



# BMO Capital and Income Investment Trust PLC

## INVESTOR DISCLOSURE DOCUMENT

### IMPORTANT INFORMATION

#### Regulatory and legal status of the Company

**BMO Capital and Income Investment Trust PLC (the "Company")** is an 'alternative investment fund' ("AIF") for the purposes of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the "AIFM Directive") which has appointed BMO Investment Business Limited (the "Manager") as its Alternative Investment Fund Manager ("AIFM"). The Manager is authorised and regulated by the United Kingdom Financial Conduct Authority (the "FCA") as an AIFM for the Company.

The Company, being an investment trust, is incorporated as a public limited company in England and Wales. The Company's shares are listed on the premium segment of the Official List of the UK Listing Authority and are admitted to trading on the main market of the London Stock Exchange. The operation of the Company is subject to its Articles of Association, the FCA Listing Rules, the FCA Disclosure Guidance and Transparency Rules, the UK Corporate Governance Code issued by the Financial Reporting Council (July 2018) and the UK Companies Act 2006.

The provisions of the Company's Articles of Association, which are binding on the Company and all of its shareholders, set out the respective rights and restrictions attaching to the Company's shares. All shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Company's Articles of Association.

#### Limited purpose of this document

This document, which is made available to investors in the Company by being made available at [www.bmocapitalandincome.com](http://www.bmocapitalandincome.com), is not a prospectus. It is issued for the sole purpose of making certain regulatory disclosures to investors in accordance with the requirements of the AIFM Directive. The Company, its Directors and the Manager as its AIFM will not be responsible to persons other than the Company's shareholders for their use of this document, nor will they be responsible to any person (including the Company's shareholders) for any use which they may make of this document other than to inform a decision to invest in shares in the Company.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Company's shares.

This Investor Disclosure Document is based on information, law and practice at the date hereof. The Company, its Directors and the Manager as its AIFM cannot be bound by an out of date Investor Disclosure Document when it has issued a new Investor Disclosure Document and investors should check with the Manager that this is the most recently published Investor Disclosure Document.

**This document is not intended to be an invitation or inducement to any person to engage in any investment activity. It does not include all the information which investors or their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company and its shares.**



### **No advice**

The Company, its Directors and the Manager as its AIFM are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, the Manager or any of their affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in shares.

**Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.**

### **Overseas investors**

The distribution of this document in certain jurisdictions will be restricted and accordingly any persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. In particular, the shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer 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 or other disposal of shares.

This Investor Disclosure Document is dated, and is valid, as at 21 December 2021.



## THE COMPANY

### Investment Objective

The Company's Objective is "to secure long-term capital and income growth from a portfolio consisting mainly of FTSE All-Share companies".

### Investment restrictions and guidelines

The Board of Directors issues guidelines to the Manager under which the Company is managed and these can be varied from time to time, within the limits set by the Company's Articles of Association and its AIFMD-related thresholds and profiles. The Company seeks to identify investments in companies which have good long-term prospects but whose share prices are depressed by adverse short-term sentiment. Many of the investments have a higher than average dividend yield. Investment risk is controlled and managed by investing mainly in listed companies. No more than 10% of total assets, at the time of investment, may be invested in securities quoted on the Alternative Investment Market. No holding in an unquoted security should exceed 5% of the value of total assets at the time of investment and no more than five unquoted securities may be held in the portfolio at any one time. The Company may invest in securities quoted on non-UK stock markets, the total value of which must not exceed 10% of the Company's total assets at the time of investment. No single investment in the portfolio may exceed 10% of the Company's total assets at the time of purchase.

Derivative instruments may be used for the purpose of income enhancement and efficient portfolio management. Options may only be written on quoted securities and the total nominal exposure for both call and put options is limited to 5% of gross assets at the time of investment.

Under the FCA Listing Rules, no more than 10% of the total value of the investment portfolio may be invested in other listed closed-ended investment companies, unless such investment companies have themselves published investment policies to invest no more than 15% of their total assets in other closed-ended investment companies, in which case the limit is 15% of the total value of the investment portfolio.

