

AIFM DIRECTIVE DISCLOSURES

AIFM Directive disclosures

The Company is an externally managed alternative investment fund and has appointed International Fund Management Limited as its AIFM. Pursuant to the AIFM Directive and the UK implementing measures (the Alternative Investment Fund Managers Regulations No.1173/2013, and consequential amendments to the Financial Conduct Authority Handbook), set out below is the information required to be disclosed in accordance with Article 23 of the AIFM Directive:

Investment strategy and objective of the AIF

The investment objective of the Company is to provide Shareholders with attractive capital growth through the active management of a highly concentrated portfolio of shares in quoted companies which have the majority of their operations in, or revenue derived from Japan which have been identified by the Investment Adviser as being undervalued and where (i) cash constitutes a significant proportion of the investee company's market capitalisation; and (ii) the relevant company has no controlling or majority shareholders.

Information on where any master AIF is established

Not applicable.

If the AIF is a fund of funds, the domicile of investee funds

Not applicable.

The type of assets in which the AIF may invest

The Company will invest in a highly concentrated portfolio of shares issued by quoted companies which have the majority of their operations in, or revenue derived from, Japan. The Company may also invest in unquoted companies and the Company may become invested in unquoted companies as a result of corporate actions or commercial transactions undertaken by quoted companies. The Company will only make an investment in an unquoted company if the aggregate interest of the Company in unquoted companies at the time of such investment is not more than 10 per cent. of the Net Asset Value of the Company at that time.

Investment techniques that may be employed by the AIF and all associated risks

Please see the headings titled "Investment Objective and Policy" and "Investment Strategy" in Part 6 (Information on the Company) of this Prospectus. Further please see the heading titled Risks Relating to the Company in Part 1 (*Risk Factors*).

Investment restrictions

Please see the heading titled "Investment restrictions" in Part 6 (*Information on the Company*) of this Prospectus.

Circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF

Please see the heading titled "Gearing Policy" in Part 6 (*Information on the Company*) of this Prospectus.

Any collateral and asset reuse arrangements

Not applicable.

Procedures by which the AIF may change its investment strategy or investment policy or both

Please see the heading titled “Amendment to the investment policy” in Part 6 (*Information on the Company*) of this Prospectus.

The main implications of the contractual relationship entered into for the purpose of investment including information on jurisdiction, the applicable law and on the existence (or not) of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established

The Company is a public company limited by shares, incorporated in England and Wales. While investors acquire an interest in the Company on subscribing for or purchasing Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them. Shareholders’ rights in respect of their investment in the Company are governed by the Articles of Association and the Act. Under English law, the following types of claims may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims and derivative actions. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.

Jurisdiction and applicable law

Shareholders’ rights are governed principally by the Articles of Association and the Act. By subscribing for the Shares, investors agree to be bound by the Articles of Association which are governed by, and construed in accordance with, the laws of England and Wales.

Recognition and enforcement of foreign judgments

Regulation (EC) 593/2008 (“Rome I”) must be applied in all member states of the European Union (other than Denmark). Accordingly, where a matter comes before the courts of a relevant member state, the choice of a governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state’s court may apply any rule of that member state’s own law which is mandatory, irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement. Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the Administration of Justice Act 1920 and the Foreign Judgment (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.

The identity of the AIFM, auditor and other service providers together with a description of their duties and the investors’ rights

Alternative Investment Fund Manager

International Fund Management Limited has been appointed to act as the alternative investment fund manager of the Company in compliance with the provisions of the AIFM Directive.

Investment Adviser

Rising Sun Management Ltd has been appointed by the Company to provide certain advisory services to the Company and the AIFM in respect of the Portfolio.

Registrar

Computershare Investor Services PLC has been appointed as registrar to the Company in respect of the transfer and settlement of Shares held in certificated and uncertificated form.

