Jersey) Law 1998 and subordinate legislation made thereunder.

EXPECTED TIMETABLE

Placing and Offer open	17 May 2013
Latest time and date for placing commitments under the Placing	*4.00 p.m. on 24 May 2013
Latest time and date for receipt of Application Forms under the Offer	1.00 p.m. on 5 June 2013
Result of Issue announced	7.00 a.m. on 11 June 2013
Admission and dealing in Shares commences	8.00 a.m. on 11 June 2013
Crediting of CREST stock accounts in respect of the Shares	11 June 2013
Share certificates despatched	Week commencing 17 June 2013

The dates and times specified are subject to change without further notice. References to times are London times unless otherwise stated.

* Or such later time as may be notified by the Company to a particular Placee.

ISSUE STATISTICS

Issue Price*	£1.00
Target Gross Issue Proceeds**	in excess of £100 million
Minimum Expected Initial Net Asset Value per Share***	£0.98

* Subscriptions under the Offer are to be in multiples of £1,000.

** The target size of the Issue is in excess of £100 million with the actual size of the Issue being subject to investor demand. The number of Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, is not known as at the date of this Prospectus but will be notified by the Company via a RIS announcement prior to Admission. The Issue will not proceed if the Net Issue Proceeds would be less than £49 million (or such lesser amount as the Company, the Investment Manager and Winterflood Securities may determine and notify to investors via a supplementary prospectus). If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.

*** NAV per Share immediately following Admission after deduction of the costs of the Issue borne by the Company. The costs of the Issue borne by the Company will be no more than 2.0 per cent. of the Gross Issue Proceeds. To the extent that the costs of the Issue would otherwise exceed an amount equal to 2.0 per cent. of the Gross Issue Proceeds, the Investment Manager will bear the excess. To the extent that the costs are less than 2.0 per cent., the difference will be retained for the benefit of the Company.

DEALING CODES

ISIN for the Shares	GG00B96SW597
SEDOL code for the Shares	B96SW59
Ticker for the Shares	JGCI

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors (all non-executive)

Simon Miller (*Chairman*)
Philip Taylor FCA
Paul Meader
Charlotte Valeur Adu

Registered Office

1st Floor
Les Echelons Court
Les Echelons
South Esplanade
St. Peter Port
Guernsey
GY1 1AR

All c/o the Company's registered office

Investment Manager

JPMorgan Asset Management (UK) Limited
Finsbury Dials
20 Finsbury Street
London
EC2Y 9AQ

Sponsor

Winterflood Securities Limited
The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London
EC4R 2GA

Solicitors to the Company (as to English law and U.S. securities law)

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2EG

Solicitors to the Sponsor (as to English law)

Maclay Murray & Spens LLP
One London Wall
London
EC2Y 5AB

Advocates to the Company (as to Guernsey law)

Carey Olsen
P.O. Box 98
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Administrator

JPM Administration Services (CI) Limited
1st Floor, Les Echelons Court
Les Echelons
South Esplanade
St Peter Port
Guernsey
GY1 1AR

Registrar

Capita Registrars (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey
GY2 4LH

Receiving Agent

Capita Registrars Limited
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Custodian and Principal Banker
JPMorgan Chase Bank, NA
Worldwide Securities Services
25 Bank Street
Canary Wharf
London E14 5JP
Tel: +44 (0)20 7134 5634
(for custody services only)

Reporting Accountant and Auditor
Ernst & Young LLP
PO Box 9
Royal Chambers
St. Julian's Avenue
St. Peter Port
Guernsey
GY1 4AF

PART I

INTRODUCTION TO THE COMPANY

Introduction

The Company is a closed-ended investment company limited by shares, registered and incorporated in Guernsey under the Companies Law on 7 May 2013, with registered number 56625. The Company is a non-cellular company and has been declared by the GFSC to be a registered closed-ended collective investment scheme. The assets of the Company will be managed by JPMorgan Asset Management (UK) Limited (the “**Investment Manager**”).

The Company is seeking to raise Gross Issue Proceeds in excess of £100 million by way of the Issue, subject to a minimum of £50 million. The Company’s share capital will be denominated in Sterling and, depending on the amount raised pursuant to the Issue, will upon Admission consist of up to 300 million Shares. The voting rights of the Shares are set out in the section entitled “Voting” in Part VII of this Prospectus.

Applications will be made to the UK Listing Authority and the London Stock Exchange, respectively, for all of the Shares to be issued pursuant to the Issue to be admitted to the Official List with a premium listing and to trading on the Main Market. It is expected that Admission will become effective and that dealings in the Shares will commence at 8.00 a.m. on 11 June 2013.

Investment objective

The Company will aim to provide investors with a dividend income, combined with the potential for long term capital growth, from investing in a globally diversified portfolio of convertible securities.

Investment policy

The Company will invest in a globally diversified portfolio of convertible securities and other suitable instruments exhibiting convertible or exchangeable characteristics.

Diversification

The Portfolio is expected to be broadly diversified across sectors, geography and market capitalisations and, while there are no specific limits placed on exposure to any sector, country or market capitalisation, the Company will at all times invest and manage the Portfolio in a manner consistent with spreading investment risk.

The Company will have no restrictions with respect to the credit ratings of any issuer, or any securities, in which it may invest and the issuers of convertible securities may be located in any country, including emerging market countries.

The number of holdings in the Portfolio will usually range between 60 and 80 when fully invested.

Asset allocation

Investment exposure to convertible securities will normally make up the majority of total assets and may take the form of convertible bonds, convertible notes, convertible preference shares, convertible unsecured loan stock, synthetic convertible securities, equity and equity-linked securities, index and participation notes, equity-linked notes, corporate bonds, pre-IPO bonds, warrants and other instruments exhibiting convertible or exchangeable characteristics.

Pending investment or re-investment in convertible securities, the Company may hold cash on deposit or invest on a temporary basis in a range of high quality debt securities and cash equivalent instruments.

The Company may hold equity securities arising on the conversion or exchange of convertible securities, exercise of options and similar events but it is not envisaged that such equity securities will be held on a long-term basis.

The Company will use the MSCI World index (in Sterling terms) for reference purposes but will not be benchmark-driven in its asset allocation.

Investment restrictions

No exposure to any investee company, whether obtained through securities issued by that company or through instruments entered into with third parties which are referable to that company, will exceed 10 per cent. of Gross Asset Value at the time of investment.

No exposure to any single counterparty, whether in its capacity as the issuer of convertible securities, as the counterparty to instruments which are referable to other companies, or as a banking counterparty (other than the Custodian holding cash resources on behalf of the Company from time to time) will exceed 15 per cent. of Gross Asset Value at the time of making the relevant investment or deposit.

The majority of the Portfolio will be invested in listed convertible securities or those subject to regulatory reporting requirements. Investments in convertible securities that are neither listed nor subject to regulatory reporting requirements will not normally exceed 5 per cent. of Gross Asset Value at the time of investment.

The Company may, from time to time, invest in synthetic convertible securities but such exposure will be limited, in aggregate, to 15 per cent. of Gross Asset Value at the time of investment.

The Company may invest in other investment funds, including listed closed-ended investment funds, to gain investment exposure to convertible securities but such exposure will be limited, in aggregate, to 10 per cent. of total assets at the time of investment.

The Company will not invest in closed-ended investment funds which may invest more than 15 per cent. of their total assets in other listed closed-ended investment funds.

Gearing

The Company may employ gearing up to a maximum of 20 per cent. of Net Asset Value at the time of borrowing. Gearing is expected to be used tactically to make investments consistent with the Company's investment objective and policy and for working capital purposes.

Derivatives

The Company may use derivatives (both long and short) for purposes of efficient portfolio management. Short positions will be used to hedge the equity exposure of the Portfolio. The Company will not enter into uncovered short positions.

Currency hedging

The Company will operate in Sterling. The majority of the Company's assets from time to time are expected to be denominated in currencies other than Sterling. Accordingly, the Company would normally intend to hedge the value of any non-Sterling assets and the income derived from them into Sterling using suitable hedging contracts.

Returns to Shareholders

The Company will aim to provide investors with a dividend income, combined with the potential for long term capital growth.

On the basis of market conditions as at the date of this Prospectus, in the Company's first financial year the Board and Investment Manager will target an annualised initial gross dividend yield to Shareholders of 4.5 per cent. on the Issue Price based on a yield to best⁴ on the Portfolio of 6 to 7 per cent.

The actual returns, including any capital return, to be generated by the Company in pursuing its investment objective will depend on a wide range of factors including, but not limited to, general economic and market conditions, fluctuations in currency exchange rates, prevailing interest rates and credit spreads and the terms of the investments made by the Company.

⁴ "Yield to best" being the higher of yield to maturity or yield to put

The target initial gross dividend yield and target yield to best⁵ on the Portfolio should not be taken as an indication of the Company's expected future performance or results over such period. These target yields are targets only; there is no guarantee that these can or will be achieved and they should not be seen as an indication of the Company's expected or actual return. Furthermore, the future performance of the Company may be materially adversely affected by the risks discussed in the section of this Prospectus entitled "Risk Factors".

The Company will prepare accounts under IFRS and in doing so will recognise the income of the Company such that any returns (whether in respect of interest, redemption or otherwise) on debt securities for a fixed amount are recognised as income and accrued on a time apportionment basis so as to reflect the Effective Interest Rate on the debt securities. Where however, the return may be variable, linked to, for example, interest base rates, the retail price index, or other indices, it will only be possible to calculate the impact on the Effective Interest Rate when such returns are known, and the Effective Interest Rate may change when such variables change. The Effective Interest Rate on an instrument is defined in IAS 39 (International Accounting Standard 39) as "the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability". Any recognised income will accordingly be updated to reflect any over/under accrual.

The return on debt securities will be recognised as income and accrued to the revenue account in the income statement. Likewise, related management fees will also be charged to the revenue account within the income statement. On the basis of an indicative portfolio which has an indicative yield to best⁵ of 6.5 per cent. and an initial Net Asset Value of £98 million, the anticipated annual running costs of the Company would be circa 1.1 per cent. of Net Asset Value. This indicative portfolio was prepared by the Investment Manager in planning for the launch of the Company for illustrative purposes only, and may not reflect the actual composition of the Portfolio following Admission, which will be determined by investment opportunities at the time. Further details in relation to the indicative portfolio are set out in Part III of this Prospectus.

Dividend policy

The Company's financial year will end on 30 June, with the Company's first accounting period ending on 30 June 2014. It is intended that the initial target gross dividend of 4.5 per cent. in respect of the Company's first financial year will be paid to Shareholders by way of two half-yearly distributions to Shareholders in respect of the periods ending 31 December 2013 and 30 June 2014, with the Company's first dividend expected to be declared in February 2014 in respect of the period ending 31 December 2013. In each subsequent financial year, the Company will seek to make quarterly distributions in respect of the quarters ending 30 September, 31 December, 31 March and 30 June. The payment of all dividends is subject to satisfaction of the solvency test prescribed by the Companies Law.

The Company will seek to maintain its annual dividends. To the extent that the Company's net income (calculated as received revenue less the operating costs of the Company charged to the revenue column of the Company's income statement) in any financial year exceeds the amount paid as dividend, this excess may be retained for use in smoothing future dividend payments. Any amount so retained would increase the Net Asset Value of the Company. Conversely, to the extent that that the payment of the initial target gross dividend of 4.5 per cent. would represent an amount greater than the Company's net income (again calculated as received revenue less the operating costs of the Company), such dividend payment would decrease the Net Asset Value of the Company.

Income from the Portfolio will comprise predominantly coupon and interest payments received from investments in the Portfolio but may also include the income, if any, arising from cash held by the Company pending investment or distribution.

5 "Yield to best" being the higher of yield to maturity or yield to put

The Investment Manager

Subject to the overall supervision of the Board, the Company will be managed by JPMorgan Asset Management (UK) Limited. The Investment Manager will be responsible for the discretionary and day-to-day management of the assets of the Company (including uninvested cash) and will not be required to, nor will it generally, submit individual decisions for approval by the Board.

The Investment Manager will be entitled to receive from the Company a management fee, calculated and payable monthly in arrear, at a rate of 0.75 per cent. of NAV per annum. The company secretarial costs of the Company are included in this management fee. No performance fee will be payable to the Investment Manager.

Further information in respect of the Investment Manager is set out in Part III of this Prospectus. Further details in relation to the management fee and other terms of the Investment Management Agreement are set out in paragraph 5.2 of Part VII of this Prospectus.

Continuation Resolution

In accordance with the Articles, the Directors are required to propose an ordinary resolution that the Company continues its business as a closed-ended investment company (the “**Continuation Resolution**”) at the annual general meeting of the Company to be held in 2018. If the Continuation Resolution is passed, the Directors are required to put a further Continuation Resolution to Shareholders at the annual general meeting of the Company every third year thereafter.

If any Continuation Resolution is not passed, the Directors are required to put forward proposals for the reconstruction or reorganisation of the Company to the Shareholders for their approval within six months following the date on which the Continuation Resolution is not passed. These proposals may or may not involve winding up the Company and, accordingly, failure to pass the Continuation Resolution will not necessarily result in the winding up of the Company.

Share purchases and buy backs

The Directors have been granted general authority to purchase in the market up to 14.99 per cent. of the Shares in issue immediately following Admission at a price not exceeding the last reported Net Asset Value per Share as at the time of purchase. The Directors intend to seek annual renewal of this authority from the Shareholders at the Company’s annual general meeting.

Pursuant to this authority, and subject to compliance with the solvency test and any other relevant provisions of the Companies Law and the discretion of the Directors, the Company may purchase Shares in the market on an ongoing basis with a view to addressing any imbalance between the supply of and demand for Shares and thereby assisting in controlling the discount to Net Asset Value per Share at which the Shares may be trading. In the ordinary course of business, the Directors would expect to exercise their discretion to repurchase Shares if the discount to Net Asset Value at which the Shares are trading exceeds 5 per cent. for any significant period of time.

Shares purchased by the Company may be cancelled or may alternatively be held in treasury. Shares may be re-issued from treasury but, unless previously approved by Shareholders, not at a price which, taking account of issue expenses would be less than the last reported Net Asset Value per Share.

Shareholders and prospective Shareholders should note that the purchase of Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

The Issue

The target for the Issue is to raise Gross Issue Proceeds in excess of £100 million. The actual number of Shares to be issued pursuant to the Issue, and therefore the actual Gross Issue Proceeds, is not known as at the date of this Prospectus but will be notified by the Company via a RIS announcement prior to Admission and on the Company’s website, www.jpmconvertiblesincome.co.uk. The Issue will not proceed

if the Net Issue Proceeds would be less than £49 million (or such lesser amount as the Company, the Investment Manager and Winterflood Securities may determine and notify to investors via publication of a supplementary prospectus). The maximum Gross Issue Proceeds will be £300 million.

The target size of the Issue should not be taken as an indication of the number of Shares to be issued. Applications for Shares under the Offer must be in multiples of £1,000.

The costs of the Issue borne by the Company will be no more than 2.0 per cent. of the Gross Issue Proceeds. To the extent that the costs of the Issue would otherwise exceed an amount equal to 2.0 per cent. of the Gross Issue Proceeds, the Investment Manager will bear the excess. To the extent that the costs are less than 2.0 per cent., the difference will be retained for the benefit of the Company.

None of the Shares available under the Issue are being underwritten.

Further issues of Shares

The Directors will have authority to issue further Shares following Admission. Further issues of Shares will only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include the Company's performance, the premium at which the Shares trade and perceived investor demand. Shares will only be issued at prices which, taking account of issue expenses, are not less than the last reported Net Asset Value per Share.

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of Shares. The Articles do, however, contain pre-emption rights in relation to allotments of Shares for cash, although such pre-emption rights will be disapplied in relation to up to 300,000,000 Shares or C Shares following Admission for a period concluding immediately prior to the annual general meeting of the Company to be held in 2014 so as to assist the Company in managing market demand for Shares by the issue of further Shares. The Directors intend to request that the authority to allot Shares on a non-pre-emptive basis is renewed at the annual general meeting of the Company to be held in 2014 and at each subsequent annual general meeting of the Company.

Reports and Accounts

The first accounting period of the Company will run from the date of the Company's incorporation on 7 May 2013 to 30 June 2014 and, thereafter, accounting periods will end on 30 June in each year. The audited annual accounts will be provided to Shareholders within four months of the year end to which they relate. Unaudited half yearly reports, made up to 31 December in each year, will be provided to Shareholders within two months of that date. The Company will also produce interim management statements in accordance with and whilst required by the Disclosure and Transparency Rules. The Company will report its results of operations and financial position in Sterling.

The audited annual accounts and half yearly reports will also be available at the registered office of the Administrator and the Company and from the Company's website, www.jpmconvertiblesincome.co.uk

The financial statements of the Company will be prepared in accordance with IFRS, and the annual accounts will be audited by the Auditors, Ernst & Young LLP, in accordance with International Standards on Auditing (UK and Ireland).

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

Net Asset Value

Publication of Net Asset Value and monthly factsheet

The Company's Net Asset Value, which will be calculated in Sterling, will be calculated using the valuation methodologies described in Part III of this Prospectus. The Company intends to publish its Net Asset Value per Share by a RIS announcement and on the website of the Company, both inclusive and exclusive of undistributed current year revenue, on a daily basis. The Company also intends to publish a monthly factsheet on its website.

The Directors may, but are not obliged to, temporarily suspend the calculation of the NAV and NAV per Share in certain circumstances. Further details of the circumstances in which calculation of the the NAV and NAV per Share may be suspended are set out in the section entitled "Suspension of the calculation of Net Asset Value" in Part IV of this Prospectus.

PART II

OVERVIEW OF STRATEGIES AND OUTLOOK ON THE MARKET

Background

Convertible securities offer investors the prospect of regular, predictable income similar to conventional bonds, together with the potential for capital growth associated with equities. Historically, convertibles have exhibited these characteristics with lower volatility of returns than equities.

