

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO THE VOLUNTARY WINDING-UP AND RECONSTRUCTION OF ATLANTIS JAPAN GROWTH FUND LIMITED ON WHICH YOU ARE BEING ASKED TO VOTE AND IN RELATION TO WHICH SHAREHOLDERS HAVE THE RIGHT TO MAKE AN ELECTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION TO BE TAKEN, YOU ARE RECOMMENDED TO SEEK IMMEDIATELY YOUR OWN PERSONAL FINANCIAL ADVICE FROM AN APPROPRIATELY QUALIFIED INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.**

If you have sold or otherwise transferred all of your Ordinary Shares in Atlantis Japan Growth Fund Limited (the “Company” or “AJG”), you should pass this document, together with the accompanying documents (but not the accompanying personalised Form of Proxy or personalised Form of Election), as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, the related prospectus published by Nippon Active Value Fund plc (the “NAVF Prospectus”) should not be forwarded to or transmitted in or into any member state of the European Economic Area, Canada, the Republic of South Africa, Australia, New Zealand or Japan or into any other jurisdictions if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions. Shareholders who are resident in, or citizens of, territories outside the United Kingdom should read the section headed “Overseas Shareholders and Sanctions Restricted Persons” in Part 3 of this document.

The definitions used in this document are set out in Part 7 of this document.

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# ATLANTIS JAPAN GROWTH FUND LIMITED

*(A non-cellular company limited by shares incorporated in the Island of Guernsey under the Companies (Guernsey) Law, 2008, as amended, with registered number 30709 and registered as an Authorised Closed-ended Collective Investment Scheme with the Guernsey Financial Commission)*

## **Recommended Proposals for the voluntary winding up of the Company and combination with Nippon Active Value Fund plc**

**and**

## **Notice of Extraordinary General Meeting**

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This document should be read in conjunction with the NAVF Prospectus relating to Nippon Active Value Fund plc (“NAVF”) which has been prepared in accordance with the Prospectus Regulation Rules, approved by the Financial Conduct Authority in accordance with Section 84 of the Financial Services and Markets Act 2000, and made available to the public in accordance with the Prospectus Regulation Rules. In relation to NAVF this document is not a prospectus and does not constitute an offer of any securities for sale or subscription. Investors should not subscribe for any New NAVF Shares referred to in this document except on the basis of information provided in the NAVF Prospectus. The NAVF Prospectus is available on the NAVF website at [www.nipponactivevaluefund.com](http://www.nipponactivevaluefund.com). The website will not be available to Overseas Shareholders. A copy of the NAVF Prospectus is also enclosed with this document unless the recipient is an Overseas Shareholder or holds their Shares in uncertificated form.

The Proposals described in this document are conditional, among other things, on Shareholder approval. Notice of the Extraordinary General Meeting, to be held at 3.00 p.m. on 10 October 2023, at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH, is set out at the end of this document. The Company will notify Shareholders of any changes to the proposed format for the Extraordinary General Meeting as soon as possible via a Regulatory Information Service and its website.

All Shareholders are encouraged to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting and, if their Shares are not held directly, to arrange for their nominee to vote on their behalf. A Form of Proxy for use in conjunction with the Extraordinary General Meeting is enclosed. To be valid for use at the Extraordinary General Meeting, the Form of Proxy must be completed and returned in accordance with the instructions printed thereon to the Registrars, Computershare Investor Services (Guernsey) Limited at c/o The Pavilions, Bridgwater Road, Bristol, BS99 6AH, as soon as possible, but in any event so as to be received no later than 48 hours (excluding non-working days) before the time of the Extraordinary General Meeting. Alternatively, you may appoint a proxy or proxies electronically by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions. Proxies submitted via [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) must be transmitted so as to be received by the Registrars by no later than 48 hours (excluding non-working days) before the time of the Extraordinary General Meeting.

Shareholders who hold their Shares in uncertificated form (i.e. in CREST) may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the notice of the Extraordinary General Meeting set out at the end of this document). Proxies submitted via CREST for the Extraordinary General Meeting must be transmitted so as to be received by the Registrars as soon as possible

and, in any event, by no later than 48 hours (excluding non-working days) before the time of the Extraordinary General Meeting. Shareholders who hold Shares in certificated form will also find enclosed with this document a Form of Election for use in connection with the Proposals.

To be valid, Forms of Election must be completed and returned to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH (the **"Receiving Agent"**) so as to arrive as soon as possible and in any event not later than 1.00 p.m. on 5 October 2023. Shareholders who hold their Shares in uncertificated form will not receive a Form of Election and should elect in accordance with the instructions contained in the section of this document titled *"Shares held in uncertificated form (that is, in CREST)"*, which can be found on page 16 in Part 2 of this document.

Singer Capital Markets Advisory LLP (**"Singer Capital Markets"**) is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Proposals (whether or not a recipient of this document). Singer Capital Markets will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Proposals or the contents of this document.

The New NAVF Shares (as defined below) are not and will not be registered under the United States Securities Act of 1933 (the **"US Securities Act"**), or the securities laws of any state or other jurisdiction of the United States and the New NAVF Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of "US persons" as defined in Regulation S under the US Securities Act (**"US Persons"**) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Additionally, NAVF is not, and does not intend to be, registered as an investment company under the United States Investment Company Act of 1940 (the **"US Investment Company Act"**) and Shareholders are not, and will not be, entitled to the benefits of the US Investment Company Act. No issuance, offer, purchase, sale or transfer of New NAVF Shares may be made except in a manner which would not require NAVF to register under the US Investment Company Act. In connection with the Scheme, US Persons which are existing holders of shares in the Company (**"US Shareholders"**) are requested (where applicable) to execute the AI/QP Investor Letter (the **"AI/QP Investor Letter"**) annexed to the NAVF Prospectus and return it to NAVF in accordance with the instructions printed thereon. There has not been and will be no public offer of the New NAVF Shares in the United States.

Neither the US Securities and Exchange Commission (the **"SEC"**) nor any securities supervisory authority of any state or other jurisdiction in the United States has approved or disapproved the Scheme or reviewed it for its fairness, nor have the contents of this document or any other documentation relating to the Scheme been reviewed for accuracy, completeness or fairness by the SEC or any securities supervisory authority in the United States. Any representation to the contrary is a criminal offence in the United States.

**It is important that you complete and return the Form of Proxy, appoint a proxy or proxies electronically or use the CREST voting service in the manner referred to above, and return the Form of Election or submit a TTE Instruction (as applicable) as soon as possible. Your attention is drawn to Part 2 of this document at pages 16 to 22.**

Dated 12 September 2023

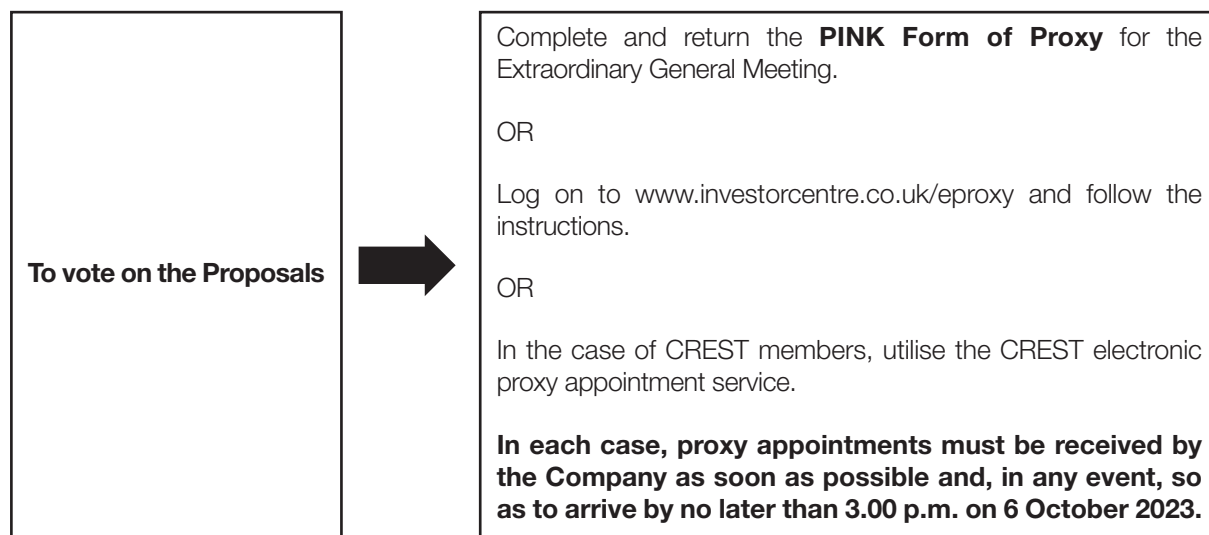
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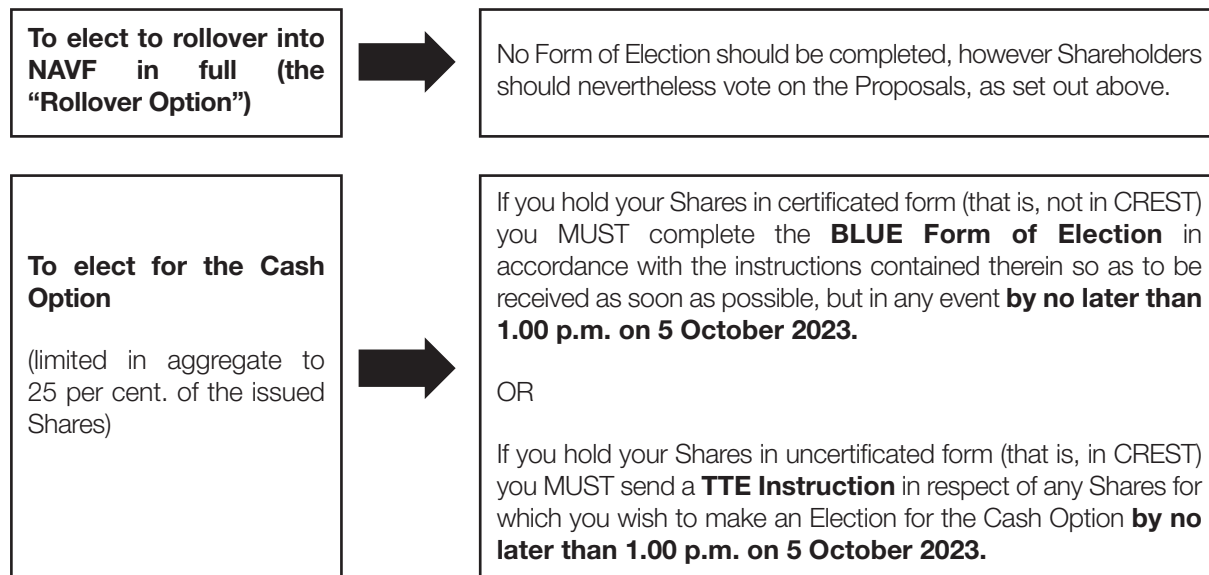
## SUMMARY OF ACTION TO BE TAKEN BY SHAREHOLDERS

Full details of the action to be taken by Shareholders are set out in the section of Part 1 of this document titled “Action to be taken by Shareholders” which can be found on pages 13 to 15 of this document and in the instructions on the Form of Proxy, the Form of Election and the AI/QP Investor Letter (as applicable). You should read the whole of this document when deciding what action to take. The attention of Overseas Shareholders is drawn to the section headed “Overseas Shareholders and Sanctions Restricted Persons” in Part 3 of this document.