### Leverage

Borrowings, whether short or long-term in nature, can be taken out either in Sterling or foreign currency from approved financial institutions. Net gearing, defined as borrowings less cash as a percentage of net assets, would not normally be expected to exceed 20% of the portfolio value. The Company's Articles of Association limit borrowings to a maximum of the aggregate of the Company's share capital and reserves.

Maximum gross and commitment leverage, calculated in accordance with the requirements under the AIFM Directive, shall not exceed **200%** of the Company's share capital and reserves.

Material changes to leverage policies must be agreed by the Company and will be notified to shareholders via the Company's website and its Annual Report and Accounts.

The total level of leverage employed by the Company is updated regularly on the "Monthly Factsheet" published on the Company's website.

### Investment Policy and Strategy

The Company is required to obtain the prior approval of shareholders, by ordinary resolution, to any material change to its published investment policy. The Company will announce any such change through a Regulatory Information Service.

The Company's Investment Strategy and Policy are set out in the Strategic Report section of the Annual



Report and Accounts, which can be found on the Company's website.

### **Dividend Policy**

The Company pays quarterly dividend distributions. Dividend payments are announced through a Regulatory Information Service. The Annual Report and Accounts on the Company's website contains details of dividends paid and proposed in respect of the relevant financial year.

## **ADMINISTRATION AND MANAGEMENT OF THE COMPANY**

### **The Alternative Investment Fund Manager (AIFM)**

The Manager is the Company's AIFM and is a Scottish incorporated company with registered number SC151198. The directors of the AIFM are Rebecca Fuller, David Logan, Charles Porter, Richard Watts, Tina Watts, Marrack Tonkin and Robert Thorpe. The Manager is a subsidiary of BMO Asset Management (Holdings) PLC ("BMO Holdings"), which is 100% owned by BMO Global Asset Management (Europe) Limited ("BMO Europe"). BMO Europe is part of Columbia Threadneedle Investments, the global investment management business of Ameriprise Financial, Inc., a company incorporated in the United States.

The directors of BMO Holdings which is incorporated in the United Kingdom are Charles Porter, David Logan, Ruth Sack, Richard Watts, Michaela Collet Jackson and Nick Ring. It has its offices at 6th Floor, Quatermile 4, 7a Nightingale Way, Edinburgh EH3 9EG, Scotland.

The Company has a management agreement with the Manager whereby it acts as AIFM to the Company in accordance with the requirements of the AIFM Directive, which includes the provision of discretionary investment management services and risk oversight and management services in relation to the Company's investment portfolio. In addition to its duties as AIFM, the Manager also provides company secretarial, accounting, marketing and administrative services to the Company.

The Manager's remuneration for its services is based on a quarterly management fee payable in arrears equal to 0.10% of the Company's funds under management as set out in the Annual Report and Accounts at [www.bmocapitalandincome.com](http://www.bmocapitalandincome.com).

Further details of the fees can be found in the Annual Report and Accounts on the Company's website.

The management agreement may be terminated by either party giving to the other not less than six months' notice in writing.

### **Remuneration policy of the AIFM**

In accordance with the AIFM Directive, BMO Investment Business Limited, the designated Alternative Investment Fund Manager ("AIFM") for the Company, has adopted a remuneration policy which is consistent with the remuneration principles applicable to AIF management companies and aligned with the BMO Global Asset Management (EMEA) Remuneration Policy. The size of the AIFM and the size of the funds it manages, the internal organisation and the nature, the scope and the complexity of their activities have been taken into consideration in this disclosure.

#### Remuneration policy

The purpose of the AIFM's remuneration policy is to describe the remuneration principles and practices within the AIFM and for such principles and practices:

- (a) to be consistent with, and promote, sound and effective risk management;
- (b) to be in line with the business strategy, objectives, values and interests of the AIFM;



- (c) not to encourage excessive risk-taking as compared to the investment policy of the relevant sub-funds of the AIFM;
- (d) to provide a framework for remuneration to attract, motivate and retain staff (including directors) to which the policy applies in order to achieve the objectives of the AIFM; and
- (e) to ensure that any relevant conflicts of interest can be managed appropriately at all times.