Convertibles tend to have a higher price correlation with equities and lower price correlation with bonds, whilst providing much of the capital preservation characteristics of bonds. Over the course of a market cycle, this asymmetric risk-return profile may be seen as offering the best of equity and debt market returns: namely, upside participation in rising equity markets and downside protection in weaker markets.

The graph below illustrates how the combination of upside participation and downside protection of convertibles can result in attractive returns over longer periods as compared to a global equity index. The graph compares the UBS Global Focus Convertible Bond index, which tracks the performance of a broad range of global convertible securities, on a total return basis, to the MSCI World index. Although past performance is not necessarily an indicator of future performance, convertibles outperformed this broad equity index on a total return basis over this period, with lower annualised volatility. Of note is that this period included both a strong equity market from 2003 to 2008 as well as a significant market correction in 2008 at the onset of the ongoing economic crisis, although in a rising equity market returns on convertibles may lag those of equivalent equity markets.

Global convertibles long term total returns relative to equities (rebased to 100)



Source: Investment Manager, Bloomberg. Data up to 31 December 2012. The indices shown may contain a different composition of currency exposures, and these differences may partially drive relative returns. *UBS Global Focus Convertible Bond Index Hedged GBP.

Given the competitive risk-return profile, convertibles are arguably underrepresented in investors' portfolios, which tend to consist of equity and conventional fixed interest components. In both numbers of convertible bond funds as well as overall assets in the convertibles universe, convertible bond funds represent only a small portion of investors' assets.

The convertibles universe is large. According to UBS Investment Bank, as at the end of March 2013, the value at market price of the global convertibles universe was £328.3 billion, with a significant proportion of the population being rated investment grade. Although the U.S. remains the largest market for convertible issuance, convertibles are also common in Continental Europe and Asia. Convertibles are issued across a broad range of geographies and market sectors and it is possible to construct a widely diversified portfolio without undue geographic or sector concentration.

Convertibles performed well in 2012, with the UBS Global Convertible Bond Index in U.S. Dollars returning 13.3 per cent. (14.2 per cent. hedged to GBP) over the course of the year. Continuing uncertainties in the macro environment can be expected to result in the asset class continuing to rise with the markets as, and if, growth and confidence return while protecting against near-term retreats in equity markets. On this basis, and together with the wider merits of the asset class, as described below, the Investment Manager considers this to be an opportune time for investors to consider investing in convertibles.

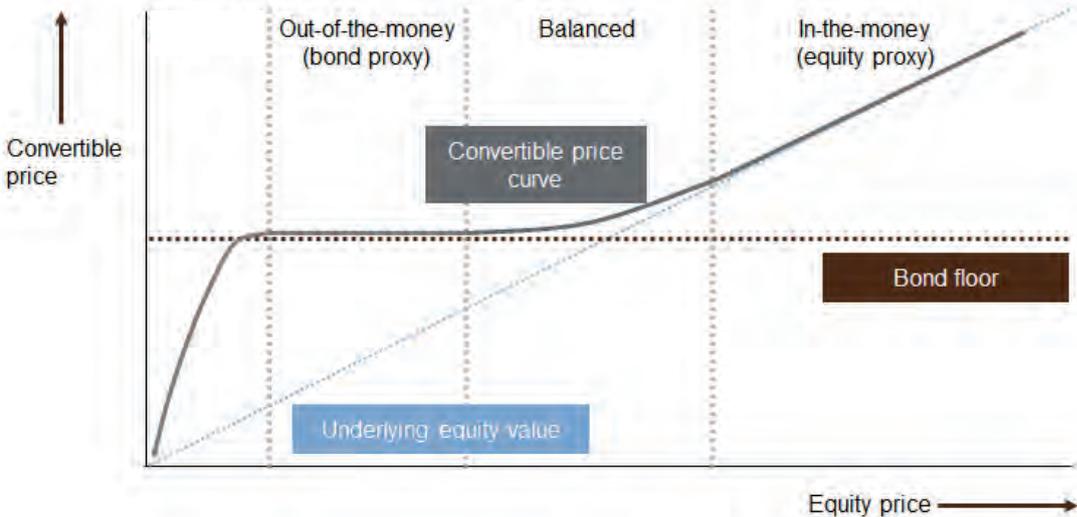
What are convertibles?

Convertibles combine the characteristics of a bond, having a redemption value at the end of a predetermined period and often paying a coupon, and the characteristics of a warrant, giving the holder the option to convert into equity rather than be redeemed. This typically gives holders of convertibles the ability to participate in equity growth by converting into the equity of the issuer and a predictable income stream (assuming the issuer remains able to pay the coupon), while offering capital protection through redemption if the bonds are not converted.

Convertibles are usually issued at par with a conversion price (the price at which they may be converted into equity) that is higher than the share price of the underlying equity at the time of issue of the convertible. The majority of convertibles have a maturity of between five and seven years, with approximately 10 per cent. having an option for the holder to redeem the bond, typically three years after issue. Following the initial issuance, the principal factor affecting the value of a convertible will be the market price of the underlying equity. There are different types of convertibles, including those that are exchangeable into the equity of a party other than the issuer, but the general bond and warrant characteristics as described above are broadly the same across the marketplace. Most convertibles are listed on recognised international exchanges.

The diagram below illustrates the expected relationship between underlying share price and the price of a traditional convertible, including circumstances in which the convertible may not be repaid. Where the convertible is neither significantly “in-the-money” nor “out-of-the-money”, the convertible is described as balanced. Most primary issuance is into this balanced space. Following issuance, if the share price rises and the convertible comes to be “in-the-money”, the value of the convertible tends to track the underlying equity value. The convertible is then described as an equity proxy as its risk-return profile resembles that of the underlying equity. In contrast, should the underlying share price fall and the embedded option fall “out-of-the-money”, the convertible can be expected to exhibit more bond-like characteristics.

Relationship between convertible price and underlying equity price



Source: Investment Manager

The range of convertible profiles from bond proxy through to equity proxy, as shown in the diagram above, provides investors with a number of opportunities, depending on their return requirements and risk appetite.

Investors who are optimistic about markets but unwilling to put too much capital at risk might be attracted to balanced convertibles. The capital invested in these convertibles is generally well supported by the so-called “bond floor” but, because the conversion opportunity is close to being in-the-money, sensitivity to rising equity prices is high. Investors value this asymmetric profile as providing defensive exposure to equity markets with potentially unlimited upside participation but limited downside risk. Returns of balanced strategies are driven by a combination of equity and credit factors.

In the diagram, in-the-money convertibles exhibit greater equity sensitivity than balanced convertibles. Investors may be attracted to these convertibles as a means to access the market risk of the underlying equity but also may be attracted to the other advantages that exposure through convertibles brings compared to outright ownership of shares. Among these advantages, convertibles typically pay a higher coupon than the dividend on the underlying stock, providing a yield advantage and, in the event of a decline in equity markets, investors expect the bond floor to protect capital compared to the unlimited downside of equity.

Investors in bond-like convertibles may be attracted to convertibles offering relatively attractive levels of yield. However, unlike other fixed income securities, convertibles have out-of-the-money options which can boost returns during market rallies.

Strategies which seek to provide capital growth with an income focus, such as is the investment objective of the Company, aim to provide a combination of current income and equity sensitivity by investing in higher yielding, higher coupon securities that also offer potential equity participation. The performance of the Company should reflect defensive participation in equity market returns, and it is anticipated that the delta of the Portfolio (the rate at which returns on the Portfolio changes with respect to returns on equities) will be maintained at moderate levels. Consequently, the expectation would be for Portfolio returns to lag equity market returns during strong bull markets, but to provide a yield advantage in times of low or negative equity returns.

Why invest in convertibles for income?

Financial markets in developed countries are currently characterised by low interest rates as part of a deliberate policy by central banks to discourage saving and encourage borrowing. Low interest rates have had unfortunate consequences for income investors, causing yields on traditional income assets, such as bank deposits, to fall. Investors have responded by increasingly investing in other income sources, including high yield bonds and global equities with above average yield. Global equities, although valued for their diversity and their higher income relative to deposits, have exhibited more volatile returns.

Similarly to global equities, portfolios of convertibles can be constructed from a substantial universe of securities, covering a diverse range of sectors, regions and company sizes. The Company’s Portfolio will be managed to exploit what the Investment Manager believes to be convertibles’ advantages over global equities in providing high, dependable income from such sources. These advantages may be summarised, as follows:

- Historically, convertibles running yields have exceeded global equity dividends. In recent years global equities have increased their payouts but higher convertibles yields have persisted.
- Convertibles rank higher in the capital structure of a company than common equity shares. This ranking priority means that coupons must be paid before a company can pay a dividend. Convertibles will typically enjoy capital and income cover and are sometimes protected by covenants if the cover on coupons or capital falls below predetermined levels.
- The price of convertibles is typically less volatile than that of the underlying equity. Convertibles also provide ‘upside participation’ should the equity price increase and downside protection should the equity price decrease.

Why use a closed-ended fund?

The Company's closed-ended structure provides a number of advantages for the management of a convertibles portfolio. Principal among these is the relative stability of the Company's asset base when compared to open-ended funds. The Company should not be subject to the potentially large in- and out-flows of capital resulting from investor subscriptions and redemptions in an open-ended fund. As a consequence, the Investment Manager should have greater flexibility to keep the Company's capital fully invested when desirable, and be more able to deploy the Company's capital toward opportunities that meet the investment objective, including toward more illiquid investments.

In the opinion of the Investment Manager, opportunities to achieve the Company's income and growth objectives are to be found increasingly in high coupon convertibles issues of small- and mid-cap companies. Issues of this type are often characterised by a degree of illiquidity as issue sizes are relatively small and securities are often unrated or otherwise do not meet minimum requirements for inclusion in the indices used by some investors to determine investible universes. The capital stability offered by the closed-ended structure will make it possible for the Company to participate in attractive, smaller sized issuance that would otherwise not meet the liquidity demands of an open-ended structure and to benefit from the potentially higher returns that such issues often provide.

The Investment Manager further considers that the Company's flexibility to allocate across both primary and secondary markets for convertibles should enhance returns. The recent past has seen strong new issuance of convertibles as issuers seek to benefit from increased investor appetite for risk. Companies such as Nokia, Sony and Arcelor Mittal have all had substantial convertibles issues in the recent past. New issuance typically performs strongly in the six months following issuance, which may be one of the main reasons that the ability to participate in this primary market can be considered to be particularly appealing. The Investment Manager is a major participant in both primary issuance and secondary market convertibles trading and is well placed to obtain allocations and access to both marketplaces.

Current market outlook

The first quarter of this year has seen impressive gains in global equity markets, with several global equity indices achieving double digit percentage returns. Due to their equity sensitivity, convertibles have been direct beneficiaries of such market moves. Market profit-taking may lead to some volatility in the second quarter, with investors expecting strong results during the upcoming first quarter reporting season in the U.S. In the event of a correction, convertibles, with the support of their bond floor, should exhibit down-side protection relative to equities.

In terms of credit, the environment remains supportive as elevated levels of liquidity remain present across markets. Credit spread levels have modestly tightened from the beginning of the year and are expected to remain fairly stable.

Looking ahead, the Investment Manager anticipates interest rates will remain at subdued levels, with unconventional monetary actions continuing to be carried out by many central banks. The results of such actions have been most pronounced in Japan where the equity market rally emanating from the Bank of Japan's actions has been impressive and, so far, sustained.

⁶ For the purposes of the Composite, "J.P. Morgan Asset Management" means the London, Japan and the JF (Hong Kong and Singapore) investment processes of J.P. Morgan Asset Management.

PART III

INVESTMENT MANAGER, STRATEGY AND PROCESS

Investment Manager

The Investment Manager of the Company is J.P. Morgan Asset Management (UK) Limited, a company incorporated in England and Wales, with registered number 1161446. The Investment Manager has been appointed pursuant to the Investment Management Agreement. In light of the entry into force and implementation of the AIFM Directive, the Company and the Investment Manager have agreed that an affiliate of the Investment Manager may in future replace J.P. Morgan Asset Management (UK) Limited as investment manager of the Company.

J.P. Morgan Asset Management (of which the Investment Manager is the UK regulated entity), is the investment management business of J.P. Morgan Chase & Co., and is one of the largest active asset managers in the world, providing a complete range of investment solutions for every type of investor. J.P. Morgan Asset Management has investment teams networked across more than 30 countries, connected by investment hubs in London, New York, Tokyo, Columbus and Hong Kong. J.P. Morgan Chase & Co provides investment management products and services to institutional and individual investors worldwide and as at 31 March 2013 had total assets under supervision of approximately US\$2.2 trillion.

As at 31 December 2012, the Investment Manager had approximately US\$4.4 billion of assets under management in dedicated convertibles vehicles, diversified across five broad strategies, each with a different management focus but consistent approach. The Investment Manager has a seventeen-year track record managing convertible bond fund products and global coverage and insight on convertibles achieved through extensive resources and local market experts globally. In addition, J.P. Morgan Asset Management is a market leader in the management of closed-ended funds, managing £7.3 billion across 21 closed-ended fund products as at 31 March 2013.

The Investment Manager is regulated by the Financial Conduct Authority and, as such, is subject to its rules in the conduct of its investment business.

Details of the fees and expenses payable to the Investment Manager pursuant to the Investment Management Agreement are set out in paragraph 5.2 of Part VII of this Prospectus.

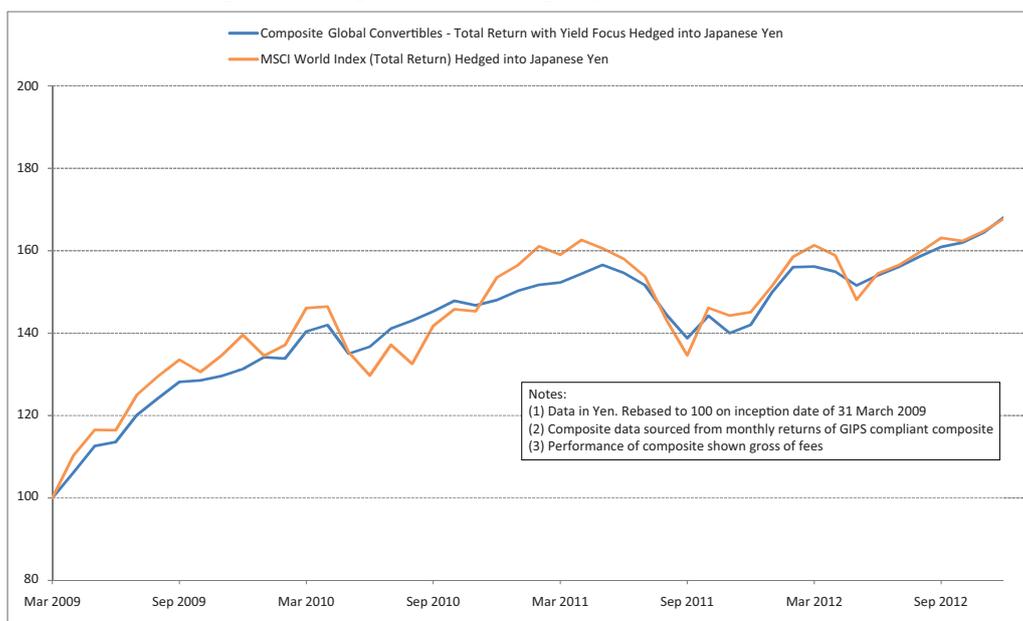
Illustrative performance records for global convertibles

The majority of convertibles mandates managed by J.P. Morgan Asset Management⁶ have a capital return objective.

Although there are no specific performance records that are entirely congruent with the Company's proposed investment policy, J.P. Morgan Asset Management has since early 2009 managed a series of global convertibles mandates with a yield focused, total return strategy. These mandates have been aggregated into a single Japanese Yen denominated composite, the "Global Convertibles – total return with yield focus" composite (the "**Composite**") and the return on the Composite (gross of management fees) is shown in the graph below. The return on the Composite provides an indication of how other convertibles mandates managed by J.P. Morgan Asset Management, with an income bias, have performed in recent years in comparison with the proposed reference index, MSCI World Index.

It should be noted that this Composite does not give an indication of the returns that would have been generated by the Company in pursuing its investment policy over the periods shown, nor is this past performance necessarily indicative of the future performance of either the Company or the Composite. The investment objective and policy of the Company differ from the investment objectives of the mandates underlying the Composite.

Performance of the Composite compared with the proposed reference index, MSCI World Index



Source: Investment Manager

The information in this section headed “Illustrative performance records for global convertibles” of this Part III has been provided by the Investment Manager and the Investment Manager accepts responsibility for it. Further detail in relation to the preparation of the Composite is set out in paragraph 9 of Part VII of this Prospectus.

Investment team

Global convertibles portfolios are managed by the Investment Manager’s global convertible securities team which sits within the Investment Manager’s Global Multi Asset Group (“GMAG”), a dedicated team of experienced strategists, economists, analysts and portfolio managers.

The team is supported by a wider investment team of approximately 300 investment professionals with experience in credit analysis, research and due diligence, investment analysis and trading.

Antony Vallee will be responsible for the management of the Company. He is Head of Convertibles and a portfolio manager in GMAG, with primary responsibility for convertible securities portfolios. Antony has been an employee of J.P. Morgan since 2006, prior to which he was Head of Convertible Arbitrage and Equity-Linked Strategies at SYSTEIA Capital Management where he was responsible for investment strategy including gamma trading, convertible arbitrage, credit arbitrage and directional investments. Antony previously worked as a fixed income and convertible securities asset manager at HSBC Asset Management. Antony holds an MSc in Financial Engineering from the HEC School of Management at the University of Montreal, and graduate and post-graduate degrees in Applied Mathematics and Economics from Lyon University. Antony is a CFA Charterholder.

Investment strategy and process

Security selection

The Investment Manager’s principal focus will be to select convertibles which it believes will produce attractive income and long-term growth at reasonable valuations. Strategy rotation (between defensive/yield type convertibles and more equity sensitive convertibles) will be used depending on the Investment Manager’s assessment of the outlook for yields and overall convertibles market valuations.