### TO VOTE ON THE PROPOSALS



### TO MAKE AN ELECTION



**IF YOU DO NOT WISH TO ELECT FOR THE CASH OPTION IN RESPECT OF ANY OF YOUR SHARES I.E. YOU WISH TO ROLL OVER ALL OF YOUR SHARES IN AJG INTO NEW NAVF SHARES, YOU DO NOT NEED TO COMPLETE AND RETURN THE FORM OF ELECTION OR SEND A TTE INSTRUCTION.**

If you have any questions relating to the completion and return of your Form of Proxy and/or the Form of Election, please contact the Receiving Agent’s Shareholder Helpline between 8.30 a.m. and 5.30 p.m. (UK time) Monday to Friday (except public holidays in England and Wales) on +44 370 707 4040. Network providers’ costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the

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 Shareholder Helpline can only provide information regarding the completion of the Form of Proxy and/or the Form of Election and cannot provide you with financial, tax, investment or legal advice.

The Dividend that the Company intends to pay prior to implementation of the Scheme will be paid on 29 September 2023.

Only Shareholders who hold Shares as at 6.00 p.m. on 5 October 2023 are able to elect for the Cash Option in respect of those Shares. The extent to which a Shareholder elects for the Cash Option is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances and investment objectives. Shareholders should seek advice from their own independent financial adviser.

Overseas Shareholders who wish to receive New NAVF Shares under the Scheme should contact the Company directly if they are able to demonstrate, to the satisfaction of the NAVF and/or the Liquidators and the Directors, that they can be issued New NAVF Shares without breaching any relevant securities laws. Unless NAVF and/or the Liquidators and the Directors are so satisfied (in their respective absolute discretions), to the extent that an Overseas Shareholder is entitled to and would otherwise receive New NAVF Shares under the Scheme, either because no Election for the Cash Option was made or because an Excess Application for the Cash Option is scaled back in accordance with the Scheme, then such New NAVF Shares will be issued to the Liquidators as nominees for the relevant Overseas Shareholder and sold by the Liquidators in the market (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Overseas Shareholder and the value of the Shares held by the relevant Overseas Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid to the relevant Overseas Shareholder entitled to them as soon as reasonably practicable, and in any event no later than 10 Business Days after the date of sale, save that entitlements of less than £5.00 per Overseas Shareholder will be retained in the Liquidation Pool.

**IF YOU ARE NOT AN OVERSEAS SHAREHOLDER AND YOU WISH TO RECEIVE NEW NAVF SHARES IN RESPECT OF YOUR ENTIRE HOLDING OF SHARES IN AJG, YOU NEED TAKE NO ACTION AND DO NOT NEED TO COMPLETE THE FORM OF ELECTION OR SEND A TTE (TRANSFER TO ESCROW) INSTRUCTION.**

## EXPECTED TIMETABLE<sup>1</sup>

**2023**

Ex dividend date for the Dividend	24 August
Record date for the Dividend	25 August
Dividend paid to Shareholders	29 September
Latest time and date for receipt of Forms of Election and TTE Instructions from Shareholders wishing to elect for the Cash Option	1.00 p.m. on 5 October
Calculation Date	5.00 p.m. on 5 October
Record Date for entitlements under the Scheme	6.00 p.m. on 5 October
Latest time and date for receipt of Forms of Proxy and CREST voting instructions from Shareholders for the Extraordinary General Meeting	3.00 p.m. on 6 October
Ordinary Shares disabled in CREST	close of business on 6 October
Trading in Ordinary Shares suspended	7.30 a.m. on 10 October
<b>Extraordinary General Meeting</b>	<b>3.00 p.m. on 10 October</b>
Reclassification of Ordinary Shares	10 October
Appointment of Liquidators	10 October
Effective Date for implementation of the Scheme	10 October
Announcement of the results of Elections, the AJG FAV per Share, the Cash Pool NAV per Share and the NAVF FAV per Share	10 October
CREST accounts credited with, and dealings commence in, New NAVF Shares	8.00 a.m. on 11 October
Certificates despatched in respect of New NAVF Shares during or as soon as practicable after	week commencing 16 October
Cheques despatched to Shareholders who elect for the Cash Option in accordance with their entitlements and CREST accounts credited with cash	week commencing 16 October
Cancellation of listing of Reclassified Shares	as soon as practicable after the Effective Date

<sup>1</sup> **Note:** All references to time in this document are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the Extraordinary General Meeting) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

## PART 1

### LETTER FROM THE CHAIRMAN

# ATLANTIS JAPAN GROWTH FUND LIMITED

(the “Company”)

*(A non-cellular company limited by shares incorporated in the Island of Guernsey under the Companies (Guernsey) Law, 2008, as amended, with registered number 30709 and registered as an Authorised Closed-ended Collective Investment Scheme with the Guernsey Financial Services Commission)*

*Directors:*

Noel Lamb (Chairman)  
Philip Ehrmann  
Richard Pavry  
Michael Moule  
Yuki Soga

*Registered Office:*

PO Box 255  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 3QL  
Channel Islands

12 September 2023

Dear Shareholders

### **Recommended proposals for the voluntary winding-up and reconstruction of the Company and combination with Nippon Active Value Fund plc**

#### **1 INTRODUCTION**

On 11 August 2023, the Board announced that it had agreed heads of terms with Nippon Active Value Fund plc (“**NAVF**”) in respect of a proposed merger of the Company with NAVF to be effected by way of a scheme of reconstruction pursuant to article 134.3 of the Articles and voluntary winding up of the Company under Section 391(1)(b) of the Companies (Guernsey) Law, 2008, (the “**Scheme**”) and the issue of New NAVF Shares to Shareholders who elect, or are deemed to have elected, to roll over their investments in the Company into NAVF (the “**Proposals**”). The background and rationale to the Proposals is set out in the next section of this letter at page 8.

The Proposals, which are conditional upon, amongst other things, the approval of Shareholders at the Extraordinary General Meeting, comprise a voluntary winding up and a scheme of reconstruction of the Company under which Shareholders will be entitled to elect to receive in respect of some or all of their Shares:

- (a) New NAVF Shares (the “**Rollover Option**”); and/or
- (b) cash (subject to an overall limit of 25 per cent. of the Ordinary Shares in issue) (the “**Cash Option**”).

The default option under the Scheme is for eligible Shareholders<sup>2</sup> to receive New NAVF Shares meaning that Shareholders who, in respect of all or part of their holding of Shares, do not make a valid election or who do not make an election at all under the Scheme will be deemed to have elected for New NAVF Shares in respect of such holding.

The choice between the options available under the Proposals will be a matter for each Shareholder to decide and will be influenced by his or her investment objectives and by his or her personal, financial and tax circumstances. Accordingly, Shareholders should, before making any Election, read carefully all the information in this document and in the NAVF Prospectus. The key features of NAVF are set out below and in Part 5 of this document. The NAVF Prospectus should be read alongside, but does not form part of, this document. The NAVF Prospectus is available on the NAVF website at [www.nipponactivevaluefund.com](http://www.nipponactivevaluefund.com). The website will not be available to Overseas Shareholders. A hard copy of the NAVF Prospectus is also

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<sup>2</sup> Please refer to Part 3 in respect of the treatment of Overseas Shareholders.

available to non-Overseas Shareholders on request by emailing NAVFCOSEC@apexfs.group or calling 020 3327 9720.

In order to effect the Scheme, Shareholder approval is required. Shareholder approval is sought at the Extraordinary General Meeting to approve and authorise the implementation of the Scheme by the Liquidators, once appointed, and place the Company into voluntary winding up.

The purpose of this document is to explain the Proposals and the actions required to be taken in order for them to be implemented and to convene the Extraordinary General Meeting, notice of which is set out at the end of this document. Further details of the Resolutions to be proposed at the Extraordinary General Meeting are set out below. The expected timetable associated with the Proposals is provided on page 6 of this document.

**The Board considers the Proposals to be in the best interests of Shareholders as a whole and recommends that Shareholders vote in favour of the Resolutions required to implement the Proposals at the Extraordinary General Meeting.**

## **2 BACKGROUND TO AND RATIONALE FOR THE PROPOSALS**

The Proposals follow an active review by the Board of the options to address the relative small size of the Company, recent poor performance and the discount at which the Ordinary Shares trade to their net asset value. The Board considers that NAVF's strategy of taking advantage of the ongoing reforms and improvements in corporate governance to invest in undervalued Japanese listed companies, particularly cash-rich smaller Japanese companies, where NAVF has performed strongly, and actively engage with them to deliver returns for shareholders, is an attractive strategy. The Proposals provide Shareholders with the opportunity to continue with attractive ongoing exposure to Japanese equities in a larger continuing investment trust structure with improved liquidity, alongside an option to elect for a cash exit, at a modest discount to NAV in respect of at least 25 per cent. of their holdings. The combination, if completed, will be implemented through a scheme of reconstruction under article 134.3 of the Articles and section 391(1)(b) of the Companies (Guernsey) Law, 2008, resulting in the reconstruction and voluntary winding up of the Company.

Subject to the adoption of the New NAVF Investment Policy, NAVF's investment objective is to provide its shareholders with attractive long-term capital growth primarily through the active management of a focused portfolio of quoted companies that have the majority of their operations in, or revenue derived from, Japan, or a majority of whose consolidated net assets are held in Japan, or that are included in the TOPIX, and that have been identified by NAVF's investment adviser, Rising Sun Management Limited ("**Rising Sun**") as being undervalued.

The Board and its advisers concluded that the Scheme will offer Shareholders the best way to continue their investment in a closed-ended investment vehicle with exposure to the attractive fundamental drivers operating in the Japanese market, but in a vehicle which has delivered top ranking performance and which has a much better rating than the Company whose Ordinary Shares have traded at a persistently wide discount to net asset value historically. The Proposals also allow Shareholders the opportunity for a partial cash exit at formula asset value ("**FAV**") (less a 2 per cent. discount to the AJG FAV per Share). Conditional upon the Scheme becoming effective, the Proposals would result in those assets in the Company which are to be transferred to NAVF pursuant to the Scheme forming part of NAVF's portfolio.

As Shareholders will be aware from the 2022 annual report, the Board announced at the 2019 Annual General Meeting ("**AGM**") that a continuation vote will be called every fourth year. Accordingly, the next continuation vote is due to be held at the 2023 AGM. As noted in our announcement of 11 August 2023, the Extraordinary General Meeting required to implement the Proposals will be held before the planned AGM, such that (assuming the Proposals are approved at the EGM) the Company will be in liquidation by the date of the planned AGM, and the AGM may therefore be adjourned sine die. If the Proposals are not approved, the AGM will be held as planned and the continuation vote will be voted upon at the AGM. As noted below, if the winding up does not go ahead, the Board will in any case reassess the options available to the Company.