#### Decision making and governance

The board of directors (the "Board") of the AIFM is responsible for the remuneration policy of the AIFM and for determining the remuneration of the directors of the AIFM and other staff who undertake professional activities for the AIFM. The Board has delegated to the Risk and Remuneration Committee (the "Committee") of BMO Asset Management (Holdings) plc responsibility for maintaining a compliant remuneration policy. The Committee solely comprises non-executive directors of BMO Asset Management (Holdings) plc. The Board has adopted the remuneration policy applicable to all members of the Group ("BMO Global Asset Management (EMEA)") for this financial year as reviewed and approved by the Committee periodically (at least annually). The Committee is responsible for, and oversees, the implementation of the remuneration policy in line with the AIFMD Regulations. The Board considers that the members of the Committee have appropriate expertise in risk management and remuneration to perform this review.

#### Applicability

The remuneration policy, which incorporates compliance with AIFMD requirements applies to staff whose professional activities have a material impact on the risk profile of the AIFM or of the funds it manages ("Identified Staff") and so covers:

- a) senior management;
- b) risk takers;
- c) control functions; and
- d) employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profile of the AIFM.

The Identified Staff list and the selection criteria above are subject to regular review (at least annually) by the Committee as well as formally reviewed in the event of significant organisation changes and changes in remuneration regulations the AIFM is subject to.

#### Linking remuneration with performance

The AIFM's remuneration policy is part of the BMO Global Asset Management (EMEA) framework for promoting sound remuneration management, with the objective of providing total compensation to its employees that is warranted by corporate, business unit/function and individual performance and is comparable to market competitors, whilst being consistent with and promoting sound and effective risk management and the achievement of fair outcomes for all customers. Its purpose is to facilitate achievement of the business objectives and corporate values of the AIFM, with the primary focus on clients, whilst ensuring that BMO Global Asset Management (EMEA) is able to attract, retain and motivate the key talent required to achieve these business objectives and corporate values without incentivising excessive or inappropriate risk.

When setting remuneration levels, the following components and principles form part of the remuneration management framework:

- Fixed remuneration is determined taking into account factors including the requirements of the particular role and the staff member's experience, expertise, contribution level and the fixed pay for comparable roles. Fixed remuneration is set, with reference to market data, at a level that is sufficient to attract high calibre staff as well as to permit the operation of a fully-flexible remuneration policy (including the possibility of a staff member receiving reduced or no variable remuneration in a particular year). The Committee keeps the balance between fixed and variable remuneration under review.
- Variable remuneration is determined annually by reference to both financial and non-financial AIFM performance considerations. External competitor practices are included in the funding



review to ensure compensation opportunities in the markets within which the AIFM operates are given due consideration and retention risks are effectively managed. Incentive funding is developed in view of current and projected economics and risks, supported by BMO Global Asset Management (EMEA) Audit and Compliance Committee inputs, ensuring risk-adjustments and qualitative and quantitative considerations, such as the cost and quantity of capital and liquidity are actively considered as funding adjustments. The Committee ensures that all incentive awards are not paid through vehicles or methods that facilitate the avoidance of the requirements with regard to remuneration imposed by applicable law and/or regulations.

- Variable remuneration is allocated to respective business functions by reference to:
  - contribution of the respective business function or unit to corporate performance;
  - business function performance relative to pre-determined targets and objectives, including adherence to risk management obligations; and
  - competitive market pay data.

Individual award allocations are referenced to the individual achievement during the performance year relative to pre-agreed objectives and assessment of market comparability. Performance is assessed in relation to pre-agreed objectives, which include financial and non-financial goals (including the achievement of fair customer outcomes), compliance with the BMO Group’s policies and procedures, adherence to risk management and compliance requirements and the BMO Code of Conduct. The assessment of performance for Identified Staff reflects multi-year performance in a manner appropriate to the life-cycle of the funds that are managed by the AIFM.