The Investment Manager will take into account “top down” and “bottom up” considerations in Portfolio construction. Top down considerations will look at particular dynamics across the convertibles market such as valuations, liquidity and flows. Bottom up considerations will be factors specific to an issuer. The principal considerations likely to inform the selection of convertibles for inclusion in the Portfolio are as follows:

“Top down” factors

Analysis of valuation, liquidity and flow dynamics across the general convertibles market, and across different sectors, regions, market capitalisations, and convertible bond profiles.

“Bottom up” factors

- Individual company analysis (both credit and equity).
- Industry outlook and business trends.
- The individual convertible’s technical factor characteristics (such as “delta”, implied volatility, yield and call risk).

In creating and managing portfolios from a “top-down” perspective, the Investment Manager will use a number of quantitative models, some of which are developed in-house, to analyse the convertibles market. This will allow the Investment Manager to monitor factors such as movements in valuations, credit spread levels and volatility at the aggregate and sub-sector level.

For a “bottom up” analysis of an issuer, the Investment Manager will be able to draw both on the resources of the equity teams, using analyst research from sector specialists, and the convertible bond team’s dedicated capital structure analyst. The Investment Manager works together with the various analysts, attending company visits and meetings and is able to access specialists in their local markets, forming a key input into the investment process.

Where an in-depth corporate analysis is deemed beneficial by the Investment Manager, such as for special situations involving lower quality credit and small capitalisation companies, the Investment Manager’s dedicated capital structure analyst will perform fundamental analysis based on balance-sheet assessment, cash flow projections, credit metrics calculation and industry and company-specific development trends.

Once companies have been selected based on underlying fundamentals, convertibles will be screened based on technical factors. Convertibles valuation models will be used to assess equity sensitivity, bond profile, maturity, implied volatility and up/down participation in movements of the underlying equity. Since convertibles are vulnerable to call risk, this will also be monitored.

Other aspects of the investment strategy and process

The Company may hold equity securities arising from the conversion or exchange of convertibles, exercise of options and similar events. It is not envisaged that such equity securities will be held on a long-term basis and the Company will generally dispose of such equity securities within a period of six months, subject to market conditions.

In pursuit of efficient portfolio management, the Company may use financial derivative instruments (both long and short). The instruments and techniques used may include exchange traded and “over-the-counter” fixed income, equity and credit derivatives. Techniques and instruments relating to transferable securities and money market instruments (including, but not limited to, securities lending, asset swaps or repurchase agreements) may also be used for efficient portfolio management.

Instruments exhibiting characteristics of convertibles, including synthetic convertibles, provide economic characteristics similar to convertibles by combining non-convertible fixed income securities or preferred stocks with separately sourced warrants or call options. Synthetic convertibles may be created by a third party or by investors able to source the component parts. The Investment Manager may, in some instances, use synthetic convertibles as these can offer access to convertibles at a reduced cost, or in a more cost-effective manner, than by investing directly in those convertibles in the market.

The Company would normally intend to hedge the value of any non-Sterling assets and the income derived from them into Sterling using suitable hedging contracts.

Cash management

It is intended that the Company’s assets will normally be close to fully or fully invested in the Portfolio. Any uninvested cash will be held on deposit or on a temporary basis in a range of high quality debt securities and cash equivalent instruments pending investment or re-investment.

⁷ “Yield to best” being the higher of yield to maturity or yield to put

Valuation methodologies

Securities (other than options) that are listed on a national securities exchange and that are freely transferable will be valued at their official listed closing bid price on the principal exchange on which such securities are listed. Options that are listed on a national securities exchange will be valued at the closing “bid” price on the principal exchange on which such options are traded. If, however, the trading of any such securities or options is suspended at the date of determination, then the securities or options shall be initially valued at either the last available price specified on the principal exchange on which such securities are listed prior to suspension or by reference to valuation techniques using inputs that may not be based on observable market data, deemed as fair value.

Subsequently, securities or options will be valued using techniques deemed consistent with fair value basis. Such techniques may include recent arm’s length market transactions, the current fair value of another instrument that is substantially the same or discounted cash flow analysis or net asset value. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique may be used.

Securities traded over the counter that are freely transferable will be valued using an independent reporting system or, if not quoted on such a system, by at least one of the principal market makers in such securities.

Forward, spot and swap contracts, other off-exchange instruments or derivative instruments not referred to above and for which there is no observable market data, will be valued by the Directors via a delegated authority to the Investment Manager on a consistently applied mark to model basis, respecting fair market value principles.

With respect to securities and instruments other than those specified above, the Directors will write up or write down the valuation of such securities if the Directors determine, in accordance with their established valuation procedures, that the realisable value of such securities differs from their current valuation. The Directors will seek the advice of the Investment Manager in such circumstances. Such procedures include the use of independent pricing sources if available. If independent pricing sources are not available, the fair value of such securities or assets will be estimated by the Directors under advice from the Investment Manager, with such valuation referencing a variety of factors, including proprietary or industry-available valuation models, the issuer’s financial strength and stability, the issuer’s operating performance, strength of the issuer’s management team, the Company’s expected exit from the investment and any specific rights or restrictions associated with such investment. Such valuation procedures, as well as the value assigned to specific securities and other assets, will be reviewed from time to time by the Directors.

In the Directors’ discretion, independent appraisals of securities may be obtained and the Directors may, at their discretion, delegate any or all valuation responsibilities to any person, including the Investment Manager.

Indicative portfolio characteristics for the Company

The Investment Manager, in planning for the launch of the Company, prepared an indicative portfolio to demonstrate the potential characteristics of the portfolio, how it might generate income and how it could meet the investment policy. The creation of the indicative portfolio was for illustrative purposes only and will not reflect the actual composition of the Portfolio following Admission, which will be determined by investment opportunities at the time.

However, in constructing the indicative portfolio the Investment Manager created a well-diversified portfolio of over 70 stocks with an average credit rating of BB and a wide geographic and sector spread, with no single security or issuer representing more than 2.5 per cent. of the indicative portfolio, a running yield of 5.2 per cent., and a yield to best⁷ on the Portfolio of 6.5 per cent. The indicative portfolio was constructed within the parameters of the Company’s investment policy and the Investment Manager’s investment restrictions and provided confidence that there was a widely distributed investment universe and therefore no requirement for undue concentration risk or sacrifice of credit quality in constructing the indicative portfolio with a view to achieving the anticipated dividend yield for the Company.

PART IV

DIRECTORS, MANAGEMENT AND ADMINISTRATION

Directors

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles and have overall responsibility for the Company's activities, including the review of investment activity and performance and the overall control and supervision of the Investment Manager. The Directors may delegate certain functions to other parties, such as the Investment Manager, the Administrator and the Registrar. In particular, the Directors have delegated responsibility for managing the assets comprised in the Portfolio to the Investment Manager who is not required to, and generally will not, submit individual investment decisions for the approval of the Board.

The Board comprises four directors, all of whom are independent of the Investment Manager. Details of each of the Directors are set out below.

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

Directors' biographies

Simon Miller (*Chairman and chair of the Remuneration and Nomination Committee and Management Engagement Committee*), aged 60

Simon Miller is chairman of Dunedin LLP. Mr Miller is also chairman of Brewin Dolphin plc, Artemis Alpha Trust plc, Blackrock North America Income Trust plc, Amati VCT plc and a non-executive director of Scottish Friendly Assurance Limited. He was previously chairman of JPMorgan Elect plc. Mr Miller is resident in the United Kingdom.

Philip Taylor FCA (*Chair of the Audit Committee*), aged 62

Philip Taylor is Chairman of Hawksford Holdings Limited, The States of Jersey Treasury Advisory Panel and The Jersey International Business School Limited, Non-Executive Director of Royal Bank of Scotland International Limited and City Merchants High Yield Trust Limited, a Member of the Audit Committee of the States of Jersey and a Member of the Conduct Committee of the Financial Reporting Council. Formerly, he was a Partner of PricewaterhouseCoopers' United Kingdom and Channel Islands firms and Senior Partner of PricewaterhouseCoopers Channel Islands from 1998 to 2007. Mr Taylor is resident in Jersey.

Paul Meader, aged 47

Paul Meader is an independent director of a number of investment management companies and investment funds including BlueCrest AllBlue Fund Ltd and ICG-Longbow Senior Secured UK Property Debt Investments Limited. He was, until recently, Head of Portfolio Management for Collins Stewart based in Guernsey, having previously held the role of Chief Executive of Corazon Capital Group which was acquired by Collins Stewart in 2010. Mr Meader has 26 years' experience in financial markets in London, Dublin and Guernsey following senior positions in portfolio management and trading, with particular expertise in fixed income investments. Prior to joining Corazon he was Managing Director of Rothschild's Swiss private-banking subsidiary in Guernsey. Mr Meader is a Chartered Fellow of the Chartered Institute of Securities & Investments and is past Chairman of the Guernsey International Business Association, of the International Bankers' Association and of the Guernsey Investment Managers' & Stockbrokers' Association. Mr Meader is resident in Guernsey.

Charlotte Valeur Adu, aged 49

Charlotte Valeur Adu is the Managing Director of GFG Ltd, which she founded in 2011. Prior to GFG, Ms Valeur Adu was the Managing Partner of Brook Street Partners Ltd from 2003. Ms Valeur Adu is the Chairman of the Board of Brevan Howard Credit Catalysts Limited and also serves on boards and committees of a number of listed and unlisted fund management and investment companies. Ms Valeur

Adu has in excess of 30 years' experience in the financial markets. Prior to Brook Street Partners, Ms Valeur Adu was a Director in Capital Markets at S.G. Warburg and Co, BNP Paribas, Societe Generale and Commerzbank. Ms Valeur Adu began her career in Copenhagen in 1982 with Nordea A/S. In 1991 she moved to the London office of Nordea A/S as Head of the UK Fixed Income sales group. Ms Valeur Adu is a member of The Institute of Directors and is regulated by the Jersey Financial Services Commission in the conduct of Trust Company business. Ms Valeur Adu is resident in Jersey.

Administrator

JPM Administration Services (CI) Limited has been appointed as Administrator of the Company pursuant to the Administration Agreement (further details of which are set out in paragraph 5.3 of Part VII of this Prospectus). In such capacity, the Administrator is responsible for the day to day administration of the Company (including but not limited to the calculation and publication of the daily Net Asset Value). For the purposes of the RCIS Rules 2008, the Administrator is the designated manager of the Company.

Investors should note that it is not possible for the Administrator to provide any investment advice to investors.

Custodian

JPMorgan Chase Bank, NA, Worldwide Securities Services, has been appointed as the Custodian of the Company, pursuant to the Custody Agreement (further details of which are set out in paragraph 5.4 of Part VII of this Prospectus), to act as principal custodian of the Company's investments, cash and other assets and to accept responsibility for the safe custody of the property of the Company which is delivered to and accepted by the Custodian or any of its sub-custodians as and when such custody services may be required. The Custodian has agreed to hold the investments of the Company on a segregated basis from its own assets and, accordingly, the Company's assets should not be available to the creditors of the Custodian in the event of its insolvency.

Pursuant to the AIFM Directive and the current drafts of associated third country provisions, it is likely that the Company will enter into a depositary agreement in accordance with the AIFM Directive, subsequent to the entry into force and implementation of the AIFM Directive on 22 July 2013.

Principal Banker

JPMorgan Chase Bank, NA has been appointed as the Principal Banker of the Company.

Auditor

Ernst & Young LLP will provide audit services to the Company. The annual report and accounts will be prepared according to accounting standards laid out under IFRS.

Registrar

Capita Registrars (Guernsey) Limited has been appointed as Registrar of the Company pursuant to the Registrar Agreement (further details of which are set out in paragraph 5.5 of Part VII of this Prospectus).

Fees and expenses

Initial expenses related to the Issue

The initial expenses of the Company are those which are necessary for the Issue. The Company will bear such expenses up to a maximum of 2.0 per cent. of the Gross Issue Proceeds. To the extent that such expenses exceed an amount equal to 2.0 per cent. of the Gross Issue Proceeds, the Investment Manager will bear the excess. To the extent that the costs are less than 2.0 per cent., the difference will be retained for the benefit of the Company.

These expenses will be paid on or around Admission and will include, without limitation, placing fees and commissions; registration, listing and admission fees; the cost of settlement and escrow arrangements; printing, advertising and distribution costs; legal and other professional fees, and any other applicable expenses. All such expenses will be charged to the Company's share capital account as at Admission and will not be amortised.

On the assumptions that the Company achieves an issue size of £100 million and that the initial expenses of the Issue borne by the Company are equal to 2.0 per cent. of the Gross Issue Proceeds, the Net Issue Proceeds and the NAV of the Company immediately following Admission will be £98 million (that is, 98.0 per cent. of the Gross Issue Proceeds and £0.98 per Share).

Ongoing Annual Expenses

Management Fee

The Investment Manager will be entitled to receive from the Company a management fee, calculated and payable monthly in arrear at a rate equivalent to 0.75 per cent. of NAV (before deduction of the management fee) per annum. The Company Secretarial costs of the Company are included in the Management Fee. No performance fees will be payable to the Investment Manager.

The Investment Management Agreement is terminable on six months' notice, such notice not to be given prior to the second anniversary of Admission.

The Investment Manager may at its discretion enter into arrangements with certain investors pursuant to which it will rebate to such investors a proportion of its management fee received from the Company.

Further details of the terms of the Investment Management Agreement are set out in paragraph 5.2 of Part VII of this Prospectus.

Other fees and expenses

The Company will also incur ongoing annual fees and expenses other than the Management Fee which, based on the Company having a Net Asset Value of £98 million, are currently estimated to be approximately 0.40 per cent. of Net Asset Value per annum.

These expenses will include the following:

(i) Administrator

Under the terms of the Administration Agreement, the Administrator is entitled to various fees, which are expected to be approximately £55,000 in aggregate per annum.

(ii) Custodian

Under the terms of the Custody Agreement, the Custodian is entitled to a custody fee. It is currently expected that this fee will be approximately £40,000 per annum.

(iii) Registrar

Under the Registrar Agreement, the Registrar is entitled to receive a minimum agreed fee of £7,999 per annum in respect of basic registration.

(iv) Directors

The Directors will be remunerated for their services at an initial fee of £25,000 per annum (£32,000 for the Chairman and £27,500 for the chairman of the Audit Committee). Further information in relation to the remuneration of the Directors is set out in Part VII of this Prospectus.

(v) Other operational expenses

All other ongoing operational expenses of the Company (excluding fees paid to service providers as detailed above) will be borne by the Company including, without limitation, the incidental costs of making its investments and the implementation of its investment objective and policy; travel, accommodation and printing costs; the cost of directors' and officers' liability insurance and website maintenance; audit and legal fees; and annual Main Market fees. Out of pocket expenses of the Investment Manager, the Administrator, the Registrar, the CREST agent and the Directors relating to the Company will be borne by the Company.

Taxation

Information concerning the tax status of the Company and the tax treatment of Shareholders is contained in Part VI of this Prospectus. A potential investor should seek advice from his or her own independent professional adviser as to the taxation consequences of acquiring, holding or disposing of Shares.

Suspension of the calculation of Net Asset Value

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

- (a) any period when any of the principal markets or securities exchanges on which a substantial part of the Company's investments are traded are closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended; or
- (b) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial part of the investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if in the opinion of the Directors the NAV and/or NAV per Share cannot be fairly calculated; or
- (c) any breakdown in the means of communication normally employed in determining the value of the Company's investments or when for any reason the current prices on any market of a substantial part of the Company's investments cannot be promptly and accurately ascertained.

In the event that the calculation of the NAV of the Shares is suspended as described above, trading in the Shares on the Main Market and the listing of the Shares on the Official List may also be suspended.

Meetings and reports to Shareholders

All general meetings of the Company shall be held in Guernsey. The Company expects to hold its first annual general meeting in 2014.

The Company's audited annual report and accounts will be prepared to 30 June each year, commencing in 2014, and it is expected that copies will be sent to Shareholders by November each year, or earlier if possible. Shareholders will also receive an unaudited interim report each year commencing in respect of the period to 31 December 2013, expected to be despatched by March each year, or earlier if possible. The Company's audited annual report and accounts will be available on the Company's website, www.jpmconvertiblesincome.co.uk.

The Company's accounts will be drawn up in Sterling and in compliance with IFRS.

Conflicts of interest

Directors

In relation to transactions in which a Director is interested, the Articles provide that as long as the Director, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, discloses to the Board: (i) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest, or (ii) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest (in each case unless the transaction or proposed transaction is between the Director and the Company, and is to be entered into in the ordinary course of the Company's business and on usual terms and conditions), then such Director shall not by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit. For further details see paragraph 4.14 of Part VII of this Prospectus. The Directors are also required by the RCIS Rules 2008 to take all reasonable steps to ensure that there is no breach by any "relevant person", including the Directors themselves, the Investment Manager, the Administrator, and the Custodian, of any of the conflict of interest requirements in the RCIS Rules 2008.

Investment Manager

The Investment Manager may be involved in other financial, investment or professional activities that may give rise to conflicts of interest with the Company. In particular, it currently provides, and expects to continue to provide, investment management, investment advice or other services in relation to a number of other companies, funds or accounts that may have similar investment objectives and/or policies to that of the Company and may receive ad valorem and/or performance-related fees for doing so.

As a result, the Investment Manager may have conflicts of interest in allocating investments among the Company and its other clients and in effecting transactions between the Company and its other clients. The Investment Manager may give advice or take action with respect to its other clients that differs from the advice given or actions taken with respect to the Company. The Investment Manager will ensure that transactions effected by it or an associate in which it or an associate has, directly or indirectly, a material interest or relationship of any description with another party, are effected on terms which are not materially less favourable to the Company than if the potential conflict had not existed.

The Directors have noted that the Investment Manager has other clients and have satisfied themselves that the Investment Manager has procedures in place to address potential conflicts of interest.

All potential investors should read carefully the Risk Factors set out on pages 16 to 28 of this Prospectus and, in particular, the risks set out under the section entitled “Risks relating to the Investment Manager” commencing on page 23 of this Prospectus.