### 3 BENEFITS OF THE PROPOSALS

The Directors believe that the Proposals will have the following benefits for Shareholders:

- (a) **NAVF active management** – Shareholders may roll their investment in the Company into NAVF, therefore allowing exposure to NAVF’s active management approach. The Board believes that NAVF’s approach is differentiated from many of its peers, focuses on unlocking value in cash-rich small and mid-cap Japanese companies and is well aligned with recent developments in Japanese corporate governance and with its structure as a listed UK investment trust.
- (b) **Cost contribution** – Rising Sun, the investment manager of NAVF, has demonstrated its conviction in the combined fund by offering to underwrite the Company’s current estimated costs of the proposed merger up to £800,000 including advisory and termination fees and associated VAT (the “**Rising Sun Contribution**”). The current estimate of costs associated with the Proposals is approximately £700,000 and therefore it is likely that the Company will not bear any of the costs of the Proposals.
- (c) **Injection of capital** – The Proposals, together with the AJIT Combination, will result in an inflow of capital into NAVF which can be deployed at an advantageous time in the cycle, when recent government reforms support, more than ever in the Board’s view, NAVF’s strategy of finding undervalued Japanese listed companies and actively engaging with them to deliver improved returns for shareholders.
- (d) **Increase in scale, spread of costs** – The combination with NAVF is expected to improve the enlarged fund’s liquidity for all shareholders as well as spreading the fixed costs of NAVF, as the continuing entity, over a larger pool of assets. As at the Latest Practicable Date (being prior to the enlargement of NAVF through the Proposals and the AJIT Combination) the net asset value of the Company was £76.8 million and the net asset value of NAVF was £168.0 million.
- (e) **Uplift in market value** – The Proposals also have the potential to deliver an uplift in the market value of a Shareholder’s investment due to the narrower discount to net asset value at which the NAVF Shares might reasonably be expected to trade over the longer term.
- (f) **Opportunity for substantial cash exit** – The Proposals include a cash exit opportunity of up to 25 per cent. of the Company’s Ordinary Shares in issue, providing Shareholders with the ability to realise part (or potentially all) of their investment at a 2 per cent. discount to the AJG FAV per Share, which is at a tighter level than the current discount to net asset value.
- (g) **Premium segment, main market listing** – In connection with (but prior to completion of) the Scheme and the proposed combination of abrdn Japan Investment Trust plc and NAVF (“**AJIT Combination**”), NAVF is proposing to migrate from the Specialist Fund Segment of the Main Market of the London Stock Exchange to a premium listing on the Main Market of the London Stock Exchange, which is expected to improve the access of retail investors to the enlarged fund and therefore potentially improve its share rating and liquidity. The Scheme is conditional on the Migration but not the AJIT Combination.

### 4 NAVF

**Shareholders who elect (or are deemed to elect) for the Rollover Option will be electing to receive New NAVF Shares.**

NAVF is a closed-ended investment company incorporated in England and Wales on 22 October 2019 as a public limited company, registered number 12275668. It is an investment company as defined by section 833 of the Companies Act 2006 and operates as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

The NAVF Shares were first admitted to trading on the Specialist Fund Segment on 21 February 2020. It is expected that the NAVF Shares will be admitted to the Official List and to trading on the premium segment of the Main Market on 21 September 2023. The Scheme is conditional upon such migration having occurred.

NAVF has appointed FundRock Management Company (Guernsey) Limited as its alternative investment fund manager (“**AIFM**”) to provide overall portfolio and risk management services to NAVF. The AIFM and

NAVF have appointed Rising Sun as the investment adviser to provide investment advisory services to the AIFM and NAVF in respect of its portfolio of investments.

NAVF seeks to achieve its investment objective by taking advantage of the corporate governance reforms in Japan and utilising the increased focus on good corporate governance to engage with management teams, unlock value and encourage investee companies to improve returns to their shareholders.

Further details on NAVF and its investment strategy are set out in Part 5 of this document and in the NAVF Prospectus (which is available on the NAVF website at [www.nipponactivevaluefund.com](http://www.nipponactivevaluefund.com)). The website will not be available to Overseas Shareholders. A hard copy of the NAVF Prospectus is also available to non-Overseas Shareholders on request by emailing [NAVFCOSEC@apexfs.group](mailto:NAVFCOSEC@apexfs.group) or calling 020 3327 9720.

It is expected that Noel Lamb, currently the Chairman of the Company, will join the NAVF Board on completion of the Scheme.

Please note that neither the Board (other than Noel Lamb) nor the Company takes any responsibility for the contents of the NAVF Prospectus. The NAVF Board takes no responsibility for the content of this document.

## 5 CONDITIONS OF THE PROPOSALS

At a general meeting of NAVF to be held on 20 September 2023, the required allotment and disapplication authorities will be sought, as well as NAVF Shareholder approval for a revised investment policy in connection with the Migration.

Implementation of the Proposals is subject to a number of conditions, including:

- (a) admission of the existing NAVF Shares to the FCA's Official List and to trading on the Premium Segment of the Main Market pursuant to the Migration;
- (b) the recommendation of the boards of the Company and NAVF, to proceed with the Proposals which may be withdrawn at any time (including, without limit, for material adverse change reasons);
- (c) the NAVF Share Allotment Authorities relating, *inter alia*, to the Scheme being approved by NAVF Shareholders and not having been revoked or superseded;
- (d) passing of the Resolutions to be proposed at the Extraordinary General Meeting or any adjournment thereof and upon any conditions of such Resolutions being fulfilled; and
- (e) admission of the New NAVF Shares to the FCA's Official List and to trading on the Premium Segment of the Main Market of the LSE.

Any condition may, subject to compliance with legal requirements, be waived with the mutual agreement of each of the Company, NAVF and Rising Sun at any time up to completion of the Scheme.

**If any condition is not satisfied (or waived), the Proposals will not become effective, the Company will not proceed with the winding-up and instead will continue in existence. Shareholders of the Company will bear any abort costs incurred if the Proposals do not become effective. In these circumstances, the Directors will reassess the options available to the Company at that time.**

## 6 COSTS OF IMPLEMENTING THE SCHEME

The costs of the Scheme payable by the Company are expected to be approximately £700,000 which, for the purposes of this calculation, is assumed to be irrecoverable where applicable. Rising Sun has agreed to pay the Company's costs of the Scheme up to £800,000, and therefore it is likely that the Company will not bear any of the costs of the Scheme. To the extent that the Company's costs of the Scheme are above £800,000, the Company will bear these costs.

The estimate of the Company's costs excludes the Liquidators' retention to cover unknown liabilities (estimated at £100,000), and does not take account of any dealing costs which will be incurred by the Company in disposing of assets in order to fund the Cash Option and fund the Liquidation Pool.

Except for these purposes, it is expected that the Company will not liquidate its portfolio but will remain invested in accordance with its published investment policy, and will largely transfer its portfolio to NAVF *in specie* rather than as cash or cash equivalents. This structure has been agreed to protect the investment trust status of the Company, to avoid unnecessary dealing costs in connection with the disposal of the Company's portfolio and to avoid unnecessary periods when Shareholders funds are not invested in the Japanese market in accordance with the Company's investment policy.

Although there are not expected to be any costs incurred in connection with the realignment of the portfolio in respect of the Rollover Pool, there may be dealing costs incurred by NAVF following the completion of the Scheme to the extent that NAVF disposes of the Company's existing portfolio and redeploys into activist opportunities. Please see Parts 3 ("*The Scheme*") and 5 ("*Further information on NAV*") for more detail on the expected transfer of the Rollover Pool.

In the event that the Scheme does not proceed then each party will bear their own costs in connection with the Proposals.

The Liquidators' retention is estimated at £100,000 and will be retained by the Liquidators to meet any unknown or unascertained liabilities of the Company. To the extent that some or all of the Liquidators' retention remains when the Liquidators decide to close the liquidation, this will be returned to Shareholders that were on the Register as at the Record Date.

## **7 ENTITLEMENTS UNDER THE SCHEME**

Under the Scheme, each Shareholder on the Register on the Record Date may elect to receive:

- (a) such number of New NAVF Shares as have a value equal to the proportion of the Rollover Pool attributable to the number of Ordinary Shares so elected, for the Rollover Option; or
- (b) subject to an overall 25 per cent. cap on such Elections (in aggregate), an amount of cash equal to the Cash Pool NAV per Share multiplied by the number of Ordinary Shares so elected, being the Cash Option.

Shareholders can make different Elections in respect of different parts of their holdings.

The default option under the Scheme is to receive New NAVF Shares, meaning that eligible Shareholders<sup>3</sup> who, in respect of all or part of their holding of Ordinary Shares, do not make a valid Election, or who do not make an Election, will be deemed to have elected for New NAVF Shares in respect of such holding. If you wish to receive New NAVF Shares in respect of all of your Ordinary Shares, there is no need to complete and return a Form of Election (which you will receive if you hold your Ordinary Shares in certificated form) or to submit a TTE Instruction (if you hold your Ordinary Shares in uncertificated form).

If you wish to receive cash in respect of all or part of your holding of Ordinary Shares (subject to the potential scaling back of Elections for the Cash Option), you must either complete and return a Form of Election or submit a TTE Instruction (depending on how your Shares are held) in respect of the number of Ordinary Shares for which you wish to make an Election for the Cash Option. You will be deemed to have elected to receive New NAVF Shares in respect of the remainder of your holding, as well as any scaled back Elections for the Cash Option.

After allocating cash and other assets to the Liquidation Pool to meet all known and unknown liabilities of the Company and other contingencies, there shall be appropriated to the Cash Pool and the Rollover Pool the remaining assets of the Company in the manner described in paragraph 3.3 in Part 3 of this document. Such appropriation includes the application of a discount of 2 per cent. to the AJG FAV per Share in relation to those Ordinary Shares in respect of which Shareholders have elected to receive cash. The value arising from the application of the Cash Option Discount shall be allocated to the Rollover Pool for the benefit of Shareholders electing, or deemed to have elected for, the Rollover Option. In the week commencing 16 October 2023, it is expected that the Liquidators shall distribute to Shareholders who have elected for the Cash Option their Cash Entitlements, being rounded down to the nearest penny.

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<sup>3</sup> Please refer to Part 3 in respect of the treatment of Overseas Shareholders.

**For illustrative purposes only**, had the Calculation Date been 5.00 p.m. on the Latest Practicable Date, after deduction of the Dividend and assuming that the maximum amount is elected for the Cash Option, the AJG FAV per Share would have been 189.22 pence and the NAVF FAV per Share would have been 148.24 pence which, for the Rollover Option, would have produced a conversion ratio of 1.28, meaning for every Share held in AJG, 1.28 New NAVF Shares would be issued to Shareholders who elected for the Rollover Option under the Scheme and, in aggregate, 38,987,891 New NAVF Shares would have been issued to Shareholders who elected for the Rollover Option under the Scheme.

**The above figures are for illustrative purposes only and do not represent forecasts. The AJG FAV per Share and NAVF FAV per Share and Shareholders' entitlements under the Proposals may materially change up to the Calculation Date as a result of, *inter alia*, changes in the value of investments. For details of the Scheme, please refer to Part 3 of this document.**

Overseas Shareholders should read the section headed "Overseas Shareholders and Sanctions Restricted Persons" below in this Part 1.