- Application of Financial Conduct Authority’s Handbook (SYSC 19B: AIFMD Remuneration Code) pay-out process rules, save for disapplication at individual or AIFM level, which is determined by an annual proportionality assessment.

Quantitative remuneration disclosure

The total remuneration paid by BMO Investment Business Limited to its staff is zero, as all AIFM staff are employed by other companies in BMO Global Asset Management (EMEA).

The table below provides an overview of aggregate total remuneration paid to AIFM Identified Staff in respect of the proportion of their pay aligned to their AIFM responsibilities. It is not possible to apportion remuneration by individual Identified Staff working on a specific investment fund, therefore figures are provided in aggregate on an AIFM basis.

<b>BMO Investment Business Limited</b>	<b>Headcount</b>	<b>Fixed Remuneration</b>	<b>Variable Remuneration</b>	<b>Total Remuneration</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Remuneration of AIFMD Identified Staff</b>	<b>54</b>	<b>0.91</b>	<b>2.68</b>	<b>3.59</b>
of which:				
Senior Management	16	0.11	0.33	0.44
Other Code Staff	38	0.81	2.35	3.15

*Notes on the quantitative remuneration disclosure*

Total remuneration reported is the sum of salary, cash bonus, any deferred annual bonus, value of any long-term incentive awards granted in respect of performance in the reportable financial year, plus the value of any applicable cash allowances.

“Senior Management” are defined in this table as the AIFM Directors, Executive and Non-Executive Directors and Group Management Team members of BMO Global Asset Management. “Other Code Staff” includes all other identified Code staff in business areas, internal control functions and corporate functions.



The Identified Staff disclosure represents total compensation of those staff who are fully or partly involved in the activities of the AIFM funds, apportioned to the estimated time relevant to the AIFM or to the amount attributable to the AIFM allocated on an AUM basis.

### AIFM activities

The following table provides an overview of the size and composition of the funds managed by the AIFM, including BMO Capital and Income Investment Trust PLC. This shows the total number of funds managed, the split between, and proportions of AIF and UCITS.

	Number of funds	AUM as at 31 October 2020 (GBP)	% of AUM as at 31 October 2020
Alternative Investment Funds	18	9,853,582,948	100%
UCITS	0	0	0%
<b>Total</b>	<b>18</b>	<b>9,853,582,948</b>	<b>100%</b>

### The Depositary

The Company has appointed J.P. Morgan Europe Limited (“JPMEL”) to provide depositary services under AIFMD rules and certain other associated under the terms of a depositary agreement dated 22 July 2014 to which the AIFM is a party together with the Company. The services provided by JPMEL as depositary for the Company include:

- general oversight responsibilities over the issue and cancellation of the Company’s share capital, the carrying out of net asset value calculations, the application of income, and the ex-post review of investment transactions;
- monitoring of the Company’s cash flows and ensuring that all cash is booked in appropriate accounts in the name of the Company or the Manager or JPMEL acting on behalf of the Company; and
- ensuring that J.P. Morgan Chase Bank Limited (“JPMCB”) (to whom JPMEL has delegated the safekeeping of all assets held within the Company’s investment portfolio, including those classed as financial instruments for the purpose of the AIFM Directive, in accordance with the terms of a Global Custody Agreement to which both the Company and the AIFM are also a party) retains custody of the Company’s financial instruments in segregated accounts so that they can be clearly identified as belonging to the Company and maintains records sufficient for verification of the Company’s ownership rights in relation to assets other than financial instruments. No specific conflicts have been identified as arising as a result of the delegation of the provision of custody and safekeeping services by JPMEL to JPMCB.

The terms of the depositary agreement provide that, where certain assets of the Company are invested in a country whose laws require certain financial instruments to be held in custody by a local entity and no such entity is able to satisfy the requirements under the AIFM Directive in relation to use of delegates by depositaries, JPMEL may still delegate its functions to such a local entity and be fully discharged of all liability for loss of financial instruments of the Company by such local entity. The terms of the Depositary agreement provide, further, that the Depositary shall ensure that the Custodian or any other custodial delegate cannot make use of the Company’s assets.