Takeover Code

The Takeover Code will apply to the Company as at Admission.

Corporate governance

The Company is committed to complying with the corporate governance obligations which apply to Guernsey registered companies admitted to listing on the Official List of the UKLA and to trading on the Main Market of the London Stock Exchange.

UK Corporate Governance Code

The Listing Rules require that the Company must “comply or explain” against the UK Corporate Governance Code. In addition, the DTRs require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Directors recognise the value of the UK Corporate Governance Code and have taken appropriate measures to ensure that the Company complies, so far as is possible given the Company’s size and nature of business, with the UK Corporate Governance Code. The Company does not comply with the UK Corporate Governance Code to the extent that there is no chief executive position within the Company, which is not in accordance with provision A.2.1 of the UK Corporate Governance Code. However, as an investment company, all the Directors are non-executive and the Company has no employees and there is therefore no requirement for a chief executive; accordingly provision A.2.1 of the UK Corporate Governance Code is not relevant to the Company. The Company does not have a senior independent director and therefore cannot comply with provision A.4.1 of the UK Corporate Governance Code. The Company does not have a senior independent director because all of its Directors are non-executive and the Company has a Chairman. There are no other instances of non-compliance with the UK Corporate Governance Code as at the date of this Prospectus.

AIC Code

The Board has agreed to report on a comply or explain basis against the AIC Code of Corporate Governance (the “**AIC Code**”) produced by the Association of Investment Companies (“**AIC**”). The Company will be a member of the AIC on Admission.

As noted above, the Company does not currently have a senior independent director. The Company otherwise currently complies, and will comply from Admission, with the AIC Code, and in accordance with such Code will be meeting its obligations in relation to the UK Corporate Governance Code and associated disclosure requirements of the Listing Rules.

Guernsey Code

On 1 January 2012, the GFSC's "Finance Sector Code of Corporate Governance" (the "**GFSC Code**") came into effect, which applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as collective investment schemes. The GFSC has stated in the GFSC Code that companies which report against the UK Corporate Governance Code or the AIC Code are deemed to meet the requirements of GFSC Code.

Directors' Share dealings

The Directors have adopted a code of directors' dealings in Shares, which is based on the Model Code for directors' dealings contained in the Listing Rules (the "**Model Code**"). The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

Audit Committee

The Company's Audit Committee, which comprises all the Directors, will meet formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the annual accounts, interim reports and interim management statements. Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement will be considered before proceeding. Philip Taylor will act as chairman of the Audit Committee. The principal duties of the Audit Committee will be to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditor, to review the external auditor's letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers.

Remuneration and Nomination Committee

The Company has established a Remuneration and Nomination Committee, which comprises all the Directors. Simon Miller will act as chairman of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee will meet not less than once a year and will have responsibility for considering the remuneration of the Directors. It will also: (i) identify individuals qualified to become Board members and select the director nominees for election at general meetings of the Shareholders or for appointment to fill vacancies; (ii) determine director nominees for each committee of the Board; and (iii) consider the appropriate composition of the Board and its committees.

In addition, the chairmanship of the Audit Committee, Remuneration and Nominations Committee and Management Engagement Committee and each Director's performance will be reviewed annually by the Chairman and the performance of the Chairman will be assessed by the remaining Directors.

Management Engagement Committee

The Company has established a Management Engagement Committee which comprises all the Directors, with Simon Miller as the chairman of the committee. The Management Engagement Committee will meet not less than once a year. The Management Engagement Committee's main function is to review and make recommendations on any proposed amendment to the Investment Management Agreement and keep under review the performance of the Investment Manager in its role as investment manager of the Company.

PART V

ISSUE ARRANGEMENTS

The Issue

The target Gross Issue Proceeds are in excess of £100 million with the potential for increase or decrease subject to investor demand. The target Issue size should not be taken as an indication of the number of Shares to be issued. The actual number of Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, is not known as at the date of this Prospectus but will be notified by the Company via a RIS announcement and on the Company's website www.jpmconvertiblesincome.co.uk prior to Admission.

The Issue will not proceed if the Net Issue Proceeds would be less than £49 million (or such lesser amount as the Company, the Investment Manager and Winterflood Securities may determine and notify to investors via a supplementary prospectus). If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant, either to the bank account from which the money was received or by cheque.

Notwithstanding the target Issue size, a maximum number of 300,000,000 Shares with a maximum value at the Issue Price of £300,000,000 may be issued pursuant to the Issue under this Prospectus.

The Directors have determined that the Shares will be issued at a price of £1.00 per Share under the Issue.

The Issue is not being underwritten.

Proceeds of the Issue

The Company will employ the Net Issue Proceeds in implementing its investment policy.

The Placing

The Company, the Investment Manager and Winterflood Securities have entered into the Placing Agreement pursuant to which Winterflood Securities has agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for the Shares under the Placing at the Issue Price.

A summary of the terms of the Placing Agreement is set out in paragraph 5.1 of Part VII of this Prospectus.

The Offer

The Company is also offering the Shares for subscription pursuant to the Offer.

The Terms and Conditions of Application are set out in Part VIII of this Prospectus and an Application Form and notes on how to complete such Application Form are set out in Appendix I to this Prospectus. The Terms and Conditions of Application should be read carefully before an application is made. Application Forms must be posted or delivered by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive by no later than 1.00 p.m. on 5 June 2013. Unless extended, the Offer will be closed at that time.

Applications for Shares under the Offer must be in multiples of £1,000.

The Main Market

The Main Market is an EU regulated market. Consequently, upon Admission the Company will be subject to the Prospectus Rules, the Disclosure and Transparency Rules and the Market Abuse Directive (as implemented in the United Kingdom). Upon admission to the Official List, the Company will also be subject to the ongoing requirements of the Listing Rules.

Scaling back and allocation

Were aggregate applications for Shares under the Placing and the Offer to exceed the maximum size of the Issue (being 300,000,000 Shares), it would be necessary to scale back applications under the Issue. Winterflood Securities reserves the right, at its sole discretion but after consultation with the Company, to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Shares pursuant to the Issue. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they have applied.

The Company will notify investors of the number of Shares in respect of which their applications have been successful and the results of the Issue will be announced by the Company on or around 11 June 2013 via a RIS announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant either to the bank account from which the money was received or by cheque.

General

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

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

Payment for Shares pursuant to the Offer may be made by cheque, banker's draft or building society cheque and must accompany the Application Form. The Directors reserve the right to refuse applications for any reason and to extend the closing date for receipt of applications under the Placing and/or the Offer.

The Directors (in consultation with Winterflood Securities) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Shares under the Issue.

Definitive certificates in respect of Shares in certificated form will be dispatched by post in the week commencing 11 June 2013. Temporary documents of title will not be issued.

Clearing, settlement and dealings

In the case of the Placing, payment for the Shares should be made in accordance with settlement instructions to be provided to Placees by (or on behalf of) the Company or Winterflood Securities. In the case of the Offer, payment for the Shares should be made in accordance with the Terms and Conditions of Application in Part VIII of this Prospectus and in the Application Form. To the extent that any application for Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Admission. In the case of Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any Shareholder so wishes.

Shares issued under the Offer will be issued to successful applicants in accordance with the Terms and Conditions of Application set out in Part VIII of this Prospectus.

CREST is a paperless book-entry settlement system operated by Euroclear which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so upon request from the Registrars.

The Articles permit the holding of the Shares under the CREST system. The Directors intend to apply for the Shares to be admitted to CREST with effect from Admission. Accordingly, it is intended that settlement of transactions in the Shares following Admission may take place within the CREST system if the relevant Shareholders (other than U.S. Persons) so wish.

Applications will be made to the UK Listing Authority and the London Stock Exchange for such Shares to be admitted to the Official List with a premium listing and to trading on the Main Market, respectively. It is expected that Admission will become effective, and that dealings in the Shares will commence at 8.00 a.m. on 11 June 2013. No application is being made for the Shares to be dealt with in or on any stock exchanges or investment exchanges other than the London Stock Exchange. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

It is expected that the Company will arrange for Euroclear to be instructed on 11 June 2013 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly onto the share register of the Company.

The transfer of Shares out of the CREST system following the Issue should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form. If a Shareholder or transferee requests Shares to be issued in certificated form and is holding such Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares. Shareholders (other than U.S. Persons) holding definitive certificates may elect at a later date to hold such Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

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

The ISIN of the Shares is GG00B96SW597 and the SEDOL code is B96SW59.

Purchase and transfer restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, Winterflood Securities or the Investment Manager.

The Company has elected to impose the restrictions described below on the issue and on the future trading of the Shares so that the Company will not be required to register the offer and sale of the Shares under the U.S. Securities Act, so that the Company will not have an obligation to register as an investment company under the U.S. Investment Company Act and related rules and in order to address certain ERISA, U.S. Tax Code and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Shares to trade such securities. Due to the restrictions described below, potential investors in the United States and U.S. Persons are advised to consult legal counsel prior to making any offer, resale, exercise, pledge or other transfer of the Shares. The Company and its agents will not be obligated to recognise any resale or other transfer of the Shares made other than in compliance with the restrictions described below.

Restrictions due to lack of registration under the U.S. Securities Act and U.S. Investment Company Act restrictions

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or

to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States, and this document should not be distributed or forwarded into the United States or to U.S. Persons.

The Shares are being offered and sold only outside the United States in “offshore transactions” to persons who are not U.S. Persons in accordance with and in reliance on the exemption from registration provided by Regulation S under the U.S. Securities Act.

Moreover, the Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. The Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S: (i) to a person outside the United States and not known by the transferor to be a U.S. Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

Subscriber warranties

Each subscriber of Shares in the Issue, as of the date it subscribes for or otherwise receives such Shares, and each subsequent investor in the Shares will be deemed to have represented, warranted, acknowledged and agreed as follows:

- (a) it is not a U.S. Person as defined in Regulation S, is not located within the United States and is not acquiring the Shares for the account or benefit of any U.S. Person;
- (b) it is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S;
- (c) it acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may only be transferred in an offshore transaction in accordance with Regulation S: (i) to a person outside the United States and not known by the transferor to be a U.S. Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof;
- (d) it acknowledges that the Company has not registered and shall not register under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
- (e) no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the U.S. Tax Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (f) that if any Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

JPMORGAN GLOBAL CONVERTIBLES INCOME FUND LIMITED (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “U.S. INVESTMENT COMPANY ACT”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY,

THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS;

- (g) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which will not require the Company to register under the U.S. Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (h) it is purchasing the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable U.S. securities laws;
- (i) it acknowledges that the Company reserves the right to make inquiries of any Shareholder or interests therein at any time as to such person's status under the U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the U.S. securities laws to transfer such Shares or interests in accordance with the Articles;
- (j) it acknowledges that the Company may receive a list of participants holding positions in its securities from one or more book entry depositories;
- (k) it is entitled to acquire the Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager or Winterflood Securities, or their respective directors, officers, agents, employees and advisers, being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Issue;
- (l) it has received, carefully read and understands this Prospectus or other relevant public disclosure of the Company, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- (m) if it is acquiring any Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account; and
- (n) the Company, the Investment Manager, Winterflood Securities and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements. If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

PART VI

TAXATION

General

The information below, which relates only to Guernsey and the UK, summarises the advice received by the Board and is applicable to the Company and (except in so far as express reference is made to the treatment of other persons) to persons who are resident or ordinarily resident in Guernsey or the United Kingdom for taxation purposes and who hold Shares as an investment. It is based on current Guernsey and UK tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

If you are in any doubt about your tax position, you should consult your professional adviser.

United Kingdom

(i) *The Company*

The Directors intend to conduct the affairs of the Company in such a way that it should not be resident in the United Kingdom for UK tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a branch, agency or permanent establishment situated therein), the Company will not be subject to UK income tax or corporation tax other than on any UK source income.

(ii) *Shareholders*

UK Offshore Fund Rules

The Directors have been advised that, under current law, the Company should not be an "offshore fund" for the purposes of UK taxation and that the legislation, contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 ("**TIOPA**"), should not apply.

Accordingly, Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident in the United Kingdom, or who carry on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected, may, depending on their circumstances and subject as mentioned below, be liable to UK tax on chargeable gains realised on the disposal of their Shares (which will include a redemption and on final liquidation of the Company).

Tax on Chargeable Gains

A disposal of Shares (which will include a redemption) by a Shareholder who is resident in the United Kingdom for tax purposes or who is not so resident but carries on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains or capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief. For such individual Shareholders capital gains tax at the rate of tax of 18 per cent. (for basic rate taxpayers) or 28 per cent. (for higher or additional rate taxpayers) will be payable on any gain and for such Shareholders that are bodies corporate any gain will be within the charge to corporation tax. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which currently exempts the first £10,900 of gains from tax) depending on their circumstances. Shareholders which are bodies corporate resident in the United Kingdom for tax purposes will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index.

Dividends

Individual Shareholders resident in the United Kingdom for tax purposes will be liable to UK income tax in respect of dividends or other income distributions of the Company. An individual Shareholder resident in the UK for tax purposes and in receipt of a dividend from the Company will, provided they own less than 10 per cent. of the Shares, be entitled to claim a non-repayable dividend tax credit equal to one-ninth of the dividend received.

The effect of the dividend tax credit would be to extinguish any further tax liability for eligible basic rate taxpayers (who currently pay tax at the dividend ordinary rate of 10 per cent.). The effect for current eligible higher rate taxpayers (who pay tax at the current dividend upper rate of 32.5 per cent.) would be to reduce their effective tax rate to 25 per cent. of the cash dividend received.

An additional rate of income tax applies for United Kingdom resident individuals with income in excess of £150,000. With effect from 6 April 2013, such individuals will pay 37.5 per cent. tax on dividends received (reduced to 30.6 per cent. for eligible taxpayers as a result of applying the tax credit).

UK Shareholders within the charge to UK corporation tax may be liable for UK corporation tax (the main rate of UK corporation tax is currently 23 per cent., reducing to 21 per cent. by 2014) on the receipt of the dividend. There is, however, an exemption from corporation tax on foreign dividends received by UK resident companies, which may exempt such UK Shareholders from UK taxation on dividends paid by the Company, depending on their circumstances and subject to certain conditions being satisfied.

Stamp duty and Stamp Duty Reserve Tax (“SDRT”)

No UK stamp duty or SDRT will arise on the issue of Shares. No UK stamp duty will be payable on a transfer of Shares, provided that all instruments effecting or evidencing the transfer (or all matters or things done in relation to the transfer) are not executed in the United Kingdom and no matters or actions relating to the transfer are performed in the United Kingdom.

Provided that the Shares are not registered in any register kept in the United Kingdom by or on behalf of the Company and that the Shares are not paired with shares issued by a Company incorporated in the United Kingdom, any agreement to transfer the Shares will not be subject to UK SDRT.

ISAs and SSAS/SIPPs

Investors resident in the United Kingdom who are considering acquiring Shares are recommended to consult their own tax and/or investment adviser in relation to the eligibility of the Shares for ISAs and SSAS/SIPPs.

Shares acquired pursuant to the Offer (but not the Placing) should be eligible for inclusion in a stocks and shares ISA. On Admission, Shares acquired in the market should be eligible for inclusion in a stocks and shares ISA, subject to applicable subscription limits.

The annual ISA investment allowance is £11,520 for the tax year 2013 to 2014. Up to £5,760 of that allowance can be invested as cash with one provider. The remainder of the £11,520 can be invested in a stocks and shares ISA with either the same or another provider.

The Shares should be eligible for inclusion in a SSAS or SIPP, subject to the discretion of the trustees of the SSAS or SIPP, as the case may be.

(iii) *Other UK Tax Considerations*

Controlled Foreign Companies (CFCs)

UK resident companies having an interest in the Company, such that 25 per cent. or more of the Company’s profits for an accounting period could be apportioned to them, may be liable to UK corporation tax in respect of their share of the Company’s undistributed profits in accordance with the provisions of Part 9A of TIOPA relating to CFCs. These provisions only apply if the

Company is controlled by United Kingdom residents. “Control” for this purpose is established by reference to control of a company’s affairs, economic control over a company’s income and assets and, in certain cases, where a company is regarded as a parent of a CFC for accounting purposes.

Transfer of Assets Abroad

Individuals ordinarily resident in the United Kingdom should note that Chapter II of Part XIII of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company. It should be noted that the Finance Bill 2013 (published on 28 March 2013) contains provisions which will amend these provisions in order to make the legislation compatible with EU law. The amendments contained in the Finance Bill 2013 limit the scope of these provisions by adding a new exemption from the transfer of assets charge which operates where the EU treaty freedoms are engaged and focuses on whether the nature of a transaction is genuine and whether it serves the purpose of the freedoms.

Close Company Provisions

The attention of Shareholders resident or ordinarily resident in the United Kingdom is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 10 per cent. of the Shares. The Finance Bill 2013 clauses expand the categories of assets excluded from charge to include those used in genuine economic activity and also introduces a motive test. The Finance Bill also reduces the scope of the provision to persons who hold, alone or together with associated persons, more than 25 per cent. of the shares in a company.

Transactions in Securities

The attention of Shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if Shareholders are seeking to obtain tax advantages in prescribed conditions.

Guernsey

(i) *The Company*

The Directors of the Company intend that the Company will apply for and obtain exempt status for Guernsey tax purposes. In return for the payment of a fee, currently £600, a registered closed-ended collective investment scheme such as the Company is able to apply annually for exempt status for Guernsey tax purposes.

If exempt status is granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax.

In the absence of exempt status, the Company would be treated as resident in Guernsey for Guernsey tax purposes and would be subject to the standard company rate of tax, currently zero per cent.

Guernsey currently does not levy taxes upon capital inheritances, capital gains gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of Shares.