### **Scaling back of Elections for the Cash Option**

The maximum number of Ordinary Shares (in aggregate) that can be elected for the Cash Option is 25 per cent. of the total number of Ordinary Shares in issue (excluding Ordinary Shares held in treasury) as at the Calculation Date. Each Shareholder who validly elects to receive the Cash Option in respect of up to 25 per cent. of their individual holding of Ordinary Shares as at the Calculation Date, rounded down to the nearest whole share, will receive the full amount of cash for which they have elected (the "Basic Entitlement"). Shareholders are also entitled to elect to receive cash in respect of more than 25 per cent. of their individual holdings of Ordinary Shares (such excess amount being an "Excess Application"). However, if aggregate Elections are made for the Cash Option which exceed 25 per cent. of the issued Ordinary Shares (excluding Ordinary Shares held in treasury) as at the Calculation Date, Shareholders who have made an Election for the Cash Option in excess of their Basic Entitlement will have their Excess Applications scaled back in a manner which is, as near as practicable, *pro rata* to the number of Ordinary Shares elected under such Excess Applications. Ordinary Shares which are subject to such scaling back will be deemed to have elected for the Rollover Option.

## **8 DIVIDENDS**

The Company has declared a Dividend, in respect of the financial quarter ended 31 July 2023, of 1.96p per Ordinary Share with a record date of 25 August 2023 which will be paid on 29 September 2023. It is not anticipated that any further dividends will be paid by the Company in relation to the current financial period or for the period up to the liquidation of the Company.

## **9 RISK FACTORS**

Shareholders are strongly urged to read carefully the risk factors contained in Part 4 of this document which sets out the material risks known to the Directors at the date of this document in relation to the Proposals. **Shareholders are also strongly urged to read the sections containing risk factors in the NAVF Prospectus.**

## **10 TAXATION**

Shareholders are advised to read carefully the section headed "Taxation" in paragraph 7 of Part 2 of this document which sets out a general guide to certain aspects of current UK tax law and HMRC published practice.

**Please note that nothing in this document constitutes tax advice. Shareholders are strongly advised to consult their own professional advisers.**

## 11 SHAREHOLDER MEETING

The implementation of the Proposals will require a general meeting of the Company. The notice convening the Extraordinary General Meeting (to be held at 3.00 p.m. on 10 October 2023) is set out at the end of this document.

The Resolutions to be considered at the Extraordinary General Meeting will, if passed, approve the terms of the Scheme and associated amendments to the Company's Articles set out in Part 3 of this document, place the Company into liquidation, appoint the Liquidators, agree the basis of their remuneration, authorise the Liquidators to enter into and give effect to the Transfer Agreement with NAVF to renounce New NAVF Shares in favour of Shareholders in accordance with the Scheme and authorise the Liquidators to apply to cancel the listing of the Ordinary Shares with effect from such date as the Liquidators may determine.

Each Resolution to be proposed either as a special resolution or an extraordinary resolution will require at least 75 per cent. of the votes cast in respect of it to be voted in favour, whether in person or by proxy, in order for it to be passed.

If relevant, the Company will notify Shareholders of any changes to the proposed format for the Extraordinary General Meeting as soon as possible via a Regulatory Information Service and its website.

## 12 ACTION TO BE TAKEN BY SHAREHOLDERS

**Before taking any action, Shareholders are recommended to read the further information set out in this document and in the NAVF Prospectus.**

### 12.1 Elections

The default option under the Scheme is to receive New NAVF Shares meaning that eligible Shareholders<sup>4</sup> who, in respect of all or part of their holding of Ordinary Shares, do not make a valid Election or who do not make an Election at all under the Scheme will be deemed to have elected for New NAVF Shares in respect of such holding. If you wish to receive New NAVF Shares in respect of all of your Ordinary Shares, there is no need to complete and return a Form of Election (which you will receive if you hold your Ordinary Shares in certificated form) or to submit a TTE Instruction (if you hold your Ordinary Shares in uncertificated form).

If you wish to receive cash in respect of all or part of your holding of Ordinary Shares, you must either complete and return a Form of Election or submit a TTE Instruction (depending on how your Ordinary Shares are held) in respect of the number of Ordinary Shares for which you wish to receive cash. You will be deemed to have elected to receive New NAVF Shares in respect of the remainder of your holding.

You are requested to complete the Form of Election in accordance with the instructions printed thereon and return them to the Receiving Agent at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH as soon as possible, but in any event so as to be received no later than 1.00 p.m. on 5 October 2023.

### 12.2 Form of Proxy

All Shareholders are encouraged to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting and, if the Ordinary Shares are not held directly, to arrange for their nominee to vote on their behalf.

Shareholders are requested to complete and return proxy appointments to the Registrar by one of the following means:

- (a) By logging on to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions; or
- (b) By completing and signing the PINK Form of Proxy for use in relation to the Extraordinary General Meeting, in accordance with the instructions printed thereon and returning by post, by courier or by hand; or

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<sup>4</sup> Please refer to Part 3 in respect of the treatment of Overseas Shareholders.

- (c) In the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the notice of Extraordinary General Meeting.

In each case, the proxy appointments must be received by the Company as soon as possible and, in any event, so as to arrive by no later than 3.00 p.m. on 6 October 2023. To be valid, the relevant proxy appointment should be completed in accordance with the instructions accompanying it and lodged with the Registrar by the relevant time.

Completion and return of the Form of Proxy will not prevent you from attending and voting in person at the Extraordinary General Meeting should you wish to do so.

If any of the Resolutions to be proposed at the Extraordinary General Meeting are not passed, the Proposals will not proceed and the Company will not be wound up. In these circumstances, the Board will reassess the options available to the Company at that time.

### 12.3 **Overseas Shareholders and Sanctions Restricted Persons**

The attention of Overseas Shareholders is drawn to the paragraph titled “*Overseas Shareholders and Sanctions Restricted Persons*” in Part 3 of this document.

Overseas Shareholders will not receive a copy of the NAVF Prospectus unless they have satisfied the Directors and the NAVF Directors that they are entitled to receive and hold New NAVF Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or NAVF with any overseas laws, regulations, filing requirements or the equivalent.

Any US Shareholder (or any persons acting for the account or benefit of such US Shareholder) receiving this document is requested to execute the AI/QP Investor Letter annexed to the NAVF Prospectus and return it to NAVF.

If a US Shareholder does not execute and return the AI/QP Investor Letter, the NAVF Board reserves the right, at its absolute discretion, to require any New NAVF Shares to which such Ineligible US Shareholder is entitled and which such Ineligible US Shareholder would otherwise receive under the Scheme to be issued to the Liquidators as nominees for the relevant Ineligible US Shareholder and sold by the Liquidators in the market (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Ineligible US Shareholder and the value of the Shares held by the relevant Ineligible US Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid to the relevant Ineligible US Shareholder entitled to them as soon as reasonably practicable, and in any event no later than 10 Business Days after the date of sale, save that entitlements of less than £5.00 per Ineligible US Shareholder will be retained in the Liquidation Pool. If you have any queries relating to the execution of the AI/QP Investor Letter, please contact Computershare Investor Services PLC at [AJGOffer@computershare.co.uk](mailto:AJGOffer@computershare.co.uk) or +44(0)370 707 1235.

Non-US Shareholders are deemed to represent to the Company and NAVF that they are located outside of the United States and are not US Persons (and are not acting for the account or benefit of a US Person).

Subject to certain exceptions described herein, no action has been taken or will be taken in any jurisdiction other than the UK where action is required to be taken to permit the distribution of this document and/or the NAVF Prospectus. Accordingly, such documents may not be used for the purpose of, and do not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Overseas Shareholders who wish to receive New NAVF Shares under the Scheme should contact the Company directly if they are able to demonstrate, to the satisfaction of NAVF and/or the Liquidators and the Directors, that they can be issued New NAVF Shares without breaching any relevant securities laws. Unless NAVF and/or the Liquidators and the Directors are so satisfied (in their respective absolute discretions), to the extent that an Overseas Shareholder is entitled to and would otherwise receive New NAVF Shares under the Scheme, either because no Election for the Cash Option was made or because an Excess Application for the Cash Option is scaled back in accordance with the Scheme,

then such New NAVF Shares will be issued to the Liquidators as nominees for the relevant Overseas Shareholder and sold by the Liquidators in the market (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Overseas Shareholder and the value of the Shares held by the relevant Overseas Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid to the relevant Overseas Shareholder entitled to them as soon as reasonably practicable, and in any event no later than 10 Business Days after the date of sale, save that entitlements of less than £5.00 per Overseas Shareholder will be retained in the Liquidation Pool.

Sanctions Restricted Persons will not be entitled to participate in the Scheme.

### **13 RECOMMENDATION AND VOTING INTENTIONS**

The Board considers the Proposals and the Resolutions to be proposed at the Extraordinary General Meeting to be in the best interests of Shareholders as a whole.

**Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings, which total 170,000 Ordinary Shares (representing 0.42 per cent. of the Company's total voting rights) as at 11 September 2023. The Directors who hold Ordinary Shares (being myself, Philip Ehrmann, Richard Pavry and Michael Moule) intend to roll over their entire beneficial holdings of Ordinary Shares into New NAVF Shares.**

The Board cannot, and does not, give any advice or recommendation to Shareholders as to whether, or as to what extent, they should elect for any of the options under the Proposals. The choice between the options available under the Proposals will be a matter for each Shareholder to decide and will be influenced by his or her individual investment objectives and by his or her personal, financial and tax circumstances. Accordingly, Shareholders should, before deciding what action to take, read carefully all the information in this document and in the NAVF Prospectus.

**Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should seek their own personal financial advice from an appropriately qualified independent financial adviser authorised under FSMA.**

Yours sincerely

**Noel Lamb**

*Chairman*

## PART 2

### FURTHER DETAILS OF THE PROPOSALS

#### 1 IMPLEMENTATION OF THE SCHEME

Subject to the passing of the Resolutions (and satisfaction of the other conditions of the Scheme, full details of which are set out in paragraph 14 of Part 3 of this document), the Company will be placed into voluntary winding up and the Scheme will take effect from the Effective Date.

On the Calculation Date, the Company will divide its assets into three separate and distinct pools: the Liquidation Pool, the Cash Pool and the Rollover Pool. The Board shall appropriate to the Liquidation Pool such of the cash, undertaking and other assets of the Company estimated by the Board in consultation with the Liquidators to be sufficient to meet the outstanding current and future liabilities, including contingent liabilities, of the Company, including the costs of the Scheme which exceed the Rising Sun Contribution and a retention to meet unknown and unascertained liabilities of the Company. Further details of the Liquidation Pool are set out in paragraph 3.3 of Part 3 of this document.

The balance of the cash, undertaking and other assets of the Company will be allocated to the Rollover Pool and the Cash Pool, each of which will represent the respective entitlements of Shareholders to either New NAVF Shares (the Rollover Option) or cash (the Cash Option) in accordance with the Elections accepted under the Scheme.

On the Effective Date, the cash, undertaking and other assets of the Company comprising the Rollover Pool shall be transferred to NAVF. In consideration for the transfer of the Rollover Pool to NAVF under the Transfer Agreement, the relevant numbers of New NAVF Shares will be allotted to the Liquidators who will renounce the New NAVF Shares in favour of the Shareholders who elect or are deemed to have elected for the Rollover Option (save that New NAVF Shares issued in favour of Overseas Shareholders and Ineligible US Shareholders shall be held by the Liquidators as the nominee for the relevant Shareholder).