Administrator

PraxisIFM Fund Services (UK) Limited has been appointed as administrator to the Company. The Administrator provides the day-to-day administration of the Company and is also responsible for the Company's general administrative functions, such as calculation and publication of the Net Asset Value and maintenance of the Company's accounting and statutory records. The Administrator is responsible for calculating the Net Asset Value of the Ordinary Shares in consultation with the AIFM and Rising Sun and reporting this to the Board.

Company Secretary

PraxisIFM Fund Services (UK) Limited has also been appointed as Company Secretary to the Company. The Company Secretary will provide company secretarial services and a registered office to the Company.

Custodian

The Northern Trust Company has been appointed by the Company to act as custodian of certain assets and to provide certain services as a custodian.

Auditor

The Company has not yet formally appointed a statutory auditor for its first accounting period. Once appointed, the Company's auditor will provide audit services to the Company for each financial period.

Since the service providers are engaged by the Company, investors will have no direct right to enforce any rights against any of the service providers.

Management of professional liability risk under Article 9(7) of the AIFM Directive

The provisions of the AIFM Directive concerning professional indemnity insurance or additional own funds to cover professional negligence risk do not apply to the AIFM. Nevertheless, the AIFM has the benefit of professional indemnity and directors' and officers' liabilities insurance coverage.

Delegated management function

The Company has delegated responsibility for day-to-day management of the investments comprised in the Company's portfolio to the AIFM (which has in turn delegated portfolio management activities to the Investment Adviser). The Directors have responsibility for exercising supervision of the AIFM and the Investment Adviser.

The Company's valuation procedure and pricing methodology

Please see the heading titled "Net Asset Value" in Part 6 (*Information on the Company*) of this Prospectus.

The Company's liquidity risk management, including redemption rights and redemption arrangements

Please see the headings titled "Discount Management Provisions" in Part 1 (*Risk Factors*) and "The Articles of Association" in Part 12 (*Additional Information*) of this Prospectus. The Ordinary Shares are not redeemable.

Fees, charges and expenses, which are directly or indirectly borne by investors

Please see the heading titled “Fees and Expenses” in Part 7 (*Directors, Management and Administration*) of this Prospectus.

Fair and preferential treatment of investors

The AIFM ensures that investors are treated fairly in a number of ways, including by ensuring that any preferential treatment granted by the AIFM to one or more investors does not result in an overall material disadvantage to the other investors by: (i) ensuring that its decision-making procedures are applied fairly as between investors; (ii) applying relevant policies and procedures properly; (iii) ensuring, to the extent within its power, that investors do not bear directly or indirectly fees, charges and expenses which are inappropriate in nature or amount; (iv) complying with the rules and guidance of the GFSC (or equivalent) applicable to it; and (v) conducting its activities honestly, fairly and with due skill, care and diligence.

The Company's latest net asset value or latest market price of its share

As the Company has not yet commenced operation, no financial statements or Net Asset Value figures are currently available. Following First Admission, the Company's Net Asset Value will be published daily by way of RNS announcement.

The Company's historical performance

As the Company has not yet commenced operation, no historical performance information is currently available. Once published, the Company's annual and interim reports will be available on the Company's website.

The Company's prime brokerage firm together with a description of any material arrangements of the AIF with its prime brokerage firm and the way any conflicts of interest are managed, the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime brokerage firm that may exist

J.P. Morgan Securities plc has been appointed as the Company's prime broker. Please see the heading titled “Prime Brokerage Agreement” in Part 6 (*General Information*) for a description of the Company's arrangements with the Prime Broker. The Company does not consider that any conflicts of interest arise from the appointment of the Prime Broker. The Prime Broker manages conflicts of interest in accordance with its conflicts of interest policy which has been prepared in accordance with all applicable regulation (including MiFID).

The Company's annual report, and the disclosure requirements under Articles 23(4) and 23(5) of the AIFM Directive

The information required under paragraphs 4 and 5 of Article 23 of the AIFM Directive will be disclosed in the Company's audited annual report.