In keeping with its ongoing commitment to meeting international standards, the States of Guernsey has completed a review of its corporate income tax regime. During the course of the review an announcement was made in relation to the removal of certain “deemed distribution” provisions

which are not relevant to tax exempt companies. In addition, although the standard rate for corporate income tax will remain at zero per cent, with effect from 1 January 2013 the company intermediate income tax rate of ten per cent will be extended to income arising from the carrying on of business as a licensed fiduciary (in respect of regulated activities), a licensed insurer (in respect of domestic insurance business) and a licensed insurance intermediary and a licensed insurance manager. The changes, however, are not expected to impact the Company.

(ii) *Shareholders*

Shareholders not resident in Guernsey for tax purposes will not be subject to income tax in Guernsey and will receive dividends without deduction of Guernsey income tax. Any Shareholders who are resident for tax purposes in the Islands of Guernsey, Alderney or Herm will be subject to income tax in Guernsey on any dividends paid on Shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status.

The Company is required to provide the Director of Income Tax in Guernsey with such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Shareholders resident in Guernsey should note that where income is not distributed but is accumulated, then a tax charge will not arise until the holding is disposed of. On disposal the element of the proceeds relating to the accumulated income will have to be determined.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Shares in the Company, with details of the interest.

Shareholders are not subject to tax in Guernsey as a result of purchasing, owning or disposing of Shares or either participating or choosing not to participate in a redemption of Shares.

(iii) *Implementation of the EU Savings Directive in Guernsey*

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into bilateral agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the “**EU Savings Directive**”) as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are, or are equivalent to, UCITS, in accordance with EC Directive 85/611/EEC (as recast by EC Directive 2009/65/EC (recast)) and guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements, the Company should not be regarded as, or as equivalent to, a UCITS. Accordingly, any payments made by the Company to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the EU Savings Directive in Guernsey.

The operation of the EU Savings Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, will significantly widen its scope. These changes could lead to the Company being required to comply with the EU Savings Directive in the future.

(iv) *Foreign Account Tax Compliance Act (FATCA)*

It is expected that rules will be introduced in Guernsey to implement FATCA or alternatively that Guernsey may enter into an Intergovernmental Agreement with the US under which the Company may comply with FATCA either by reporting directly to the IRS or by reporting to Guernsey’s domestic tax authority relevant information in relation to certain Shareholders which will be shared with the IRS.

(v) *UK FATCA Agreement*

The UK has approached the UK Crown Dependencies, including Guernsey, to adopt similar principles to those imposed by the US in relation to FATCA (“**UK FATCA**”).

UK FATCA would cover some of the same areas as the EU Savings Directive, which already requires that Guernsey share information relating to UK taxpayers with HMRC. Officials from the States of Guernsey have been meeting with UK Government officials to discuss the UK FATCA proposals, and further details are not yet available. These negotiations are expected to run in tandem with the negotiations for the Intergovernmental Agreement with the US.

PART VII

ADDITIONAL INFORMATION

1. Incorporation and Administration

- 1.1 The Company was incorporated as a non-cellular company with liability limited by shares in Guernsey under the Companies Law on 7 May 2013 with registered number 56625. The Company has been declared by the GFSC to be a registered closed-ended investment collective investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the RCIS Rules 2008. The registered office and principal place of business of the Company is 1st Floor, Les Echelons Court, Les Echelons, South Esplanade, St. Peter Port, Guernsey GY1 1AR, and the telephone number is + 44 (0)1481 758620. The statutory records of the Company will be kept at this address. The Company operates under the Companies Law and ordinances and regulations made thereunder and has no employees. The Company has an unlimited life.
- 1.2 The Directors confirm that the Company has not traded or commenced operations and that, as at the date of this Prospectus, no accounts of the Company have been made up since its incorporation on 7 May 2013.
- 1.3 Ernst & Young LLP has been the only auditor of the Company since its incorporation. Ernst & Young LLP is a member of the Institute of Chartered Accountants of England & Wales.
- 1.4 Save for its entry into the material contracts summarised in paragraph 5 of this Part VII of this Prospectus and certain non-material contracts, since its incorporation the Company has not carried on business, incurred borrowings, issued any debt securities, incurred any contingent liabilities or made any guarantees, nor granted any charges or mortgages.
- 1.5 As at the date of this Prospectus, there have been no changes to the issued share capital of the Company since incorporation.
- 1.6 There has been no significant change in the financial or trading position of the Company since its incorporation.

2. Share Capital

- 2.1 The share capital of the Company consists of: (a) an unlimited number of ordinary shares of no par value which upon issue the Directors may classify as Shares or shares of such other classes denominated in such currencies as the Directors may determine; and (b) an unlimited number of C Shares of no par value which upon issue the Directors may classify as Shares or shares of such other classes denominated in such currencies as the Directors may determine. Notwithstanding this, a maximum number of 300,000,000 Shares will be issued pursuant to the Issue. All holders of the same class of Shares shall have the same voting rights in respect of the share capital of the Company.
- 2.2 C Shares are shares which convert into Shares only when a specified proportion of the net proceeds of issuing such C Shares have been invested in accordance with the Company's investment policy (prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the other classes of Shares). The issue of C Shares would therefore permit the Board to raise further capital for the Company whilst limiting any dilution of investment returns for existing Shareholders which might otherwise result.
- 2.3 As at the date of incorporation and as at the date of this Prospectus, the Company's issued share capital comprises one Share issued at a price of £1.00. If Admission had taken place on the date of incorporation (and assuming that 100,000,000 Shares had been issued pursuant to the Issue), the Issue would have increased the net assets of the Company by at least £98,000,000⁸.

8 Assuming Issue expenses of £2,000,000

- 2.4 As at the date of this Prospectus, the entire issued share capital of the Company, comprising one Share, is held by the subscriber to the Memorandum of the Company, CO 1 Limited.
- 2.5 The Directors have absolute authority to allot the Shares and any C Shares under the Articles and are expected to resolve to allot Shares shortly prior to Admission in respect of the Shares to be issued pursuant to the Issue. Pursuant to a written ordinary resolution of the subscribers to the Company's Memorandum dated 8 May 2013, the Directors have been granted general authority to purchase in the market up to 14.99 per cent. of the Shares in issue immediately following Admission. The Directors intend to seek annual renewal of this authority from the Shareholders at the Company's annual general meetings. Pursuant to a written extraordinary resolution of the subscribers to the Company's Memorandum dated 8 May 2013, pre-emption rights have been disapplied in relation to the issue of up to 300,000,000 Shares or C Shares following Admission for a period concluding immediately prior to the annual general meeting of the Company to be held in 2014.
- 2.6 In the event that the Board decides to repurchase Shares, purchases will only be made through the market for cash at prices (taking account of the expenses of purchases) not exceeding the last reported Net Asset Value per Share and such purchases will only be made in accordance with: (a) the Listing Rules, which currently provide that the maximum price to be paid per Share must not be more than the higher of (i) five per cent. above the average of the mid-market values of the relevant Shares for the five Business Days before the purchase is made, or (ii) the higher of the last independent trade or the highest current independent bid for the relevant Shares; and (b) the Companies Law, which provides among other things that any such purchase is subject to the Company passing the solvency test contained in the Companies Law at the relevant time.
- 2.7 The Shares will be issued and created in accordance with the Articles and the Companies Law.
- 2.8 The Shares are in registered form and, from Admission, will be capable of being held in uncertificated form and title to such Shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where the Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 days of the completion of the registration process or transfer, as the case may be, of the Shares. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar, whose registered address is set out on page 34 of this Prospectus, maintains a register of Shareholders holding their Shares in CREST.
- 2.9 No share or loan capital of the Company is under option or has been agreed conditionally or unconditionally, to be put under option.

3. Directors' and other Interests

- 3.1 As at the date of this Prospectus, none of the Directors or any person connected with any of the Directors has a shareholding or any other interest in the share capital of the Company. The Directors and their connected persons may, however, subscribe for Shares pursuant to the Placing and/or Offer. Subject to compliance with legal and regulatory requirements, Paul Meader intends to subscribe for 30,000 Shares and each of Simon Miller, Philip Taylor and Charlotte Valeur Adu intend to subscribe for 25,000 Shares pursuant to the Offer at the Issue Price and such applications are expected to be met in full.
- 3.2 As at the date hereof, insofar as is known to the Company, no person is or will, immediately following the Issue, be directly or indirectly interested in 5 per cent. or more of the Company's issued share capital.
- 3.3 There are no outstanding loans from the Company to any of the Directors or any outstanding guarantees provided by the Company in respect of any obligation of any of the Directors.
- 3.4 The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 30 June 2014 which will be payable out of the assets of the Company are not expected to exceed £300,000. Each of the Directors will be entitled to receive £25,000 per

annum, other than the Chairman who will be entitled to receive £32,000 per annum and the chairman of the Audit Committee who will be entitled to receive £27,500 per annum. No amount has been set aside or accrued by the Company to provide pension, retirement or other similar benefits.

- 3.5 Prior to Admission, the Company will neither pay any amount of remuneration (including any contingent or deferred compensation) nor grant any benefits in kind to any persons for any services provided to the Company.
- 3.6 No Director has a service contract with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for 12 months or more; (iii) written request of the other Directors; and (iv) a resolution of the Shareholders, as summarised in more detail in paragraph 4.11.7 of this Part VII of this Prospectus.
- 3.7 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 3.8 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which has been effected by the Company since its incorporation.
- 3.9 Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against all costs, charges, losses, damages, expenses and liabilities arising out of any claims made against each of them in connection with the performance of their duties as a Director of the Company.
- 3.10 In addition to their directorships of the Company, the Directors hold or have held the directorships, and are or were members of the partnerships, listed in the table below within the past five years.

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Simon Miller (<i>Chairman</i>)	Dunedin Capital Partners Ltd Dunedin Capital Holdings Ltd Dunedin Capital Group Ltd Dunedin Capital Partners (G.P.) Ltd Dunedin Founder Partners (G.P.) Ltd Artemis Alpha Trust PLC Alpha Securities Trading Ltd Amati VCT PLC Brewin Dolphin Holdings PLC Bruce Stevenson Ltd Weldex (International) Offshore Holdings PLC Scottish Friendly Assurance Society Limited Scoban PLC Lt Dougie Dalzell MC Memorial Trust Dunedin LLP Dunedin Saltire Ltd Dunedin Capital Group Holdco Limited BlackRock North American Income Trust PLC	Bonhams UK Ltd Capula Group Ltd Adam & Company plc Adam & Company Group plc Adam Investment Management Ltd Greenock Energy Services Ltd Practice Plan Holdings Ltd Dunedin Enterprise Investment Trust PLC JP Morgan Elect plc etc.venues Group Limited etc.venues ESOP Trustee Limited

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Philip Taylor	1887 Vincent Square Limited City Merchants High Yield Trust Limited Hawksford Holdings Limited Hawksford Trust Company Jersey Limited Demajo Investments Limited Jersey International Business School Limited Pont Marquet Investments Limited Pont Marquet RAC Limited Royal Bank of Scotland International Limited Royal Bank of Scotland International Holdings Limited St Johns Wood Square Limited	PricewaterhouseCoopers CI LLP
Paul Meader	Dampfeet Investments Limited Corazon Absolute Return Fund Limited Bluecrest AllBlue Fund Limited International Investments ICC Limited International Capital Accumulation Fund IC Limited Allez Property Limited ICG-Longbow Senior Secured UK Property Debt Investments Limited	Corazon Fund Management Limited Corazon Capital (Jersey) Limited Corazon Capital (Suisse) S.A. Albion Investments Holdings Limited Lucas House Limited Glanmore Property Fund Limited Glanmore Investments Limited British Real Estate Fund Limited British Real Estate Investments Limited Glanmore Property Dollar Fund Limited Glanmore Property Euro Fund Limited Glanmore Property Accumulation Fund Limited Glanmore Property Company Limited British Real Estate Accumulation Fund Limited Guernsey Finance LBG Corazon Capital Limited Corazon Capital Group Limited Talisman Guernsey Management Limited
Charlotte Valeur Adu	Brook Street Partners Holding Limited GFG Limited GGG Limited Andrea Investments (Jersey) PCC (Cell 2008-1 PC) Andrea Investments (Jersey) PCC (Cell 2008-2 PC) Andrea Investments (Jersey) PCC (Cell 2008-4 PC) Andrea Investments (Jersey) PCC (Cell series 1000 PC) DREAM02 GP Limited DREAM02 (I) GP Limited	Dansk Egenkapital Management Brook Street Partners Ltd Brook Street Partners (Jersey) Limited Agilo Global Fund Limited (Master) Agilo Global Fund Limited (Feeder) DREAM01 GP Limited Andrea Investments (Jersey) PCC (Cell 2008-3 PC) AlphaTran Fund (Master) VCM Ariel Fund LP (Master) VCM Ariel Fund Limited (Feeder) VCM Ariel General Partner Ltd Gyldmark Liquid Macro Master Fund Ltd

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
	DREAM02 (I) Limited	Gyldmark Liquid Macro Fund Ltd
	DREAM02 (II) GP Limited	3i Infrastructure Plc
	DREAM02 (II) Limited	Lumx Avesta Fund Limited
	DREAM02 (III) GP Limited	Lumx Cyril Systematic Fund Limited
	DREAM02 (IV) GP Limited	Lumx GLC Gestalt Fund Limited
	DREAM02 (V) GP Limited	Lumx RWC Biltmore Fund Limited
	DREAM02 (VI) GP Limited	
	DREAM02 (VII) GP Limited	
	DREAM02 (VIII) GP Limited	
	DREAM02 (IX) GP Limited	
	DREAM02 (X) GP Limited	
	DREAM02 (XI) GP Limited	
	Renewable Energy Generation Ltd	
	Lumx Lancaster Fund Limited	
	Lumx Beach Point Fund Limited	
	Lumx GGIE Fund Limited	
	Lumx Horseman European Select Fund Ltd	
	Lumx GSB Podium Fund Limited	
	Lumx Third Point Fund Limited	
	Lumx Van Eck Hard Assets Fund Limited	
	LumX Atlas Global	
	LumX Turiya	
	LumX Visium Credit	
	LumX CCA Global Macro Fund Limited	
	LumX Systematic Trend Fund Limited	
	LumX MW Core Fund Limited	
	LumX LynX Fund Limited	
	BH Credit Catalysts Limited	
	TECREF GP Limited	
	TECREF SA	

3.11 Philip Taylor is Chairman of Hawksford International Limited. Simon Miller is Chairman of Dunedin LLP, which is manager of Dunedin Buyout Fund 2 and Equity Harvest Fund, which together own 49 per cent. of the shares in Hawksford International Limited. Dunedin LLP does not itself hold any interest in Hawksford International Limited.

3.12 As at the date of this Prospectus, there are no potential conflicts of interest between any duties to the Company of any of the Directors and their private interests and/or other duties. There are no lock-up provisions regarding the disposal by any of the Directors of any Shares.

3.13 At the date of this Prospectus:

3.13.1 none of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;

3.13.2 save as detailed above, none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;

- 3.13.3 none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years; and
- 3.13.4 none of the Directors are aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this Prospectus.
- 3.14 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.
- 3.15 No members of staff of the Administrator or the Investment Manager have any service contracts with the Company.

4. Memorandum and Articles

4.1 *Objects*

The Memorandum of the Company provides that the objects of the Company are unrestricted.

4.2 *Dividends and other distributions*

4.2.1 Subject to the rights of any Shares which may be issued with special rights or privileges, the Shares carry the right to receive all income of the Company attributable to the Shares, and to participate in any distribution of such income made by the Company, and such income shall be divided *pari passu* among the Shareholders in proportion to the number of Shares held by them.

4.2.2 The Directors may from time to time authorise dividends and distributions to be paid to Shareholders in accordance with the procedure set out in the Companies Law and subject to any Shareholders' rights attaching to their Shares. The Directors may from time to time authorise dividends and distributions to be paid to holders of C Shares out of the assets attributable to such C Shares in accordance with the procedure set out in the Companies Law and subject to any rights attaching to such C Shares.

4.2.3 All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend unclaimed on the earlier of (i) a period of seven years after the date when it first became due for payment and (ii) the date on which the Company is wound-up, shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.

4.3 *Voting*

4.3.1 Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Shares, holders of Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company.

4.3.2 Each Shareholder being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of each Share held by him. In the case of a general meeting of all Shareholders, each Shareholder shall have one vote in respect of each Share held by him.

4.3.3 Save in certain limited circumstances, C Shares will not carry the right to attend and receive notice of any general meetings of the Company, nor will they carry the right to vote at such meetings.

4.4 *Capital*

As to a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Shares in accordance with the provisions of the Articles and the Companies Law), the surplus assets of the Company attributable to the Shares remaining after payment of all creditors shall, subject to the rights of any Shares that may be issued with special rights or privileges, including for these purposes C Shares, be divided *pari passu* among the Shareholders in proportion to the number of Shares held by them.

4.5 *Pre-emption rights*

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of the Shares. However, the Articles provide that the Company is not permitted to allot (for cash) equity securities (being Shares or C Shares or rights to subscribe for, or convert securities into, Shares or C Shares) or sell (for cash) any Shares or C Shares held in treasury, unless it shall first have offered to allot to each existing Shareholder and holder of C Shares, as the case may be, on the same or more favourable terms a proportion of those Shares or C Shares the aggregate value of which (at the proposed issue price) is as nearly as practicable equal to the proportion of the total Net Asset Value of the Company represented by the Shares or C Shares held by such shareholder. These pre-emption rights may be excluded and disapplied or modified by extraordinary resolution of the Shareholders.

4.6 *Variation of rights*

4.6.1 Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated:

- (A) with the consent in writing of the holders of more than seventy five per cent. in number of the issued shares of that class; or
- (B) with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class.

4.6.2 The necessary quorum at any separate class meeting shall be two persons present holding or representing by proxy at least one-third in number of the issued shares of that class (provided that if any such meeting is adjourned for lack of a quorum, the quorum at the reconvened meeting shall be one person present holding shares of that class or his proxy) provided always that where the class has only one member, that member shall constitute the necessary quorum and any holder of shares of the class in question may demand a poll.

4.6.3 The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by (a) the creation or issue of further shares ranking *pari passu* therewith or (b) the purchase or redemption by the Company of any of its shares (or the holding of such shares as treasury shares).