To the extent that any part of the Liquidation Pool, including the Liquidator's retention, is not subsequently required to discharge the Company's liabilities, it will be distributed in cash, to the Shareholders shown on the Register on the Effective Date, at the conclusion of the liquidation provided that if any such amount payable to any Shareholder is less than £5.00, it shall not be paid to Shareholders but instead will be sent to charity.

#### 2 TRANSFER AGREEMENT

If the Proposals become effective, on the Effective Date, or as soon as practicable thereafter, NAVF and the Liquidators (in their personal capacity and on behalf of the Company) shall enter into and implement the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto), whereby the Liquidators shall procure the transfer of the cash, undertaking and other assets of the Company comprising the Rollover Pool to NAVF (or its nominee), in consideration for the allotment of New NAVF Shares to the Liquidators (as nominees for the Shareholders entitled to them), such shares to be renounced by the Liquidators in favour of the holders of Reclassified Shares with "A" rights on the basis referred to in paragraph 2.2 of Part 3.

Each of the parties to the Transfer Agreement agrees with and undertakes to the others that, so far as may be within its respective powers, it shall implement the Scheme in accordance with its terms.

#### 3 ELECTIONS

##### 3.1 Shares held in uncertificated form (that is, in CREST)

A Shareholder (other than Sanctions Restricted Persons) holding Ordinary Shares in uncertificated form who wishes to make an Election for the Cash Option in respect of all or part of their holding of Ordinary Shares, should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares for which they wish to make an Election for the Cash Option, specifying the Receiving Agent in its capacity as a CREST receiving agent under its participant ID (referred to below) as the escrow agent, as soon as possible and, in any event, so that the TTE Instruction is received no later than 1.00 p.m. on 5 October 2023.



If you hold Ordinary Shares in CREST but under different member account IDs, you should submit a separate TTE Instruction in respect of each member account ID.

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

To make an Election in respect of the Cash Option you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, the following details:

- (a) the ISIN number for the Ordinary Shares. This is GG00B61ND550;
- (b) the number of Ordinary Shares in relation to the relevant Election;
- (c) your member account ID;
- (d) your participant ID;
- (e) the participant ID of the escrow agent, Computershare, in its capacity as a CREST receiving agent. This is: 8RA20;
- (f) the member account ID of the escrow agent, Computershare. This is: AJGJM01
- (g) the Corporate Action Number for the Scheme. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (h) the intended settlement date for the transfer to escrow. This should be as soon as possible after receipt of your Election and in any event by no later than 1.00 p.m. on 5 October 2023;
- (i) the standard delivery instruction with Priority 80; and
- (j) the contact name and telephone number inserted in the shared note field.

After settlement of the TTE Instruction, you will not be able to access the Ordinary Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent as your escrow agent until completion or lapsing of the Scheme.

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

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 5 October 2023. In connection with this, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

### 3.2 Shares held in certificated form

Shareholders (other than Sanctions Restricted Persons) who hold their Ordinary Shares in certificated form (i.e. not in CREST) who wish to make an Election for the Cash Option in respect of all or part of their holding in Ordinary Shares should complete and sign the enclosed personalised BLUE Form of Election:

- (a) inserting the total number of Ordinary Shares in AJG they wish to attribute in Box 2A for the Rollover Option (i.e. for New NAVF Shares); and
- (b) inserting in Box 2B the total number of Ordinary Shares in AJG they wish to attribute for the Cash Option,

and return the Form of Election using the relevant enclosed reply-paid envelope (for use within the UK only) to the Receiving Agent by post to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH as soon as possible but, in any event, so as to be received not

later than 1.00 p.m. on 5 October 2023. Forms of Election, once submitted, will be irrevocable without the consent of the Directors.

#### **4 SETTLEMENT AND DEALINGS IN NEW NAVF SHARES**

Applications will be made by NAVF to the FCA for the New NAVF Shares to be admitted to the Official List and to trading on the premium segment of the Main Market. If the Scheme becomes effective, it is expected that the New NAVF Shares will be so admitted and that the first day of dealings will be 11 October 2023.

New NAVF Shares will be issued in registered form and may be held in either certificated or uncertificated form. Shareholders who held their Ordinary Shares in certificated form at the Record Date and who have elected (or are deemed to have elected) for New NAVF Shares will receive their New NAVF Shares in certificated form. It is expected that share certificates in respect of such New NAVF Shares will be despatched to the Shareholders entitled thereto during the week commencing 16 October 2023.

Shareholders who held their Ordinary Shares in uncertificated form at the Record Date and who have elected (or are deemed to have elected) for New NAVF Shares will receive their New NAVF Shares in uncertificated form on 11 October 2023, although NAVF reserves the right to issue such securities in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST or of the facilities or system operated by NAVF's registrar in connection with CREST. NAVF will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to New NAVF Shares in uncertificated form.

Fractional entitlements to New NAVF Shares issued pursuant to the Scheme will not be issued under the Proposals and entitlements will be rounded down to the nearest whole number. No cash payment shall be made or returned in respect of any fractional entitlements.

Cheques in respect of the cash amounts due to Shareholders who elect for cash are expected to be despatched to them in the week commencing 16 October 2023. It is expected that Shareholders who hold their Ordinary Shares in CREST will receive their cash entitlements through CREST in the week commencing 16 October 2023.

##### **4.1 Mandates and communication preferences**

All mandates in force at the Record Date relating to payment of dividends on the Ordinary Shares and all instructions then in force relating to notices and other communications will, unless and until varied or revoked, be deemed from the Effective Date to be valid and effective mandates or instructions to NAVF.

##### **4.2 Share certificates**

Existing certificates in respect of Ordinary Shares will cease to be of tradable value following suspension of dealings in the Ordinary Shares.

##### **4.3 General**

All documents and remittances dispatched to or from Shareholders or their appointed agents in connection with the Proposals will be despatched at Shareholders' own risk.

#### **5 OVERSEAS SHAREHOLDERS AND SANCTIONED RESTRICTED PERSONS**

The issue of New NAVF Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Shareholders should inform themselves about and observe any legal requirements. In particular:

- (a) the New NAVF Shares have not been and will not be registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States, and the New NAVF Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and the relevant clearances have not been, and will not be, obtained from the securities commission of any member state of the European Economic Area, any province of Canada, Australia, Japan or the Republic of South Africa;

- (b) there has not been and will be no public offer of the New NAVF Shares in the United States;
- (c) NAVF is not, and does not intend to be, registered under the US Investment Company Act of 1940, and investors are not, and will not be, entitled to the benefits of the US Investment Company Act; and
- (d) no offer is being made, directly or indirectly, under the Scheme, in or into by the use of mails, or by means of instrumentality (including, without limitation, facsimile, or transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange, of the United States (subject to certain exceptions described herein), any member state of the European Economic Area, Canada, Australia, New Zealand, Japan or the Republic of South Africa.

It is the responsibility of Shareholders with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of New NAVF Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction. Shareholders who are subject to taxation outside the UK should consult their independent financial adviser as soon as possible.

Unless otherwise expressly agreed with the Company, any Shareholder that votes on the Proposals and any Shareholder that makes an Election will be deemed to make the representations, warranties, undertakings, agreements and acknowledgements set out in the Form of Proxy and Form of Election, including that they are either: (i) located outside the United States and not a US Person; or (ii) an AI and a QP. In addition, until 40 days after the implementation of the Scheme, an offer, sale or transfer of New NAVF Shares within the United States by a dealer (whether or not participating in the Scheme) may violate the registration requirements of the US Securities Act.

Any receipt of cash pursuant to the Scheme by a US Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each US Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Cash Option.

It may be difficult for US Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since NAVF is located in a foreign country, and all of its officers and directors are residents of a foreign country. US Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgement. Whether located in the United States or elsewhere, US Shareholders will receive any cash consideration in Pounds Sterling.

Any US Shareholder (or any persons acting for the account or benefit of such US Shareholder) receiving this document is requested to execute the AI/QP Investor Letter annexed to the NAVF Prospectus and return it to NAVF. If a US Shareholder does not execute and return the AI/QP Investor Letter, the NAVF Board reserves the right, at its absolute discretion, to require any New NAVF Shares to which such Ineligible US Shareholder is entitled and would otherwise receive under the Scheme to be issued to the Liquidators as nominees for the relevant Ineligible US Shareholder and sold by the Liquidators in the market (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Ineligible US Shareholder and the value of the Shares held by the relevant Ineligible US Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid to the relevant Ineligible US Shareholder entitled to them as soon as reasonably practicable, and in any event no later than 10 Business Days after the date of sale, save that entitlements of less than £5.00 per Ineligible US Shareholder will be retained in the Liquidation Pool. If you have any queries relating to the execution of the AI/QP Investor Letter, please contact Computershare Investor Services PLC at [AJGOffer@computershare.co.uk](mailto:AJGOffer@computershare.co.uk) or +44(0)370 707 1235.

Non-US Shareholders are deemed to represent to the Company and NAVF that they are located outside of the United States and are not US Persons (and are not acting for the account or benefit of a US Person).

Overseas Shareholders who wish to receive New NAVF Shares under the Scheme should contact the Company directly if they are able to demonstrate, to the satisfaction of NAVF and/or the Liquidators and the Directors, that they can be issued New NAVF Shares without breaching any relevant securities laws. Unless NAVF and/or the Liquidators and the Directors are so satisfied (in their respective absolute discretions), to the extent that an Overseas Shareholder is entitled to and would otherwise receive New

NAVF Shares under the Scheme in respect of their “A” rights, either because no Election for the Cash Option was made or because an Excess Application for the Cash Option is scaled back in accordance with the Scheme, such New NAVF Shares will be issued to the Liquidators as nominees on behalf of such Overseas Shareholder who will arrange for such shares to be sold promptly by a market maker. The net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid to the relevant Overseas Shareholder entitled to them as soon as reasonably practicable, and in any event no later than 10 Business Days after the date of sale, save that entitlements of less than £5.00 per Ineligible US Shareholder will be retained in the Liquidation Pool.

Overseas Shareholders will not receive a NAVF Prospectus unless they have satisfied the NAVF Directors that they are entitled to receive and hold New NAVF Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or NAVF with any overseas laws, regulations, filing requirements or the equivalent.

Sanctions Restricted Persons shall not be entitled to participate in the Scheme.

## **6 COMMON REPORTING STANDARDS**

Investment trusts are required to report the tax residence of their shareholders. Subject to the Scheme becoming effective, those Shareholders of the Company that are not already on the register of NAVF and who hold their NAVF Shares in certificated form will be sent a document along with their new share certificate in the enlarged NAVF which those Shareholders should complete and return to the Registrar.

## **7 TAXATION**

**The information set out below relates to UK taxation applicable to the Company and its Shareholders who are resident only in the UK for tax purposes and who hold Shares as an investment. Accordingly, this information may not relate to certain categories of Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment who may be taxed differently. The information is based on existing UK taxation law and HMRC published practice in force as at the date of this document and is, therefore, subject to any subsequent changes (possibly with retrospective effect). The information is given by way of general summary only and does not constitute legal or tax advice to any person.**

This document does not address the US federal income tax considerations applicable to an investment in the New NAVF Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequence of any such investment.