The Depositary receives an annual fee for its services of 1 basis point on the Company’s net assets, payable monthly in arrears.

The depositary agreement in place with JPMEL and the related custody agreement in place with JPMCB continues unless and until terminated: without cause upon the Company giving not less than 90 days’ notice and upon JPMEL giving not less than 120 days’ notice, in each case such notice to be effective no earlier than the first anniversary of the effective date.



### **The Auditor**

BDO LLP (PwC) provide audit, audit-related assurance services and taxation compliance services to the Company. Their Audit Report in respect of the Financial Statements of the Company, and the fees for their services, are set out in the Annual Report and Accounts on the Company's website.

### **The Share Registrar**

Computershare Investor Services Limited is responsible for maintaining the Company's share register, including keeping up to date the names and addresses of shareholders; receiving and recording proxies at the Company's Annual General meeting; and paying dividends on due date to shareholders on the register in accordance with instructions from the Company. The fees paid to the Registrar are variable and are set out in the Annual Report and Accounts on the Company's website.

### **Outsourcing and delegation of functions by the AIFM**

The AIFM has outsourced responsibility for settlement, corporate action, reconciliation and certain other administrative and record-keeping functions to State Street Bank and Trust Company. Fees for these services are paid by the AIFM and are not reimbursed by the Company. The Company has not identified any conflicts of interest in this relationship.

BMO Asset Management Limited, an associate of the AIFM, trades securities and financial derivatives with brokers and other market counterparties as agent on behalf of the Company on a delegated basis.

## **SHAREHOLDER INFORMATION**

### **Reports and Accounts**

Copies of the Company's latest Annual and Interim Reports may be accessed at [www.bmocapitalandincome.com](http://www.bmocapitalandincome.com) or by writing to the Company Secretary at the Registered Office address, Exchange House, Primrose Street, London EC2A 2NY.

### **Publication of net asset values and share prices**

The previous business day's cum- and ex-income net asset values of the Company are published each business day through a Regulatory Information Service and may also be accessed at [www.bmocapitalandincome.com](http://www.bmocapitalandincome.com) under "Regulatory News". The current share price is also published on the website.

### **Valuation Policy**

The Company's valuation policy in respect of its listed and unlisted investments is contained within the Accounting Policies note in the Annual Report and Accounts published on the Company's website which can be accessed at [www.bmocapitalandincome.com](http://www.bmocapitalandincome.com).

### **Historical performance of the Company**

Details of the Company's historical financial performance are provided in the Company's Annual Reports and Accounts and monthly factsheets, which are available at [www.bmocapitalandincome.com](http://www.bmocapitalandincome.com).

Investors should note that past performance of the Company is not necessarily indicative of future performance. Investors may not get back the amount invested.



### **Purchases and sales of shares by investors**

The Company's shares are admitted to the Official List of the UKLA and to trading on the main market of the London Stock Exchange. Accordingly, the Company's shares may be purchased and sold on the main market of the London Stock Exchange. The value at which shares trade on the Stock Exchange may be below (at a "discount" to) or above (at a "premium" to) the net asset value per share of the Company.

The Company's shares are not redeemable. While the Company will at each Annual General Meeting request shareholder authority to issue and to buy back shares, shareholders do not have the right to have their shares re-purchased by the Company or to have new shares issued to them.

The AIFM with the approval of the Company maintains a series of savings plans operated by BMO Asset Management Limited as plan manager through which investors located in the United Kingdom can make regular or lump sum payments to purchase and subsequently hold or sell shares in the Company in a savings plan account. The savings plans are administered on behalf of the AIFM by SS&C Technologies ("SS&C") and details are contained in the Annual Report and Accounts and at [www.bmocapitalandincome.com](http://www.bmocapitalandincome.com).

The AIFM must provide an up to date Key Investor Document ("KID") under the EU Packaged Retail Insurance and Investment Products ("PRIIPs") regulation. Investors should read this document before purchasing shares in the Company. Investors buying through the savings plan account must confirm they have read the latest version of the KID prior to proceeding with any investment in the Company. The KID can be found at [www.bmogam.com/literature](http://www.bmogam.com/literature).