4.7 *Disclosure of interests in Shares*

4.7.1 The Directors shall have power by notice in writing (a “**Disclosure Notice**”) to a Shareholder to disclose to the Company the identity of any person other than the Shareholder (an “**interested party**”) who has any interest (whether direct or indirect) in the Shares held by the Shareholder (or has been so interested at any time during the 3 years immediately preceding the date on which the Disclosure Notice is issued) and the nature of such interest. Any such Disclosure Notice shall require any information in response to such Disclosure Notice to be given in writing to the Company within 28 days of the date of service (or 14 days if the Shares concerned represent 0.25 per cent. or more of the number of Shares in issue).

4.7.2 If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the Shares concerned represent 0.25 per cent. or more in number of the issued Shares), or

such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the member (a “**Direction Notice**”). 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 the member shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. in number of the Shares concerned, the Direction Notice may additionally direct that dividends on such Shares will be retained by the Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

4.7.3 The Directors may be required to exercise their power to require disclosure of interested parties on a requisition of Shareholders holding not less than ten per cent. of the total voting rights attaching to the shares in issue at the relevant time.

4.8 *Transfer of Shares*

4.8.1 Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.

4.8.2 A transfer of a certificated Share shall be in the usual common form or in any other form approved by the Board. An instrument of transfer of a certificated Share shall be signed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.

4.8.3 The Articles provide that the Board has power to implement such arrangements as it may, in its absolute discretion, think fit in order for Shares to be admitted to settlement by means of the CREST system. If the Board implements any such arrangements, no provision of the Articles will apply or have effect to the extent that it is in any respect inconsistent with:

- (A) the holding of Shares in uncertificated form;
- (B) the transfer of title to Shares by means of the CREST system; or
- (C) the CREST Guernsey Requirements.

4.8.4 Where the Shares are, for the time being, admitted to settlement by means of the CREST system such securities may be issued in uncertificated form in accordance with and subject to the CREST Guernsey Requirements. Unless the Board otherwise determines, Shares held by the same holder or joint holders in certificated form and uncertificated form will be treated as separate holdings. Shares may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject to the CREST Guernsey Requirements. Title to such of the Shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST system.

4.8.5 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in certificated form or uncertificated form subject to the Articles which is not fully paid, which transfer would violate the “Purchase and transfer restrictions” set forth in this Prospectus, or on which the Company has a lien provided that, in the case of a Share, this would not prevent dealings in the Shares from taking place on an open and proper basis on the London Stock Exchange.

4.8.6 In addition, the Board may decline to transfer, convert or register a transfer of any Share in certificated form or (to the extent permitted by the CREST Guernsey Requirements) uncertificated form: (a) if it is in favour of more than four joint transferees, (b) if applicable, if it is delivered for registration to the registered office of the Company or such other place as the Board may decide, not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require, or (c) the transfer is in favour of any Non-Qualified Holder.

4.8.7 If any Shares are owned directly, indirectly or beneficially by a person believed by the Board to be a Non-Qualified Holder, the Board may give notice to such person requiring him either (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder or (ii) to sell or transfer his Shares to a person who is not a Non-Qualified Holder within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer. Pending such sale or transfer, the Board may suspend the exercise of any voting or consent rights and rights to receive notice of or attend any meeting of the Company and any rights to receive dividends or other distributions with respect to such Shares. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited his Shares. If the Board in its absolute discretion so determines, the Company may dispose of the Shares at the best price reasonably obtainable and pay the net proceeds of such disposal to the former holder.

4.8.8 The Board may decline to register a transfer of an uncertificated Share which is traded through the CREST system in accordance with the CREST rules where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated Shares is to be transferred exceeds four.

4.9 *General meetings*

4.9.1 The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Companies Law and thereafter general meetings (which are annual general meetings) shall be held at least once in each calendar year and in any event, no more than 15 months since the last annual general meeting. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. Extraordinary general meetings and annual general meetings shall be held in Guernsey or such other place outside the United Kingdom as may be determined by the Board from time to time.

4.9.2 The notice must specify the date, time and place of any general meeting and the text of any proposed special and ordinary resolution. Any general meeting shall be called by at least ten clear days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at the meeting.

4.9.3 The Shareholders may require the Board to call an extraordinary general meeting in accordance with the Companies Law.

4.10 *Restrictions on voting*

Unless the Board otherwise decides, no member shall be entitled to vote at any general meeting or at any separate meeting of the Shareholders in the Company, either in person or by proxy, in respect of any Share held by him unless all calls and other sums presently payable by him in respect of that Share have been paid. No member of the Company shall, if the Directors so determine, be entitled in respect of any Share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such Shares has failed to comply with a Disclosure Notice within 14 days, in a case where the Shares in question represent at least 0.25 per cent. of the Shares in issue at that time, or within 28 days, in any other case, from the date of such Disclosure Notice. These restrictions will continue until the information required by the notice is supplied to the Company or until the Shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

4.11 *Appointment, retirement and disqualification of Directors*

4.11.1 Unless otherwise determined by the Shareholders by ordinary resolution, the number of Directors shall not be less than two and there shall be no maximum number. At no time shall a majority of the Board be resident in the United Kingdom for UK tax purposes.

- 4.11.2 A Director need not be a Shareholder. A Director who is not a Shareholder shall nevertheless be entitled to attend and speak at Shareholders' meetings.
- 4.11.3 Subject to the Articles, Directors may be appointed by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than seven and not more than 42 clear days before the date appointed for the meeting there shall have been left at the Company's registered office (or, if an electronic address has been specified by the Company for such purposes, sent to the Company's electronic address) notice in writing signed by a Shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected, specifying his tax residency status and containing a declaration that he is not ineligible to be a Director in accordance with the Companies Law.
- 4.11.4 No person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age.
- 4.11.5 Subject to the Articles, at each annual general meeting of the Company, any Director (i) who has been appointed by the Board since the last annual general meeting, (ii) who held office at the time of the two preceding annual general meetings and who did not retire at either of them, or (iii) who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting, shall retire from office and may offer himself for election or re-election by the Shareholders.
- 4.11.6 A Director who retires at an annual general meeting may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he is not elected or re-elected, he shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to elect or re-elect the Director is put to the meeting and lost.
- 4.11.7 The office of a Director shall be vacated: (i) if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by one month's written notice signed by him sent to or deposited at the Company's registered office; (ii) if he dies; (iii) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated; (iv) if he becomes bankrupt or makes any arrangements or composition with his creditors generally; (v) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment; (vi) if he is requested to resign by written notice signed by all of his co-Directors (being not less than two in number); (vii) if the Company by ordinary resolution shall declare that he shall cease to be a Director; (viii) if he becomes resident in the United Kingdom for tax purposes and, as a result thereof, a majority of the Directors would, if he were to remain a Director, be resident in the United Kingdom for tax purposes; or (ix) if he becomes ineligible to be a Director in accordance with the Companies Law.
- 4.11.8 Any Director may by notice in writing under his hand and deposited at the registered office of the Company or delivered at a meeting of the Board, appoint any person (subject to the provisions in paragraph 4.11.9 below), who is willing to act, provided that the alternate director in question has provided notice in writing of his willingness and eligibility to act, as his alternate and may remove his alternate from that office.
- 4.11.9 Each alternate Director shall either (i) be resident for tax purposes in the same jurisdiction as his appointor, or (ii) not be resident for United Kingdom tax purposes in the United Kingdom, in each case for the duration of the appointment of that alternate Director and in either case shall also be eligible to be a Director under the Companies Law and sign a written consent to act.

4.12 *Proceedings of the Board*

- 4.12.1 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. Subject to the Articles, a meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretions exercisable by the Board.
- 4.12.2 All meetings of the Board are to take place outside the United Kingdom and any decision reached or resolution passed by the Directors at any meeting of the Board held within the United Kingdom or at which no majority of Directors resident outside the United Kingdom (and not within the United Kingdom) for UK tax purposes is present shall be invalid and of no effect.
- 4.12.3 The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
- 4.12.4 Questions arising at any meeting shall be determined by a majority of votes.
- 4.12.5 The Board may delegate any of its powers to committees consisting of one or more Directors as they think fit with a majority of such Directors being resident outside of the United Kingdom for UK tax purposes. Committees shall only meet outside the United Kingdom. Any committee so formed shall be governed by any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

4.13 *Remuneration of Directors*

The Directors shall be entitled to receive fees for their services, such sums not to exceed in aggregate £300,000 in any financial year in aggregate (or such sum as the Company in general meeting shall from time to time determine). The Directors may be paid reasonable travelling, hotel and other out of pocket expenses properly incurred by them in attending board or committee meetings or general meetings, and all reasonable expenses properly incurred by them seeking independent professional advice on any matter that concerns them in the furtherance of their duties as a Director. If, by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, he may be paid such reasonable additional remuneration as the Board may determine.

4.14 *Interests of Directors*

- 4.14.1 Subject to and in accordance with the Companies Law, a Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board (i) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest, or (ii) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest, in each case unless the transaction or proposed transaction is between the Director and the Company, and is to be entered into in the ordinary course of the Company's business and on usual terms and conditions. A failure by a Director to comply does not affect the validity of a transaction entered into by the Company or the Director.
- 4.14.2 Subject to the provisions of the Companies Law, and provided that he has disclosed to the Directors the nature and extent of any interests of his, a Director notwithstanding his office:
- (A) may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to the tenure of office and otherwise as the Directors may determine;
 - (B) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

- (C) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (D) shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;
- (E) may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as though he were not a Director of the Company; and
- (F) may be counted in the quorum present at any meeting in relation to any resolution in respect of which he has declared an interest and he may vote thereon.

4.15 *Winding up*

4.15.1 If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the members entitled to the same in specie and the liquidator or, where there is no liquidator, the Directors may for that purpose value any assets as he or they deem fair and determine how the division shall be carried out as between the members or different classes of members and, with the like sanction, may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he or they may determine, but no member shall be compelled to accept any assets upon which there is a liability.

4.15.2 Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company, the liquidator may, with the sanction of an ordinary resolution, receive in compensation shares, policies or other like interests for distribution or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

4.16 *Borrowing powers*

The Directors may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property (present or future) or assets or uncalled capital and to issue debentures and other securities whether outright, or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.17 *Continuation Resolution*

4.17.1 The Directors shall at the annual general meeting of the Company to be held in 2018 propose an Ordinary Resolution that the Company continues its business as a closed-ended collective investment scheme (a “**Continuation Resolution**”). If a Continuation Resolution is passed at such annual general meeting then the Directors shall be required to propose a further Continuation Resolution at every third annual general meeting thereafter.

4.17.2 If a Continuation Resolution is not passed, then the Directors shall, within 6 months of such Continuation Resolution not being passed, put proposals to Shareholders for the reconstruction or reorganisation of the Company.

5. **Material Contracts**

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company since its incorporation and which are, or may be, material or that contain any provision under which the Company has any obligation or entitlement which is or may be material to it as at the date of this Prospectus:

5.1 *Placing Agreement*

Winterflood Securities, the Company and the Investment Manager have entered into a placing agreement dated 16 May 2013 (the “**Placing Agreement**”), whereby the Company has agreed, subject to certain conditions that are typical for an agreement of this nature, to issue the Shares to be issued pursuant to the Issue at the Issue Price. Winterflood Securities has agreed, subject to certain conditions that are typical for an agreement of this nature, to use reasonable endeavours to procure subscribers for the Shares to be issued under the Placing at the Issue Price. The Placing will not be underwritten.

In consideration for the provision of its services under the Placing Agreement, the Company will pay to Winterflood Securities together with any related value added tax): (i) a corporate finance and documentation fee of £100,000; and (ii) a variable commission of between 1 per cent. and 1.8 per cent. of Gross Issue Proceeds, excluding the amount of Gross Issue Proceeds received for Shares subscribed for under the Issue by or on behalf of such retail platforms of the Investment Manager and such discretionary investment clients of the Investment Manager as are agreed between Winterflood Securities and the Investment Manager.

The obligations of the Company to issue Shares and the obligations of Winterflood Securities to use reasonable endeavours to procure subscribers for the Shares to be issued under the Placing, are subject to conditions, including, amongst others, Admission occurring by not later than 8.00 a.m. on 28 June 2013 or such later time and/or date as Winterflood Securities may agree with the Company and the Placing Agreement not having been terminated. Winterflood Securities may terminate the Placing Agreement in certain circumstances that are typical for an agreement of this nature prior to Admission. These circumstances include if at any time prior to Admission: (i) in the reasonable opinion of Winterflood Securities, any of the Warranties was, when given, untrue or inaccurate or misleading in each case in any material respect or would be untrue or inaccurate or misleading in each case in any material respect were it to be repeated by reference to the facts and circumstances then in existence; (ii) in the reasonable opinion of Winterflood Securities, any statement made in any Marketing Document or any Issue Document (each as defined in the Placing Agreement) was, when made, untrue or inaccurate or misleading in each case in any material respect or would be untrue or inaccurate or misleading in each case in any material respect were it to be repeated by reference to the facts and circumstances then in existence; (iii) the Company and/or the Manager is in breach in any material respect of any of its obligations under this agreement, the Act, FSMA, the Prospectus Rules, the Listing Rules, the Disclosure and Transparency Rules or otherwise; (iv) a requirement for the publication of a Supplementary Prospectus has arisen; or (v) in the reasonable opinion of Winterflood Securities, a Material Adverse Change (as defined in the Placing Agreement) has occurred.

The Company has agreed to pay and/or reimburse to Winterflood Securities any stamp duty and/or stamp duty reserve tax (save to the extent attributable to a breach of the Placing Agreement by Winterflood Securities) any related costs or interest arising in respect of the Issue and delivery of the Issue Shares to those persons becoming entitled to be registered as holders under the Issue and the Company has agreed to pay or cause to be paid (together with any related value added tax) all costs, charges, fees and expenses of, in connection with, or incidental to, the Issue, Admission or the other arrangements contemplated by the Placing Agreement.

The Company and the Investment Manager have given certain representations, warranties, undertakings and indemnities to Winterflood Securities.

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

5.2 *Investment Management Agreement*

The Company and the Investment Manager have entered into an investment management agreement, dated 16 May 2013 (the “**Investment Management Agreement**”), pursuant to which the Investment Manager has been given overall responsibility for the discretionary management of the Company’s assets (including uninvested cash) in accordance with the Company’s investment objective and policy.

Fees

- 5.2.1 The Investment Manager will be entitled to receive from the Company a management fee, calculated and payable monthly in arrear at a rate equivalent to 0.75 per cent. of NAV (before deduction of the management fee) per annum. No performance fees will be payable to the Investment Manager.
- 5.2.2 For the purposes of the management fee, the Company's NAV shall include any accrued but undistributed net revenue and shall be calculated on the basis that any debt is included at par value.
- 5.2.3 There shall be excluded from the NAV for the purpose of calculating the Investment Manager's remuneration the value of any holdings in investment trusts, unit trusts, funds and similar schemes, both closed and open-ended, from which the Investment Manager or any Associate (as defined in the Investment Management Agreement) of the Investment Manager receives a management or advisory fee based wholly or partly on assets or income.

Termination

- 5.2.4 The Investment Management Agreement may be terminated by either the Company or the Investment Manager giving to the other not less than six months' notice in writing, such notice not to be given prior to two years following the date of Admission.
- 5.2.5 If the Company wishes to give less than six months' notice, in consideration for the Investment Manager accepting such lesser period of notice the Company shall pay to the Investment Manager on the last day of the lesser period of notice any remuneration due and unpaid for the Investment Manager's services during the period of notice and an amount (exclusive of Value Added Tax ("VAT")) equal to the remuneration which would have been payable to the Investment Manager for the six months from the date on which such notice was given, less the period of notice, based on the NAV of the Company (defined according to the provisions set out in paragraphs 5.2.1 to 5.2.3 of this Part VII) at the end of the lesser period of notice.
- 5.2.6 The Investment Management Agreement may be terminated by the Company immediately without penalty by notice in writing if: (i) the Investment Manager is found liable for negligence, wilful default or fraud or commits a material breach of contract which is either irremediable or not remedied to the Company's reasonable satisfaction within 30 days of a notification thereof from the Company, in connection with the performance of its duties under the Investment Management Agreement; or (ii) the Investment Manager fails to maintain to have the necessary authorisations to act as such for the purposes of the Financial Services and Markets Act 2000 and the Financial Services Act 2012; or (iii) an order is made or an effective resolution is passed for winding-up the Investment Manager otherwise than for the purpose of its amalgamation or reconstruction; or (iv) a petition is presented applying for an administration order to be made in respect of the Investment Manager; or (v) a receiver is appointed in respect of the Manager or any of its assets; or (vi) the Investment Manager shall be insolvent or stop or threaten to stop carrying on business or payment of its debts or make any arrangement with its creditors generally; or (vii) the Investment Manager ceases, without the prior approval of the Board (such approval not to be unreasonably withheld or delayed), to be a subsidiary of JPMorgan Chase and Co.; or (viii) on the liquidation of the Company pursuant to the liquidation or continuation provisions of the Articles of Incorporation of the Company in force at the date of the Investment Management Agreement.
- 5.2.7 On termination by either party, the Investment Manager shall: (a) be entitled to receive from the Company or deduct from the Portfolio all fees, costs, charges and expenses properly accrued or reasonably incurred under the Investment Management Agreement up to the date of termination including any additional expenses or losses necessarily incurred in settling outstanding obligations or terminating the Investment Management Agreement whether they

occur before or after the date of termination; (b) as soon as reasonably practicable thereafter, subject to (a), deliver or cause to be delivered the assets of the Company to the order of the Company; and (c) subject to (a), refund any fees paid in advance by the Company.

Indemnities

5.2.8 The Company has given certain market standard indemnities in favour of the Investment Manager in respect of the Investment Manager's potential losses in carrying out its responsibilities under the Investment Management Agreement.

General

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

5.3 **Administration Agreement**

The Company and the Administrator entered into an administration agreement dated 16 May 2013 (the "**Administration Agreement**"), whereby the Administrator is appointed to act as Administrator of the Company.