Shareholders are strongly advised to consult their own professional advisers in relation to the tax consequences of these arrangements.

### **7.1 The Company**

The Company has obtained approval from HMRC as satisfying the conditions for approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and Chapter 1 of Part 2 of the Investment Trust (Approved Company) (Tax) Regulations 2011.

The Proposals should not prejudice the ability of the Company to retain its investment trust status in respect of the accounting period that ended on 30 April 2023 and in respect of the current accounting period, which will end on the day immediately preceding the Effective Date if the Company is placed into voluntary winding up on that day. Furthermore, the proposed method of winding up the Company and the scheme of reconstruction is such that pursuant to regulations 15 and 16 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company should remain eligible to be treated as an investment trust for the accounting period which includes the date on which its assets are sold and/or transferred by the Liquidators pursuant to the Transfer Agreement. Accordingly, the transfer of the Company's assets held within the Rollover Pool and the realisation of the Company's assets held within the Cash and the Liquidation Pool under the Scheme should not give rise to a liability to UK taxation of chargeable gains for the Company. However, there can be no absolute assurance that investment trust status will be preserved and the absence of such status in any accounting period

would mean the Company would be liable to pay UK taxation on its chargeable gains (net of any allowable losses) in that period.

## 7.2 Shareholders

### (a) **Reclassified Shares**

For the purposes of UK taxation of chargeable gains, a Shareholder should not be regarded as having disposed of their Shares on the reclassification of the Shares into Shares with “A” rights and Shares with “B” rights (as relevant). Instead, the Shareholder should be regarded as having acquired the Reclassified Shares at the same time and for the same aggregate base cost as their original holding of Shares.

Where a Shareholder’s Shares are reclassified into both Shares with “A” rights and Shares with “B” rights, the Shareholder’s base cost in their original holding of Shares should be apportioned by reference to the respective market values of the Shares with “A” rights and Shares with “B” rights received, as at the time the Reclassified Shares are first listed.

### (b) **Cash Option**

Shareholders who receive cash under the Scheme pursuant to the Cash Option should be regarded as having made a disposal of their Reclassified Shares with “B” rights on the distribution of cash by the Liquidators and may be subject to UK taxation of chargeable gains depending on the particular circumstances of the Reclassified Shareholder concerned.

### (c) **Rollover Option**

The Company has been advised that the exchange of Shares with “A” rights for New NAVF Shares pursuant to the Rollover Option should constitute a scheme of reconstruction for the purposes of the UK taxation of chargeable gains, and that such exchange should not constitute a disposal of the Shares with “A” rights for the purposes of the UK taxation of chargeable gains. Instead, the New NAVF Shares issued pursuant to the Rollover Option should be treated as replacing the Shares with “A” rights for which they were exchanged and should be treated as having been acquired at the same time and for the same base cost as those Shares with “A” rights are treated as having been acquired.

Any subsequent disposal of the New NAVF Shares may result in the holder of those new NAVF Shares realising a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains, depending on the holder’s particular circumstances.

### (d) **Liquidation Pool surplus**

As provided for in paragraph 9 of Part 3 of this document, any remaining balance in the Liquidation Pool after the discharge of the Company’s liabilities will be distributed in cash to the Shareholders on the Register on the Effective Date. To the extent that Shareholders receive a distribution from the Liquidation Pool in respect of their Reclassified Shares, the amount received will generally be treated as consideration for a disposal of their shares. This is subject to an exception for certain “small” capital distributions which, if applicable, may instead allow the Shareholder to treat the base cost attributable to their relevant shares as reduced by the amount of the small capital distribution (to the extent it does not exceed the base cost).

### (e) **HMRC clearance**

Shareholders are advised that a clearance has been obtained from HMRC pursuant to section 138 of the TCGA that the treatment described above under “Rollover Option” is not to be prevented, by virtue of section 137(1) of the TCGA, from applying to them. HMRC has also confirmed that no counteraction notice under section 698 of the Income Tax Act 2007 or section 746 of Corporation Tax Act 2010 should be served in respect of the transaction.

### (f) **ISAs and SIPPs**

New NAVF Shares are eligible for inclusion in an ISA or SIPP. Accordingly, where Shares currently held within an ISA or SIPP are exchanged for New NAVF Shares pursuant to the Rollover Option, those New NAVF Shares can generally be retained within the ISA or SIPP, subject to the specific terms applicable to the ISA or SIPP. Similarly, where cash is received pursuant to the Cash Option

in respect of Shares held within an ISA or SIPP, that cash may also generally be retained within the ISA or SIPP.

(g) **Stamp duty and SDRT**

It is not expected that any UK stamp duty or SDRT will be payable by the Company or the Shareholders in relation to the liquidation of the Company or on the receipt by Shareholders of new NAVF Shares under the Rollover Option. UK stamp duty and SDRT may be incurred by the Company in relation to any realignment of the Company's investment portfolio prior to the Effective Date and by NAVF in relation to the transfer of chargeable assets within the Rollover Pool, in addition to other non-UK transfer taxes that may be payable. Non-UK transfer taxes may also be payable by the Company on the transfer of the assets comprising the Rollover Pool to NAVF.

## **8 GENERAL**

All documents and remittance despatched to or from Shareholders or their appointed agents in connection with the Proposals will be despatched at Shareholders' own risk.

## PART 3

### THE SCHEME

#### 1 DEFINITIONS AND INTERPRETATION

Words and expressions defined in Part 7 of this document have the same meanings when used in this Scheme.

#### 2 ELECTIONS AND ENTITLEMENTS UNDER THE SCHEME

- 2.1 The maximum number of Ordinary Shares that can be elected for the Cash Option (in aggregate) is 25 per cent. of the total number of Ordinary Shares in issue (excluding Ordinary Shares held in treasury) as at the Calculation Date. Each Shareholder who validly elects to receive the Cash Option in respect of up to 25 per cent. of their individual holding of Ordinary Shares as at the Calculation Date, rounded down to the nearest whole share, will receive the full amount of cash for which they have elected (the “**Basic Entitlement**”). Shareholders are also entitled to elect to receive cash in respect of more than 25 per cent. of their individual holdings of Ordinary Shares (such excess amount being an “**Excess Application**”). However, in the event that aggregate Elections are made for the Cash Option which exceed 25 per cent. of the issued Ordinary Shares (excluding Ordinary Shares held in treasury) as at the Calculation Date, Shareholders who have made an Election in excess of their Basic Entitlement shall have their Excess Applications scaled back in a manner which is, as near as practicable, *pro rata* to the number of Ordinary Shares elected under such Excess Applications. Ordinary Shares which are subject to such scaling back will be deemed to have elected for the Rollover Option.
- 2.2 Subject to the first Resolution contained in the notice of the Extraordinary General Meeting being passed and becoming unconditional:
- (a) the Ordinary Shares in respect of which the holders have made, or are deemed to have made (including as a result of scaling back any Excess Applications in accordance with paragraph 2.1 in this Part 3), valid Elections for the Rollover Option will be reclassified as Ordinary Shares with “A” rights; and
  - (b) the Ordinary Shares in respect of which the holders have made, or are deemed to have made (after scaling back any Excess Applications in accordance with paragraph 2.1 in this Part 3), valid Elections for the Cash Option will be reclassified as Ordinary Shares with “B” rights.
- 2.3 The rights of the Ordinary Shares following the passing of such Resolution will be the rights as set out in Article 6.B to be inserted in the Articles of the Company pursuant to the first Resolution contained in the notice of the Extraordinary General Meeting and references to Shareholders will be construed accordingly.
- 2.4 In advance of the Effective Date, the Directors intend that the Company (or its agents) will have, to the extent practicable, realised or realigned the undertaking and business carried on by the Company in order to repay its existing debt facilities, pay any outstanding transaction invoices exceeding the Rising Sun Contribution and fund the Liquidation Pool and will hold investments suitable for transfer to NAVF by virtue of the Transfer Agreement.
- 2.5 Holders of Reclassified Shares with “B” rights will receive the Cash Pool NAV per Share multiplied by the total number of Reclassified Shares with “B” rights held by them and rounded down to the nearest penny.
- 2.6 Holders of Reclassified Shares with “A” rights will receive such number of New NAVF Shares as is calculated pursuant to paragraph 8.1 of this Part 3.

#### 3 APPORTIONMENT OF THE COMPANY’S TOTAL ASSETS

- 3.1 Subject to the Resolutions contained in the notice of the Extraordinary General Meeting being passed at such meeting and becoming unconditional, on the Calculation Date, or as soon as practicable thereafter, the Directors, in consultation with the proposed Liquidators, will calculate the aggregate

value of the total assets of the Company, the Residual Net Asset Value, the AJG FAV per Share, the Cash Pool NAV and the Cash Pool NAV per Share in accordance with paragraph 4 below.

- 3.2 Prior to the Calculation Date the Company shall present Rising Sun with an invoice in respect of an initial payment of the Rising Sun Contribution. Rising Sun will ensure that the Company is in funds in respect of the Rising Sun Contribution prior to the Calculation Date. The NAV of the Company as at the Calculation Date will therefore only be reduced by Scheme transaction costs to the extent that these exceed £800,000.
- 3.3 On the Calculation Date, or as soon as practicable thereafter, the Directors, in consultation with the proposed Liquidators, shall procure the finalising of the division of the Company's undertaking, cash and other assets into three separate and distinct pools, namely the Liquidation Pool, the Cash Pool and the Rollover Pool, as follows and in the following order:
- (a) first, there shall be appropriated to the Liquidation Pool cash and other assets of the Company (including, without limitation, the right to receive any and all interest, income, distribution, right or benefit and dividends, due but not paid to the Company by the Calculation Date and any illiquid and hard to value assets in the portfolio of the Company (and such illiquid and hard to value assets shall be valued at nil)), which the Liquidators may call in, realise and convert into cash as they consider necessary, of a value calculated in accordance with paragraph 4.1 of this Part 3, which is estimated by the proposed Liquidators, in consultation with the Directors, to be sufficient to meet the current and future, actual and contingent liabilities of the Company, including, without prejudice to the generality of the foregoing and save to the extent that the same have already been paid or already deducted in calculating the total assets of the Company including via the Rising Sun Contribution in accordance with paragraph 3.2 of this Part 3:
- a. the costs and expenses incurred and to be incurred by the Company and the Liquidators in formulating, preparing and implementing the Proposals and the Scheme and in preparing this document and all associated documents in each case as not otherwise paid prior to the liquidation;
- b. the costs and expenses incurred and to be incurred by the Company and the Liquidators in preparing and implementing the Transfer Agreement;
- c. any unclaimed dividends of the Company (so far as not previously paid) and any declared but unpaid dividends of the Company;
- d. the costs and expenses of liquidating the Company (which includes the costs and expenses in relation to the Liquidators maintaining the Company in liquidation until the date of the final meeting of the Company), including the fees and expenses of the Liquidators and the Registrar;
- e. any unquoted assets in the portfolio of the Company (as applicable and provided such assets shall be valued at nil)
- f. any tax liabilities of the Company; and
- g. an amount considered by the Liquidators to be appropriate to provide for any unascertained, unknown or contingent liabilities of the Company (such amount not expected to exceed £100,000 in aggregate); and
- (b) second, there shall be appropriated to the Cash Pool and the Rollover Pool all the undertaking, cash and other assets of the Company remaining after the appropriation referred to in paragraph (a) above, on the following basis:
- a. there shall first be appropriated to the Cash Pool such proportion of the undertaking, cash and other assets as shall equal the Cash Pool NAV as set out in paragraph 3.5 of this Part 3; and
- b. there shall be appropriated to the Rollover Pool the balance of the undertaking, cash and assets of the Company as the Company, acting by its Liquidators in consultation with the other parties to the Transfer Agreement, shall determine as being suitable for the purpose, and so as not to cause any infringement of the investment objective and investment policy of NAVF;