### **Legal implications of contractual relationship**

The rights, obligations and relationships of the members of the Company shall be governed by the law of England and Wales and subject to exclusive jurisdiction of the courts of England and Wales.

The English courts generally recognise judgements obtained in the courts of another jurisdiction (subject to, inter alia, the legislation on the recognition of judgements referred to below, the rules of the English courts in relation to the recognition and/or enforcement of foreign judgements and such judgements not being contrary to public policy in England). The exact rules, on the recognition and enforcement of foreign judgements, depend on the jurisdiction in which such judgements are obtained. Legislation providing for the reciprocal recognition of foreign judgements in England includes: Civil Jurisdiction and Judgements Act 1982/EU Council Regulation EC no. 44/2001 ("CJJA") in respect of all EU countries other than Denmark (with equivalent provisions applying to Denmark, Iceland, Norway and Switzerland as signatories to the Brussels and Lugano Conventions, both of which Conventions are covered by the CJJA reciprocal enforcement provisions); Foreign Judgments (Reciprocal Enforcement) Act 1933 in respect of those jurisdictions covered by the CJJA, Israel, Suriname and Tonga and to judgements of the recognised courts of the Commonwealth countries of Australia, the Federal Court of Canada and any courts in most of the provinces of Canada as well as Guernsey, the Isle of Man, the Bailiwick of Jersey, certain territories of the Republic of India and Pakistan; and the Administration of Justice Act 1920 in respect of the superior courts of Commonwealth countries and British Overseas Territories within 12 months from the date of the relevant judgement.

In respect of all other jurisdictions (including the United States), judgements are not automatically enforceable in England and would be required to be enforced in England under common law.

### **Fees and expenses**

The fees and expenses which will be borne by the Company and investors are limited, but there is no formal cap on their level. Fees and expenses are analysed within the financial statements in the Company's Annual Report and Accounts published on the Company's website which can be accessed at [www.bmocapitalandincome.com](http://www.bmocapitalandincome.com).



### **Fair treatment of investors**

The legal and regulatory regime to which the Company and the Directors are subject ensures the fair treatment of investors. The FCA Listing Rules require that the Company treats all shareholders of the same class of shares equally.

In particular, each Director has statutory duties under the Companies Act 2006 with which they must comply, including a duty to act in the way she or he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors. Furthermore, the AIFM does not give preferential treatment to any investors who open savings plan accounts for the purpose of investing in the shares of the Company and it is obliged under the rules of the

FCA to ensure that all investors in the savings plans are treated fairly. Oversight of its compliance with the aforementioned rules and the achievement of fair outcomes for investors is undertaken by the BMO Group Treating Customers Fairly Committee and through the operation of an embedded complaints handling procedure.

## **RISK FACTORS AND RISK MANAGEMENT**

### **Risk profile**

The Company's key risks and their management are set out in the Annual Report and Accounts on the website within the Strategic Report, under "Principal Risks and Future Prospects".

The Company reports in its Interim Report and Accounts, which can be found at [www.bmocapitalandincome.com](http://www.bmocapitalandincome.com), whether the key risks have changed since the year end.

### **Liquidity risk management**

The AIFM and the Directors have in place a liquidity management policy in relation to the Company which is intended to ensure that the Company's investment portfolio maintains a level of liquidity which is appropriate to the Company's obligations in respect of investment settlements, share buybacks, loan repayments, dividend payments and other operating costs.

The majority of the Company's portfolio of investments is liquid. The Company's website contains a full list of investments and the Annual Report and Accounts carry further details of the thirty largest holdings as at the financial year-end date.

A list of pre-approved counterparties, selected on strict criteria, is maintained by the AIFM. Cash and deposits must be held with approved banks with a minimum rating as set by the Company from time to time.

Investors will be notified by way of a disclosure on the website in the event of any material changes being made to the liquidity management systems and procedures, or where any new arrangements for managing the Company's liquidity are introduced.

### **Professional negligence liability risks**

The AIFM is covered under professional indemnity insurance.