Under the terms of the Administration Agreement, the Administrator is entitled to various fees, which are expected to be approximately £55,000 in aggregate per annum.

The Company has given certain market standard indemnities in favour of the Administrator in respect of the Administrator's potential losses in carrying out its responsibilities under the Administration Agreement.

The Administration Agreement may be terminated by either party on not less than ninety days' written notice. The Administration Agreement may also be terminated by the Administrator on termination of the Custody Agreement simultaneously with the transition of the assets of the Company to a successor custodian.

The Administration Agreement may be terminated immediately by either party: (i) the other party being declared insolvent, declared en etat de desastre entering into a composition with creditors, obtaining a suspension of payment, being put under court controlled management or being the subject of a similar measure; or (ii) the GFSC or any other competent supervisory authority withdrawing its authorisation, licensing or registration of either party; or (iii) the other party committing any material breach of this Agreement and failing to remedy such breach (if capable of remedy) within 90 days of being given written notice of the material breach, unless the parties agree to extend the period to remedy the breach.

The Administrator may terminate the Administration Agreement immediately upon written notice to the Company in the event that the Company or its service providers fail or refuse to remedy material breaches of Applicable Law or material non-compliance with the obligations of a listed company as applied by the London Stock Exchange.

The Administration Agreement is governed by the laws of the Island of Guernsey.

5.4 **Custody Agreement**

The Company and the Custodian entered into a custody agreement dated 16 May 2013 (the "**Custody Agreement**"), whereby the Custodian will act as custodian of the Company's investments, cash and other assets.

The fees payable to the Custodian pursuant to the Custody Agreement are expected to be approximately £40,000 per annum.

The Company has given certain market standard indemnities in favour of the Custodian in respect of the Custodian's potential losses in carrying on its responsibilities under the Custody Agreement.

The Custodian's appointment may be terminated by the Company giving 60 days' written notice to the Custodian or by the Custodian giving 180 days' written notice to the Company, and in certain circumstances the Custodian's appointment may be terminated immediately on notice by either party. The Custody Agreement is governed by the laws of England and Wales.

5.5 **Registrar Agreement**

The Company and the Registrar entered into a registrar agreement dated 16 May 2013 (the “**Registrar Agreement**”), whereby the Registrar is appointed to act as registrar to the Company.

Under the Registrar Agreement, the Registrar is entitled to receive a minimum agreed fee of £7,999 per annum in respect of basic registration. The Registrar Agreement is governed by the laws of the Island of Guernsey.

The Registrar Agreement may be terminated by either the Company or the Registrar by service of three months’ written notice should the parties not reach an agreement regarding any increase of fees, upon service of written notice if the other party commits a material breach of its obligations under the Registrar agreement, or upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings. Unless so terminated, the Registrar Agreement shall continue for a period of two years, at the expiry of which the Registrar Agreement shall either terminate, provided written notice is given to the other party at least six months prior to the end of this two year period, or shall automatically renew until terminated by either party on six months’ prior written notice.

6. **Litigation**

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the last 12 months which may have, or have in the recent past had, a significant effect on the Company’s financial position or profitability.

7. **Related Party Transactions**

Except with respect to the appointment letters entered into between the Company and each Director and for the contracts summarised in paragraph 5 of this Part VII of this Prospectus, the Company has not entered into any related party transaction since incorporation.

8. **General**

8.1 The principal place of business and registered office of the Company is at 1st Floor, Les Echelons Court, Les Echelons, South Esplanade, St. Peter Port, Guernsey GY1 1AD. The Company has been declared by the GFSC to be a registered closed-ended collective investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the RCIS Rules 2008. The Company is not regulated by the Financial Conduct Authority or any other non-Guernsey regulator.

8.2 The Investment Manager may be a promoter of the Company. Save as disclosed in Part IV and in paragraph 5 of this Part VII of this Prospectus, no amount or benefit has been paid, or given, to the Investment Manager or any of its subsidiaries since the incorporation of the Company and none is intended to be paid, or given.

8.3 The address of the Investment Manager is Finsbury Dials, 20 Finsbury Street, London, EC2Y 9AQ and its telephone number is +44 (0) 20 7742 4000.

8.4 The Company does not own any premises and does not lease any premises.

9. **Third party sources and composite**

9.1 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately

reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

- 9.2 The Investment Manager has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. The Investment Manager accepts responsibility for the information attributed to it in this Prospectus, including without limitation Part II (Overview of Strategies and Outlook on the Market) and Part III (Investment Manager, Strategy and Process), and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.
- 9.3 The data underlying the Composite has been prepared and disclosed in accordance with Global Investment Performance Standards®. These standards provide a consistent framework for the calculation and disclosure of returns and give potential investors comfort that the relevant performance does not include an unrepresentative selection of mandates or return periods. It should be noted that verification of compliance with these standards is not mandatory and a firm can claim compliance with GIPS without being verified. J.P. Morgan Asset Management's claim of compliance with GIPS has been verified by an independent third-party for the period from 1 January 1996 to 31 December 2010. From 1 January 2001, the verification has been carried out by HSBC Securities Services. The reference index has been hedged into Japanese Yen, reflecting the reporting currency of the mandates underlying the Composite. The Composite is presented gross of management fees. J.P. Morgan Asset Management's typical schedule of management fees plus expenses payable in Japanese Yen for Composite clients is 0.79 per cent. per annum.

10. Cash uses and working capital

- 10.1 In accordance with the Company's investment policy, the Company's principal use of cash (including the Net Issue Proceeds) will be to fund investments in a globally diversified portfolio of convertible securities and other suitable instruments exhibiting convertible or exchangeable characteristics, as well as to cover initial expenses related to the Issue (which will not exceed 2.0 per cent. of the Gross Issue Proceeds⁹), ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company's dividend policy described above. At the discretion of the Directors, cash may be used to buy back shares in the Company if, in the opinion of the Directors, this is in the best interests of Shareholders.
- 10.2 The Company is of the opinion that, on the basis that the Minimum Net Issue Proceeds are raised, the working capital available to it is sufficient for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

11. Capitalisation and indebtedness

The following table shows the Company's gross indebtedness as at 7 May 2013 (being the date of its incorporation).

<i>Total current debt (£)</i>	<i>As at 7 May 2013</i>
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil
<i>Total non current debt (excluding current position of non current debt) (£)</i>	<i>As at 7 May 2013</i>
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil

⁹ The costs of the Issue borne by the Company will be no more than 2.0 per cent. of the Gross Issue Proceeds. To the extent that the costs of the Issue would otherwise exceed an amount equal to 2.0 per cent. of the Gross Issue Proceeds, the Investment Manager will bear the excess. To the extent that the costs are less than 2.0 per cent., the difference will be retained for the benefit of the Company.

The following table shows the capitalisation of the Company as at 7 May 2013 (being the date of its incorporation):

<i>Shareholders' equity (£)</i>	<i>As at 7 May 2013</i>
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil
<i>Total non current debt (excluding current position of non current debt) (£)</i>	<i>As at 7 May 2013</i>
Share capital	Nil
Legal reserve	1
Other reserves	Nil
Total	<u>1</u>

As at the date of this Prospectus, the Company has nil net indebtedness.

12. Investment restrictions

12.1 The Company will manage and invest its assets in accordance with its investment policy as disclosed in Part I of this Prospectus and will comply with the following investment restrictions for so long as they remain requirements of the UK Listing Authority:

12.1.1 the Company must not conduct a trading activity which is significant in the context of its group as a whole (this does not prevent the businesses forming part of the Portfolio from conducting trading activities themselves); and

12.1.2 the Company will not invest in other listed closed-ended investment funds except for listed closed-ended investment funds which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other listed closed-ended funds.

12.2 The Company will, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the investment policy set out in Part I of this Prospectus.

13. Documents available for inspection

13.1 Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and Public Holidays excepted) until the date of Admission:

13.1.1 the Memorandum and Articles of Incorporation of the Company;

13.1.2 this Prospectus; and

13.1.3 the material contracts summarised in paragraph 5 of this Part VII of the Prospectus.

Dated 17 May 2013

PART VIII

TERMS AND CONDITIONS OF THE OFFER

1. Introduction

If you apply for Shares under the Offer, you will be agreeing with the Company, the Registrar and the Receiving Agent to the Terms and Conditions of Application set out below.

2. Offer to Acquire Shares

2.1 Your application must be made on the Application Form attached at Appendix I to this Prospectus or as may be otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

2.1.1 offer to subscribe for such number of Shares at £1.00 per Share as may be purchased by the subscription amount specified in Box 1 on your Application Form (such subscription, subject to clause 3.4, to be in multiples of £1,000) on the terms, and subject to the conditions, set out in this Prospectus, including these Terms and Conditions of Application and the Memorandum and Articles;

2.1.2 agree that in respect of any Shares for which you wish to subscribe under the Offer you will submit payment in Sterling;

2.1.3 agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer for subscription any Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or in the case of delivery by hand, on receipt by the Receiving Agent of, your Application Form;

2.1.4 undertake to pay the amount for the number of Shares specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive the share certificates for the Shares applied for in certificated form or be entitled to commence dealing in the Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent and the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) void the agreement to allot the Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque, in your favour, at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);

2.1.5 agree that where on your Application Form a request is made for Shares to be deposited into a CREST Account, the Receiving Agent may in its absolute discretion amend the form so that such Shares may be issued in certificated form registered in the name(s) of the holders specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds);

- 2.1.6 agree, in respect of applications for Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1.5 above to issue Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled (and any monies returnable to you) may be retained by the Receiving Agent:
- (A) pending clearance of your remittance;
 - (B) pending investigation of any suspected breach of the warranties contained in paragraph 6 below or any other suspected breach of these Terms and Conditions of Application; or
 - (C) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the Guernsey AML Requirements;
- and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 2.1.7 agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- 2.1.8 agree that, if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Company) following a request therefor, the Company or the Receiving Agent may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted to you may be reallocated or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- 2.1.9 agree that you are not applying on behalf of a person engaged in money laundering, drug trafficking or terrorism;
- 2.1.10 undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 2.1.11 undertake to pay interest at the rate described in paragraph 3.3 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 2.1.12 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Shares for which your application is accepted or if you have completed section 7 on your Application Form, but subject to paragraph 2.1.5 above, to deliver the number of Shares for which your application is accepted into CREST, and/or to return any monies returnable by cheque in your favour without interest and at your risk;
- 2.1.13 confirm that you have read and complied with paragraph 8 of this Part VIII of this Prospectus;
- 2.1.14 agree that all subscription cheques and payments will be processed through a bank account (the “**Acceptance Account**”) in the name of “Capita Registrars Limited re: JPMorgan Global” opened with the Receiving Agent;
- 2.1.15 agree that your Application Form is addressed to the Company and the Receiving Agent;
- 2.1.16 agree that, if a fractional entitlement to an Issue Share arises on your application, the number of Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit; and

2.1.17 acknowledge that the Issue will not proceed if the Net Issue Proceeds would be less than £49 million (or such lesser amount as the Company, the Investment Manager and Winterflood Securities may determine and notify to investors via publication of a supplementary prospectus).

2.2 Any application may be rejected in whole or in part at the sole discretion of the Company.

3. Acceptance of your offer

3.1 The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) for Shares.

3.2 The basis of allocation will be determined by Winterflood Securities in consultation with the Company. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application. Each of the Company and Receiving Agent reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of Application.

3.3 The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent, to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

3.4 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for amounts other than those in multiples of £1,000 set out in paragraph 2.1.1 of this Part VIII.

4. Conditions

4.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer will be conditional upon:

4.1.1 Admission occurring by 8.00 a.m. on 11 June 2013 (or such later time or date, not being later than 28 June 2013, as the Company, the Investment Manager and Winterflood Securities may agree);

4.1.2 the Placing Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission occurs; and

4.1.3 the Minimum Net Issue Proceeds having been raised.

4.2 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

5. Return of Application Monies

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

6. Warranties

6.1 By completing an Application Form, you:

- 6.1.1 warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 6.1.2 warrant that you are a resident of, and are located for the purposes of the Offer in the United Kingdom;
- 6.1.3 warrant that you acknowledge the representations, warranties and agreements set out in this Prospectus, including those set out in the "Purchase and transfer restrictions" section, and further warrant that you are not a U.S. Person, you are not located within the United States and are not acquiring the Shares for the account or benefit of a U.S. Person;
- 6.1.4 warrant, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, Winterflood Securities or the Receiving Agent, or any of their respective officers, agents or employees, acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside Guernsey or the United Kingdom in connection with the Offer in respect of your application;
- 6.1.5 confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in this Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this Prospectus or any part thereof shall have any liability for any such other information or representation;
- 6.1.6 agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- 6.1.7 acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Winterflood Securities, the Receiving Agent or any of their affiliates;
- 6.1.8 warrant that you are not under the age of 18 on the date of your application;
- 6.1.9 agree that all documents and monies sent by post to, by or on behalf of the Company, or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;

- 6.1.10 confirm that you have reviewed the restrictions contained in paragraph 8 of this Part VIII of this Prospectus and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions therein;
- 6.1.11 agree that, in respect of those Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the register of members of the Company;
- 6.1.12 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with the laws of England and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 6.1.13 irrevocably authorise the Company, or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary (without any obligation or duty to do so) to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or the Receiving Agent to execute any documents required therefor and to enter your name on the register of members of the Company;
- 6.1.14 agree to provide the Company and Receiving Agent with any information which they may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Guernsey AML Requirements;
- 6.1.15 agree that the Receiving Agent is acting for the Company in connection with the Offer and for no-one else and that it will not treat you as its customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Shares or concerning the suitability of Shares for you or be responsible to you for providing the protections afforded to its customers;
- 6.1.16 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, Winterflood Securities, the Receiving Agent, the Investment Manager or any of their affiliates or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;
- 6.1.17 warrant that the information contained in the Application Form is true and accurate; and
- 6.1.18 agree that if you request that Shares are issued to you on a date other than the date of Admission and such Shares are not issued on such date that the Company and its agents and Directors will not have liability to you arising from the issue of such Shares on a different date.

7. Money Laundering

- 7.1 You agree that, in order to ensure compliance with the UK Money Laundering Regulations 2007 (where applicable) and the Guernsey AML Requirements, the Receiving Agent or the Administrator may respectively at their absolute discretion require verification of identity from any person lodging an Application Form.

- 7.2 The Receiving Agent may undertake electronic searches for the purposes of verifying your identity. To do so the Receiving Agent may verify the details against your identity, but may also request further proof of your identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.
- 7.3 Payments must be made by cheque or banker's draft in Sterling drawn on a United Kingdom branch of a bank or building society. Cheques, which must be drawn on your personal account where you have sole or joint title to the funds, should be made payable to "Capita Registrars Limited re: JPMorgan Global" and crossed "A/C payee". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing on the back of the cheque/banker's draft by following the instructions in paragraph 7.7 below.
- 7.4 The bank account name should be the same as that shown on the Application Form.
- 7.5 Where you appear to the Receiving Agent to be acting on behalf of some other person certifications of identity of any persons on whose behalf you appear to be acting may be required.
- 7.6 Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the dispatch of documents.
- 7.7 In all circumstances, verification of the identity of applicants will be required. If you use a building society cheque, banker's draft or money order you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and adds its stamp. The name on the bank account must be the same as that stated on the Application Form.
- 7.8 You should endeavour to have the certificate contained in Box 8 of the Application Form signed by an appropriate firm as described in that Box.

8. Overseas Investors

The attention of potential investors who are not resident in, or who are not citizens of, the United Kingdom or Guernsey is drawn to paragraphs 8.1 to 8.4 below:

General

- 8.1 The offer of Shares under the Offer to persons who are resident in, or citizens of, countries other than the United Kingdom and Guernsey may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Shares under the Offer. It is the responsibility of all such persons receiving this Prospectus and/or wishing to subscribe to the Shares under the Offer, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territory.
- 8.2 No person receiving a copy of this Prospectus in any territory other than the United Kingdom or Guernsey may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.
- 8.3 Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any U.S. Person or in or into the United States, Canada, Australia or Japan, their respective territories or possessions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.
- 8.4 The Company reserves the right to treat as invalid any agreement to subscribe for Shares pursuant to the Offer if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

9. The Data Protection (Bailiwick of Guernsey) Law 2001

- 9.1 Pursuant to the DP Law the Company, Winterflood Securities, the Receiving Agent, the Registrar and/or the Administrator may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- 9.2 Such personal data held is used by the Registrar to maintain a register of the Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and redemption proceeds to Shareholders (in each case, where applicable) and, if applicable, the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.
- 9.3 The countries referred to above include, but need not be limited to, those in the European Economic Area or The European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.
- 9.4 By becoming registered as a Shareholder in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company, the Receiving Agent, the Registrar or Winterflood Securities of any personal data relating to them in the manner described above.

10. Miscellaneous

- 10.1 The rights and remedies of the Company and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 10.2 The Company reserves the right to shorten or extend the closing time of the Offer from 2.00 p.m. on 5 June 2013 (provided that if the closing time is extended this Prospectus remains valid at the closing time as extended) by giving notice to the LSE. The Company will notify investors via a RIS and any other manner, having regard to the requirements of the LSE.
- 10.3 The Company may terminate the Offer in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer will lapse and any monies will be returned as indicated without interest and at the risk of the applicant.
- 10.4 The dates and times referred to in these Terms and Conditions of Application may be altered by the Company so as to be consistent with the Placing Agreement (as the same may be altered from time to time in accordance with its terms).
- 10.5 Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as use elsewhere in this Prospectus.