- 3.4 The Residual Net Asset Value shall be equal to the gross assets of the Company as at the Calculation Date less the value of the cash and other assets appropriated to the Liquidation Pool and adjusted for any dividends declared by the Company including the Dividend.
- 3.5 The Cash Pool NAV shall be equal to the AJG FAV per Share minus a 2 per cent. discount (the “**Cash Option Discount**”) multiplied by the total number of Reclassified Shares with “B” rights. The Cash Pool NAV per Share shall be equal to the Cash Pool NAV divided by the total number of Reclassified Shares with “B” rights and rounded down to six decimal places.
- 3.6 The AJG FAV per Share (expressed in pence) shall be equal to the difference between the Residual Net Asset Value and the Cash Pool NAV divided by the total number of Reclassified Shares with “A” rights and rounded down to six decimal places.
- 3.7 Interest, income and other rights or benefits accruing in respect of any of the undertaking, cash or other assets comprised in any of the Liquidation Pool, Cash Pool or Rollover Pool shall form part of that pool, provided that any income, dividend, distribution, interest or other right or benefit on any investment marked “ex” the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Calculation Date shall be deemed to form part of the Liquidation Pool.

#### **4 CALCULATIONS OF VALUE**

- 4.1 Except as otherwise provided in the Scheme, for the purposes of calculating the value of the Company’s assets at any time and date at which the calculation of value is required by the Scheme, the assets and liabilities of the Company shall be valued on the following basis:
- (a) investments which are listed, quoted or traded on any recognised stock exchange will be valued by reference to the bid price on the principal stock exchange where the relevant investment is listed, quoted or traded at the Relevant Time and according to the prices shown by the relevant exchange’s method of publication of prices for such investments or, in the absence of such recognised method by the latest price available prior to the Relevant Time. If the relevant exchange is not open for business at the Relevant Time, the investments will be valued as at the latest day prior to the relevant date on which the relevant stock exchange was open for business;
  - (b) unlisted investments or quoted investments which are subject to restrictions on transferability or which, in the opinion of the Directors (or a duly constituted committee thereof) are otherwise illiquid shall be valued at their fair value as determined by the Directors and any unquoted or hard to value assets shall be valued at nil;
  - (c) cash and deposits with, or balances at, a bank together with all bills receivable, money market instruments and other debt securities not included in paragraphs (a) or (b) above and held by the Company as at the Relevant Time will be valued at par (together with interest accrued up to the Calculation Date);
  - (d) any sums owing from debtors (including any dividends due but not paid and any accrual of interest on debt-related securities to the extent not already taken into account under paragraphs (a) and (b) above) as at the Relevant Time shall be valued at their actual amount less such provision for diminution of value (including provisions for bad or doubtful debts or discount to reflect the time value of money) as may be determined by the Directors;
  - (e) assets denominated in currencies other than Sterling will be converted into Sterling at the closing mid-point rate of exchange of Sterling and such other currencies prevailing as at the Relevant Time as may be determined by the Directors; and
  - (f) liabilities shall be valued in accordance with the Company’s normal accounting policies.

In this paragraph 4.1, the “**Relevant Time**” means the time and date at which any calculation of value is required by the Scheme to be made. The Directors shall consult with the Liquidators in making determinations pursuant to this paragraph 4.1.

- 4.2 Notwithstanding the foregoing, the Directors or a duly authorised committee thereof, may, in their absolute discretion (but in consultation with the Liquidators), permit an alternative method of valuation to be used if, acting in good faith, they consider that such valuation better reflects the fair value of any asset or security. None of the Directors, the Company or the Liquidators will be under any liability by

reason of the fact that a valuation believed to be appropriate may subsequently be found not to have been appropriate.

- 4.3 None of the Company, the Directors, the Investment Manager, the Investment Adviser, NAVF, the NAVF Directors, Rising Sun nor the Liquidators shall be under any liability by reason of the fact that a price reasonably believed to be the appropriate market price of any listed investment or any valuation reasonably believed to be appropriate may subsequently be found not to have been the appropriate market price or valuation, except in the case of fraud or bad faith.

## **5 PROVISION OF INFORMATION BY THE LIQUIDATORS**

- 5.1 On the Effective Date, or as soon as practicable thereafter, the Liquidators shall procure that there shall be delivered to NAVF (or its nominee) particulars of the undertaking, cash and other assets comprising the Rollover Pool and the Cash Pool in accordance with the terms of the Transfer Agreement and a list, certified by the Registrar, of the names and addresses of each holder of Reclassified Shares with “A” rights and the number of Reclassified Shares with “A” rights held by each of them.

## **6 TRANSFER OF ASSETS AND LIABILITIES**

- 6.1 On the Effective Date, or as soon as practicable thereafter, the Liquidators (in their personal capacity and on behalf of the Company) shall enter into and implement the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto), whereby the Liquidators shall procure the transfer of the cash, undertaking and other assets of the Company comprising the Rollover Pool to NAVF (or its nominee) in consideration for the allotment of New NAVF Shares to the Liquidators (as nominees for the Shareholders entitled to them), such shares to be renounced by the Liquidators in favour of the holders of Reclassified Shares with “A” rights on the basis referred to in paragraph 8 below.
- 6.2 The Transfer Agreement provides that the assets to be transferred to NAVF shall be transferred with such rights and title as the Company may have in respect of the same or any part thereof subject to and with the benefit of all and any rights, restrictions, obligations, conditions and agreements affecting the same or any part thereof, excluding any income, dividend, distribution, interest or other right or benefit on any investment marked “ex” the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Calculation Date (which shall be deemed to form part of the Liquidation Pool). The Transfer Agreement further provides that the Company, acting by the Liquidators, insofar as they are reasonably able to do so by law or otherwise, shall comply with all reasonable requests made by NAVF (or its nominee) in respect of the cash, undertaking and other assets of the Company to be acquired and shall, in particular, account to NAVF for all income, dividends, distributions, interest and other rights and benefits in respect of such cash, undertaking and other assets, received after the Effective Date.

## **7 DISTRIBUTION OF THE CASH POOL**

Cash entitlements payable to the holders of Reclassified Shares with “B” rights will be distributed by the Liquidators, through the Registrar and pursuant to the Scheme, in cash to each such holder who has elected for the Cash Option in proportion to its respective holding of Reclassified Shares with “B” rights and shall be equal to the Cash Pool NAV per Share multiplied by the number of Reclassified Shares with “B” rights, rounded down to the nearest penny.

## **8 ISSUE OF NEW NAVF SHARES**

- 8.1 In consideration for the transfer of the Rollover Pool to NAVF in accordance with paragraph 6 above, the New NAVF Shares shall be issued to holders of Ordinary Shares with “A” rights on the basis that the number of such shares to which each such holder is entitled shall be determined in accordance with the following formula (rounded down to the nearest whole number of NAVF Shares):

$$\text{Number of NAVF Shares} = \frac{A}{B} \times C$$

where:

A is the AJG FAV per Share (as at the Calculation Date);

B is the NAVF FAV per Share (as at the Calculation Date); and

C is the aggregate number of Reclassified Shares with "A" rights held by the relevant Shareholder.

- 8.2 No value will be attributable to Ordinary Shares held in treasury by the Company. Fractions of New NAVF Shares will not be issued under the Scheme and entitlements to such New NAVF Shares will be rounded down to the nearest whole number. Any assets representing a fraction of the entitlements of holders of Reclassified Shares with "A" rights and whose holding of New NAVF Shares is rounded down shall be retained by NAVF and represent an accretion to its assets.
- 8.3 The New NAVF Shares to be issued pursuant to paragraph 8.1 will be allotted, credited as fully paid, to the Liquidators (as nominee for the Shareholders entitled thereto) as soon as practicable after the delivery to NAVF (or its nominee) of the particulars referred to in paragraph 5.1 above, whereupon the Liquidators will renounce the allotments of New NAVF Shares in favour of Shareholders entitled to them under the Scheme. On such renunciation, NAVF will issue the New NAVF Shares to the Shareholders entitled thereto. NAVF shall:
- (a) in the case of the New NAVF Shares issued in certificated form, arrange for the despatch of certificates for such shares issued under the Scheme to the Shareholders entitled thereto at their respective addresses in the Register (and, in the case of joint holders, to the address of the first-named) or to such other person and address as may be specified by such persons in writing, in each case at the risk of the persons entitled thereto; and
  - (b) in the case of the New NAVF Shares issued in uncertificated form, procure that Euroclear is instructed on the Business Day following the Effective Date (or as soon as practicable thereafter) to credit the appropriate stock accounts in CREST of the Shareholders entitled thereto with their respective entitlements to New NAVF Shares issued under the Scheme.
- 8.4 NAVF shall be entitled to assume that all information delivered to it in accordance with paragraph 8.3 above is correct and to utilise the same in procuring registration in the NAVF register of members of the holders of the New NAVF Shares issued under the Scheme.
- 8.5 The New NAVF Shares issued pursuant to the AJG Scheme will rank *pari passu* with the existing NAVF Shares then in issue (save for any dividends or other distributions declared, made or paid on the NAVF Shares by reference to a record date prior to the issue of the relevant New NAVF Shares).

## **9 APPLICATION OF LIQUIDATION POOL**

On or following the Effective Date, the Liquidation Pool shall be applied by the Company (acting by the Liquidators) in discharging the liabilities of the Company. The remaining balance of the Liquidation Pool, if any, shall be distributed in cash by the Liquidators pursuant to the Scheme, to all Shareholders (excluding Ordinary Shares held in treasury) (in each case being those Shareholders on the Effective Date in proportion to the respective holdings of Ordinary Shares on the Effective Date) provided that, if any such amount payable to any Shareholder is less than £5.00, it shall not be paid to Shareholders but instead will be sent to charity. The Liquidators will also be entitled to make interim payments to Shareholders in proportion to their holdings of Ordinary Shares. The Liquidators will only make such distribution if there is sufficient cash available and if the Liquidators are of the view that it is cost effective to make an interim distribution.