PART IX

GLOSSARY OF SELECTED TERMS

The following definitions apply in this Prospectus unless the context otherwise requires:

“2010 PD Amending Directive”	Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market
“Acceptance Account”	has the meaning given in paragraph 2.1.14 of Part VIII of this Prospectus
“Administration Agreement”	the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 5.3 of Part VII of this Prospectus
“Administrator”	JPM Administration Services (CI) Limited, and/or such other person or persons from time to time appointed by the Company
“Admission”	admission of the Shares to trading on the London Stock Exchange’s Main Market becoming effective in accordance with the LSE Admission Standards and admission of the Shares to listing on the premium segment of the Official List becoming effective in accordance with the Listing Rules
“AIC”	the Association of Investment Companies
“AIC Code”	the AIC Code of Corporate Governance
“AIFM Directive”	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010
“Application Form”	the application form for the Offer set out in Appendix I to this Prospectus
“Articles”	the articles of incorporation of the Company
“Auditors”	Ernst & Young LLP, and/or such other person or persons from time to time appointed by the Company
“Board”	the board of directors of the Company
“Business Day”	a day on which the London Stock Exchange and banks in Guernsey are normally open for business
“C Share”	an ordinary share of no par value in the capital of the Company issued as a “C Share” of such class (denominated in such currency) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as are contained in the Articles and which will convert into Ordinary Shares in accordance with the terms of the Articles
“certificated” or “in certificated form”	not in uncertificated form

“Commission” or “GFSC”	the Guernsey Financial Services Commission
“Companies Law”	the Companies (Guernsey) Law, 2008, as amended
“Company”	JPMorgan Global Convertibles Income Fund Limited, a non-cellular company limited by shares incorporated in Guernsey under the Companies Law on 7 May 2013 with registered number 56625
“Composite”	the “Global Convertibles – total return with yield focus” composite described in Part III of this Prospectus
“Continuation Resolution”	has the meaning given in Part I of this Prospectus
“CREST”	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) of the United Kingdom
“CREST Guernsey Requirements”	Rule 8 and such other rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual
“CREST Manual”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI No. 2001/3755) and the CREST Guernsey Requirements
“Custodian”	JPMorgan Chase Bank, NA, Worldwide Securities Services, and/or such other person or persons from time to time appointed by the Company as custodian of the Company’s assets
“Custody Agreement”	the custody agreement between the Company and the Custodian, a summary of which is set out in paragraph 5.4 of Part VII of this Prospectus
“Directors” or “Board”	the directors of the Company
“Disclosure and Transparency Rules” or “DTRs”	the disclosure rules and transparency rules made by the FCA under Part VI of FSMA
“DP Law”	the Data Protection (Bailiwick of Guernsey) Law, 2001
“EEA”	the European Economic Area
“Effective Interest Rate”	the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability
“ERISA”	the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
“EU”	the European Union
“EU Savings Tax Directive”	Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments
“Euro” or “€”	the lawful currency of the EU

“Euroclear”	Euroclear UK & Ireland Limited
“extraordinary resolution”	a resolution of the Company or Shareholders passed as an extraordinary resolution in accordance with the Articles (i) at a meeting, by a majority of not less than seventy five per cent. of the votes of the Shareholders entitled to vote and voting in person or by attorney or by proxy, or (ii) in writing, by seventy five per cent. of the total voting rights of Shareholders entitled to vote at the date of circulation of the resolution
“Financial Conduct Authority” or “FCA”	the UK Financial Conduct Authority
“FSMA”	the UK Financial Services and Markets Act 2000, as amended
“GFSC Code”	the GFSC’s Finance Sector Code of Corporate Governance, as amended from time to time
“GMAG”	the Investment Manager’s Global Multi Asset Group, as described in Part III of this Prospectus
“Gross Asset Value”	the total value of the assets of the Company as determined in accordance with the accounting principles adopted by the Directors
“Gross Issue Proceeds”	the aggregate value of the Shares issued under the Issue at the Issue Price
“Guernsey AML Requirements”	the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), ordinances, rules and regulations made thereunder, and the GFSC’s Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time)
“IFRS”	the International Financial Reporting Standards as adopted by the EU
“Investment Management Agreement”	the investment management agreement between the Company and the Investment Manager, a summary of which is set out in paragraph 5.2 of Part VII of this Prospectus
“Investment Manager”	JPMorgan Asset Management (UK) Limited
“IRS”	U.S. Internal Revenue Service
“ISA”	an individual savings account
“ISIN”	International Securities Identification Number
“Issue”	the Placing and Offer
“Issue Price”	£1.00 per Share
“Listing Rules”	the listing rules made by the UK Listing Authority pursuant to Part VI of FSMA
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“LSE Admission Standards”	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Main Market

“Main Market”	the London Stock Exchange’s main market for listed securities
“Market Abuse Directive”	Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse)
“Memorandum”	the memorandum of incorporation of the Company
“Minimum Net Issue Proceeds”	the minimum net proceeds of the Issue, being £49 million
“Model Code”	the Model Code for directors’ dealings contained in the Listing Rules
“Net Asset Value” or “NAV”	the Gross Asset Value of the Company less its liabilities (including accrued but unpaid fees) determined by the Directors in their absolute discretion in accordance with the accounting principles adopted by the Directors
“Net Asset Value per Share” or “NAV per Share”	the Net Asset Value of the Company divided by the number of Shares at the relevant time and expressed in Sterling
“Net Issue Proceeds”	the Gross Issue Proceeds less applicable fees and expenses of the Issue
“Non-Qualified Holder”	any person whose ownership of Shares (i) may result in the U.S. Plan Threshold being exceeded causing the Company’s assets to be deemed “plan assets” for the purpose of ERISA or the U.S. Tax Code; (ii) may cause the Company to be required to register as an “investment company” under the U.S. Investment Company Act (including because the holder of the shares is not a “qualified purchaser” as defined in the U.S. Investment Company Act) or to lose an exemption or a status thereunder to which it might be entitled; (iii) may cause the Company to have to register under the U.S. Exchange Act or any similar legislation; (iv) may cause the Company not to be considered a “Foreign Private Issuer” as such term is defined in rule 3b-4(c) under the U.S. Exchange Act; (v) may result in a person holding shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; or (vi) may cause the Company to be a “controlled foreign corporation” for the purposes of the U.S. Tax Code
“Offer”	the offer for subscription of Shares at the Issue Price pursuant to the terms of this Prospectus
“Official List”	the list maintained by the UK Listing Authority pursuant to Part VI of FSMA
“ordinary resolution”	a resolution of the Company passed as an ordinary resolution in accordance with the Companies Law (i) at a meeting, by a simple majority of the votes of Shareholders entitled to vote and voting in person or by attorney or by proxy, or (ii) in writing, by a simple majority of the total voting rights of Shareholders entitled to vote at the date of circulation of the resolution
“Placee”	a person subscribing for Shares under the Placing
“Placing”	the placing of Shares at the Issue Price as described in this Prospectus

“Placing Agreement”	the conditional agreement between the Company, the Investment Manager and Winterflood Securities, a summary of which is set out in paragraph 5.1 of Part VII of this Prospectus
“Portfolio”	at any time, the portfolio of assets and investments in which the assets of the Company are invested
“Prospectus Directive”	Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market in the EU
“Prospectus Rules”	the prospectus rules made by the UK Listing Authority under section 73(A) of FSMA
“RCIS Rules 2008”	the Registered Collective Investment Scheme Rules 2008 issued by the GFSC
“Receiving Agent”	Capita Registrars Limited
“Registrar”	Capita Registrars (Guernsey) Limited or such other person or persons from time to time appointed by the Company
“Registrar Agreement”	the agreement between the Company and the Registrar, a summary of which is set out in paragraph 5.5 of Part VII of this Prospectus
“Regulation S”	Regulation S promulgated under the U.S. Securities Act
“Relevant Member State”	each member state of the European Economic Area which has implemented the Prospectus Directive
“RIS”	a regulatory information service
“Risk Factors”	the risk factors pertaining to the Company set out on pages 16 to 28 of this Prospectus
“SDRT”	UK Stamp Duty Reserve Tax
“SEC”	the U.S. Securities and Exchange Commission
“SEDOL”	the Stock Exchange Daily Official List
“Share” or “Ordinary Share”	an ordinary share of no par value in the capital of the Company issued as an “Ordinary Share” of such class (denominated in such currency) as the Directors may determine in accordance with the Articles and having such rights and being subject to such restrictions as are contained in the Articles
“Shareholder”	a holder of Shares
“Shareholding”	a holding of Shares
“SIPP”	a self-invested personal pension
“SSAS”	a small self-administered scheme
“Sterling” or “£”	the lawful currency of the United Kingdom
“Takeover Code”	the City Code on Takeovers and Mergers, as amended from time to time
“Terms and Conditions of Application”	the terms and conditions of application set out in Part VIII of this Prospectus in respect of the Offer
“TIOPA”	the Taxation (International and Other Provisions) Act 2010
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland

“UK Corporate Governance Code”	the UK Corporate Governance Code as published by the Financial Reporting Council
“UK Listing Authority”	the Financial Conduct Authority as the competent authority for listing in the United Kingdom
“uncertificated” or “in uncertificated form”	recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
“United States” or “U.S.”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“U.S. Dollar” or “\$”	the lawful currency of the United States
“U.S. Exchange Act”	the U.S. Securities Exchange Act of 1934, as amended
“U.S. Investment Company Act”	the U.S. Investment Company Act of 1940, as amended
“U.S. Person”	has the meaning given in Regulation S under the Securities Act
“U.S. Plan Asset Regulations”	the regulations promulgated by the U.S. Department of Labor at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA
“U.S. Plan Investor”	(i) an “employee benefit plan” as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (iii) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in the preceding clause (i) or (ii) in such entity pursuant to the U.S. Plan Asset Regulations
“U.S. Plan Threshold”	ownership by benefit plan investors, as defined under section 3(42) of ERISA, in the aggregate of 25 per cent. or more of the value of any class of equity in the Company (calculated by excluding the value of any equity interest held by any person (other than a benefit plan investor, as defined under section 3(42) of ERISA) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person); the term shall be amended to reflect such new ownership threshold that may be established by a change in the U.S. Plan Asset Regulations or other applicable law
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended
“U.S. Tax Code”	the U.S. Internal Revenue Code of 1986, as amended
“U.S. Treasury”	the U.S. Department of the Treasury
“Winterflood Securities”	Winterflood Securities Limited

APPENDIX I

APPLICATION FORM FOR THE OFFER JPMORGAN GLOBAL CONVERTIBLES INCOME FUND LIMITED

Application Form for the Offer

If you wish to apply for Shares, please complete, sign and return this Application Form, by post or (during normal business hours only) by hand to Capita Registrars Limited so as to be received by no later than 1.00 p.m. on 5 June 2013.

IMPORTANT: Before completing this Application Form, you should read the notes set out under the section entitled “Notes on how to complete the Application Form for the Offer” at the back of this Application Form. All applicants must complete Boxes 1 to 3. Joint applicants should also complete Box 4.

If you have a query concerning completion of this Application Form, please call Capita Registrars Limited on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Lines are open between 9.00am and 5.30pm (London time) Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider’s network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

To:

JPMorgan Global Convertibles Income Fund Limited

1. Application

I/We offer to subscribe for such number of Shares at the value set out below divided by the Issue Price (the amount of such subscription being in a multiple of £1,000), fully paid subject to the Terms and Conditions of Application set out in the prospectus dated 17 May 2013, including the representations, warranties and agreements therein, and subject to the Memorandum and Articles and enclose a cheque for the amount payable (the “Application Amount”).

Shares	
--------	--

2. Personal Details (Please use Block Capitals)

Mr, Mrs, Ms or Title	Forenames (in full)
Surname	
Address (in full)	
Postcode	

3. Signature

Dated	Signature
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4. Joint Applicants (Please use Block Capitals)

1.	Mr, Mrs, Ms or Title	
	Forenames (in full)	
	Surname	
	Signature	

2.	Mr, Mrs, Ms or Title	
	Forenames (in full)	
	Surname	
	Signature	
3.	Mr, Mrs, Ms or Title	
	Forenames (in full)	
	Surname	
	Signature	

5. Cheque/Banker's Draft Details

By Cheque or Banker's Draft: Attach your cheque or banker's draft for the exact amount shown in Box 1 made payable to "Capita Registrars Limited: re JPMorgan Global" and crossed "A/C Payee".

6. Identity Information

In accordance with internationally recognised standards for the prevention of money of money laundering the undermentioned documents and information must be provided.

6.1 For each individual enclose:

Tick box as applicable

Applicant:

1 2 3 4

6.1.1 a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.1.2 certified copies of at least two of the following documents which purport to confirm that the address given in section 2 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, a council tax or rates bill or similar document issued by a recognised authority; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.1.3 if none of the above documents show their date and place of birth, enclose a note of such information; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.1.4 details of the name and address of their personal bankers from which Capita Registrars Limited may request a reference, if necessary.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.2 For each holder being a company (a "holder company") enclose:

6.2.1 a certified copy of the certificate of incorporation of the holder company; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.2.2 the name and address of the holder company's principal bankers from which Capita Registrars Limited may request a reference, if necessary; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.2.3 a statement as to the nature of the holder company's business, signed by a director; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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- 6.2.4 a list of the names and residential addresses of each director of the holder company; and
- 6.2.5 for each director provide documents and information similar to that mentioned in 6.1.1 to 6.1.4 above; and
- 6.2.6 a copy of the authorised signatory list for the holder company; and
- 6.2.7 a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent., of the issued share capital of the holder company and, where a person is named, also complete 6.3 below and, if another company is named (hereinafter a “beneficiary company”), also complete 6.4 below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.
- 6.3 For each person named in 6.2.7 as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 6.1.1 to 6.1.4.
- 6.4 For each beneficiary company named in 6.2.7 as a beneficial owner of a holder company enclose:
- A certified copy of the certificate of incorporation of that beneficiary company; and
- A statement as to the nature of that beneficiary company’s business signed by a director; and
- The name and address of that beneficiary company’s principal bankers from which Capita Registrars Limited may request a reference, if necessary; and
- Enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent., of the issued share capital of that beneficiary company.
- 6.5 If the payor is not a holder and is not a bank providing its own cheque or banker’s payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:
- If the payor is a person, for that person the documents mentioned in 6.1.1 to 6.1.4; or
- If the payor is a company, for that company the documents mentioned in 6.2.1 to 6.2.7; and
- An explanation of the relationship between the payor and the holder(s).

Capita Registrars Limited reserves the right to ask for additional documents and information

7. CREST details (only complete this section if you wish to register your application directly into your CREST Account which should be in the same name(s) as the applicants in boxes 2 and 4 above)

CREST Participant ID	
CREST Member Account ID	

8. Reliable Introducer Certificate

Completion and signing of this certificate by a suitable person or institution may avoid presentation being requested of the identity documents.

The certificate below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the “firm”) which is itself subject in its own country to operation of “know your customer” and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom. Acceptable countries include Australia, Austria, Belgium, Bulgaria, Canada, Cayman Islands, Cyprus, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States.

CERTIFICATE: To the Company and the Receiving Agent

By completing and stamping Box 8 below you are deemed to have given the warranties and undertakings set out in paragraph 6 of the Terms and Conditions of the Offer set out in Part VIII of this Prospectus.

<p>IFA STAMP</p> <div style="border: 1px solid black; width: 300px; height: 150px; margin: 10px auto;"></div>	Name of Firm	
	FCA Number	
	Signature	
	Print Name	
	Position	
	Date	
	Telephone No	

9. Contact Details

To ensure the efficient and timely processing of this Application Form please enter below the contact details of a person that Capita Registrars Limited may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Box 3 on behalf of the first named holder. If no details are entered here and Capita Registrars Limited requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	Telephone no:
	Fax no:
Contact address:	Email address:

Signature of Applicant

Signed Date 2013

Authorised Signatory

Notes on how to complete the Application Form for the Offer

Applications should be returned so as to be received by no later than 1.00 p.m. on 5 June 2013.

If you have a query concerning completion of the Application Form, please call Capita Registrars Limited on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Lines are open between 9.00am and 5.30pm (London time) Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

1. Application

Fill in Box 1 with the number of Shares for the amount of money being subscribed for Shares. The amount being subscribed must be a multiple of £1,000. However, the Company may, in its absolute discretion, determine to accept applications in other amounts: (i) from authorised persons; or (ii) from persons (including Directors) having a pre-existing connection with the Company; or (iii) where such application amount is equal to the maximum investment allowance permitted into an ISA under current rules (in respect of which, please refer to Part VI of the Prospectus for further detail in relation to the ISA investment allowance for the tax year 2013 to 2014). Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from any scaling back process should this be required.

2. Personal Details

Fill in (in block capitals) the full name(s) and address of the sole first applicant. Applications may only be made by persons aged 18 or over as at the date that the application is made. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form at sections 3 and 4 (where applicable).

3. Signature

All holders named in sections 2 and 4 (where applicable) must sign sections 3 and 4 (where applicable) and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

4. Cheque/Banker's Draft Details

Payment may be made by a cheque or banker's draft accompanying your application. If payment is by cheque or banker's draft such payment must accompany your Application Form and be for the exact amount shown in Box 1 of your Application Form. Your cheque or banker's draft must be made payable to "Capita Registrars Limited: re JPMorgan Global" and crossed "A/C Payee". If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Your cheque or banker's draft must be drawn in Sterling on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers draft. The funds must be drawn from an account where you have sole or joint title to them.

5. Identity Information

Applicants need only consider section 6 of the Application Form (where each column relates to the respective applicant) if the declaration in section 8 cannot be completed. Notwithstanding that the declaration in section 8 has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed in section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are requested in section 6, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

6. CREST

If you wish your Shares to be deposited in a CREST Account in the name of the holder(s) given in sections 2 and 4 (where applicable), enter in section 7 the details of that CREST Account. Where it is requested that Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such Shares might be allotted and issued. It is not possible for an applicant to request that Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

7. Reliable Introducer Certificate

Applications will be subject to Guernsey's AML Requirements. This will involve you providing the verification of identity documents listed in section 6 of the Application Form UNLESS you can have the certificate provided at section 8 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the certificate provided in section 8 of the Application Form completed and signed by a suitable firm.

8. Contact Details

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Instructions for delivery for completed Application Forms

Completed Application Forms should be returned, by post or (during normal business hours only) by hand to Capita Registrars Limited so as to be received by no later than 1.00 p.m. on 5 June 2013, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