## **10 FORMS OF ELECTION**

For the purposes of the Forms of Election, the provisions of which form part of the Scheme:

- (a) if, on any Form of Election, the total of a Shareholder's Elections is greater than their actual holding as at the Record Date, each Election made by such Shareholder on that Form of Election will be decreased, so that the total of such Election(s) shall equal their total holding and, in any such case, such decreased Election(s) will be deemed to be the Election(s) made by such Shareholder on the Form of Election for all purposes of this Scheme;

- (b) if, on any Form of Election, the total of a Shareholder's Elections is less than their actual holding as at the Record Date, then for the balance of such Shareholder's Shares, that Shareholder will be deemed to have elected for the Rollover Option;
- (c) a Shareholder who makes no Election by the due date, or in respect of whom no Form of Election has been duly and validly completed in accordance with the instructions therein, shall be deemed to have made an Election for the Rollover Option in respect of all of the Ordinary Shares held by him/her for all purposes of the Scheme;
- (d) by signing and delivering a Form of Election and in consideration of the Company agreeing to process the Form of Election, a Shareholder agrees that the Election made on the Form of Election will be irrevocable (other than with the consent of the Directors) and, by such signature and delivery, such Shareholder represents and warrants that his Election is valid and binding and is made in accordance with all applicable legal requirements (including the requirements of any applicable jurisdiction outside the UK); and
- (e) any questions as to the extent (if any) to which Elections will be met and as to the validity of any Form of Election shall be at the discretion of the Directors, whose determination shall be final.

## **11 MODIFICATIONS**

The provisions of the Scheme will have effect subject to such non-material modifications or additions as the Directors and the parties to the Transfer Agreement may from time to time approve in writing.

## **12 RELIANCE ON INFORMATION**

The Company, the Directors, the Liquidators, the Registrar, the Receiving Agent, Rising Sun, the Investment Manager, the Investment Adviser, the NAVF Directors and NAVF shall be entitled to act and rely, without enquiry, on any information furnished or made available to them or any of them (as the case may be) in connection with the Scheme and the Transfer Agreement, including, for the avoidance of doubt, any certificate, opinion, advice, valuation, evidence or other information furnished or made available to them by the Company, the Directors (or any of them), the Investment Manager, the Investment Adviser, NAVF, the NAVF Directors (or any of them), Rising Sun, the Registrar, the Receiving Agent or their respective professional advisers, and no such person shall be liable or responsible for any loss suffered as a result thereof by the Company, any Shareholder, NAVF or any NAVF Shareholder.

## **13 LIQUIDATORS' LIABILITY**

Nothing in the Scheme or in any document executed under or in connection with the Scheme will impose any personal liability on the Liquidators or either of them save for any liability arising out of any negligence, fraud, bad faith, breach of duty or wilful default by the Liquidators in the performance of their duties and this will, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the Scheme, the Transfer Agreement or any act which the Liquidators do or omit to do at the request of NAVF.

## **14 CONDITIONS**

14.1 The Scheme is conditional upon:

- (a) completion of the Migration;
- (b) the recommendation of the boards of the Company and NAVF, to proceed with the Proposals which may be withdrawn at any time (including, without limit, for material adverse change reasons);
- (c) the NAVF Share Allotment Authorities relating, *inter alia*, to the Scheme being approved by NAVF Shareholders and not having been revoked or superseded;
- (d) passing of the Resolutions to be proposed at the Extraordinary General Meeting or any adjournment thereof and upon any conditions of such Resolutions being fulfilled; and
- (e) admission of the New NAVF Shares to the FCA's Official List and to trading on the Premium Segment of the Main Market of the LSE.

- 14.2 Any condition may, subject to compliance with legal requirements, be waived with the mutual agreement of each of the Company, NAVF and Rising Sun at any time up to completion of the Scheme.
- 14.3 Subject to paragraphs 14.1 and 14.4, the Scheme will become effective on the date on which the special resolution for the winding-up of the Company to be proposed at the Extraordinary General Meeting (or any adjournment thereof) is passed (the “**Effective Date**”). If it becomes effective, the Scheme shall be binding on all shareholders and on all persons claiming through or under them.
- 14.4 Unless the conditions set out in paragraph 14.1 have been satisfied or, to the extent permitted, waived by both the Company and NAVF on or before 30 November 2023, the Scheme shall not become effective.
- 14.5 An application will be made to the Financial Conduct Authority for the listing of the Reclassified Shares to be suspended, subject to paragraphs 14.1(a) and 14.2 above, at 7.30 a.m. on 10 October 2023 and it is intended that, subject to paragraph 14.1, such listing will be cancelled with effect from or as soon as possible after the Effective Date, or such other date as the Liquidators will determine.

## **15 OVERSEAS SHAREHOLDERS AND SANCTIONS RESTRICTED PERSONS**

- 15.1 Overseas Shareholders who wish to receive New NAVF Shares under the Scheme should contact the Company directly if they are able to demonstrate, to the satisfaction of NAVF and/or the Liquidators and the Directors, that they can be issued New NAVF Shares without breaching any relevant securities laws. Unless NAVF and/or the Liquidators and the Directors, as the case may be, have been provided with evidence reasonably satisfactory to them that the relevant Shareholder is permitted to hold New NAVF Shares under any relevant securities laws or regulation of such overseas jurisdictions and that any such issue of New NAVF Shares to that Shareholder would not involve a breach of the securities laws or regulations of any jurisdiction or violate any applicable legal or regulatory requirements or require NAVF to become subject to additional regulatory requirements (to which it would not be subject but for such issue), any New NAVF Shares allotted to the Liquidators and which would otherwise be issued to an Overseas Shareholder or a Sanctions Restricted Person pursuant to the Scheme will instead be issued to the Liquidators as nominees on behalf of such Overseas Shareholder or Sanctions Restricted Person who will arrange for such shares to be sold promptly by a market maker (without regard to the personal circumstances of the relevant Overseas Shareholders or Sanctions Restricted Person and the value of the Shares held by the relevant Overseas Shareholder or Sanctions Restricted Person). The net proceeds of such sales (after deduction of any costs incurred in effecting such sales) will be paid: (i) to the relevant Overseas Shareholder entitled to them within 10 Business Days of the date of sale, save that entitlements of less than £5.00 per Overseas Shareholder will be retained in the Liquidation Pool; or (ii) in respect of any Sanctions Restricted Person, at the sole and absolute discretion of the Liquidators and will be subject to applicable securities laws and regulations.
- 15.2 Any Eligible US Shareholder (or any persons acting for the account or benefit of such US Shareholder) receiving this document is requested to execute the AI/QP Investor Letter annexed to the NAVF Prospectus and return it to NAVF by hard copy and email to the addresses indicated on the AI/QP Investor Letter. US Shareholders who have any questions regarding the submission of the AI/QP Investor Letter may call Computershare Investor Services PLC at +44(0)370 707 1235. Please note that Computershare cannot give any advice on how US Shareholders should complete the AI/QP Investor Letter. Such persons are encouraged to seek their own advice should they have any questions regarding the completion of the AI/QP Investor Letter.
- 15.3 The Company and NAVF reserve the right, in their absolute discretion, to investigate in relation to US Shareholders, whether the representations and warranties set out in the AI/QP Investor Letter appended to the NAVF Prospectus given by any US Shareholder are correct. Furthermore, if a US Shareholder does not execute and return the AI/QP Investor Letter and the Company and the NAVF Board believes such person is an Ineligible US Shareholder, the NAVF Board reserves the right, in its absolute discretion, to require any New NAVF Shares to which such US Shareholder is entitled and would otherwise receive, to be issued to the Liquidators as nominees for the relevant US Shareholders and sold by the Liquidators in the market (which shall be done by the Liquidators without regard to the personal circumstances of the relevant US Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid to the relevant US Shareholder

entitled to them within 10 Business Days of the date of sale, save that entitlements of less than £5.00 per Ineligible US Shareholder will be retained in the Liquidation Pool.

15.4 Non-US Shareholders are deemed to represent to the Company and NAVF that they are located outside of the United States and are not US Persons (and are not acting for the account or benefit of a US Person).

15.5 The provisions of this Scheme relating to non-US Overseas Shareholders may be waived, varied or modified as regards a specific Shareholder or on a general basis by the Directors and the NAVF Directors in their respective absolute discretions.

## **16 GENERAL**

16.1 Any instructions for the payment of dividends on Ordinary Shares in force on the Effective Date and lodged with the Company and/or the Registrar shall, unless and until revoked by notice in writing to the Registrar, continue to apply in respect of distributions or allocations of, or the other application of, monies under the Scheme or in respect of the issue of New NAVF Shares under the Scheme.

16.2 Ordinary Shares which are held in treasury by the Company shall not have any entitlements under the Scheme.

16.3 The Scheme shall be governed by, and construed in accordance with, the laws of England and Wales.

## PART 4

### RISK FACTORS

**The risks referred to below are the material risks known to the Directors at the date of this document which the Directors believe Shareholders should consider prior to deciding how to cast their votes on the Resolution(s). Any investment in NAVF (pursuant to the Scheme or otherwise) will be governed by the NAVF Prospectus and the NAVF Articles. Shareholders are strongly urged to read the NAVF Prospectus, and, in particular the section containing the risk factors in the NAVF Prospectus. If Shareholders are in any doubt as to the contents of this document or as to what action to take, they should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under FSMA without delay.**

#### The Scheme

Implementation of the Proposals is conditional, among other things, upon the Resolutions being passed at the Extraordinary General Meeting. In the event that any of the Resolutions are not passed or any other condition of the Proposals is not met, the Proposals will not be implemented. The Directors will then consider alternative proposals for the future of the Company, the implementation of which would likely result in additional costs being incurred.

In advance of the Effective Date, the Directors intend that the Company (or its agents) will have, to the extent practicable, realised or realigned the undertaking and business carried on by the Company in order to repay its existing debt facilities, fund the Cash Option and fund the Liquidation Pool, and to pay any outstanding transaction invoices exceeding the Rising Sun Contribution. If the Scheme fails to proceed, a portion of the Company's portfolio may therefore be held as assets which may need to be reinvested or realigned and, in a rising market, the loss of gearing would be a drag on returns and the portfolio will no longer be geared. As a result, the Company may incur additional reinvestment or realignment costs if the Scheme does not proceed and such costs will be borne by the Company.

Shareholders' illustrative entitlements set out in Part 1 of this document should not be regarded as forecasts. The AJG FAV per Share and NAVF FAV per Share and Shareholders' entitlements under the Proposals may materially change up to the Effective Date as a result of, *inter alia*, changes in the value of investments. If a Shareholder wishes to elect for more than their Basic Entitlement (25 per cent. of their individual holding of Ordinary Shares as at the Calculation Date) and total Elections for the Cash Option made by all Shareholders are greater than 25 per cent. of the total issued Ordinary Shares (excluding Ordinary Shares held in treasury) then such Shareholder's Election will be scaled back resulting in such Shareholder (other than an Overseas Shareholder) receiving New NAVF Shares instead of cash in respect of part of their holding of Ordinary Shares.

#### Risks associated with NAVF

**Any investment in the New NAVF Shares issued by NAVF will be governed by the NAVF Prospectus and the NAVF Articles. Shareholders should read the full text of the NAVF Prospectus, including the section containing risk factors.**

An investment in NAVF will involve exposure to those risks normally associated with investment in shares. The shares in NAVF are designed to be held over the long-term and may not be suitable as short-term investments. The price of the shares can go down as well as up and an investor may not get back the full amount invested. There is no assurance that the investment objective of NAVF will actually be achieved or provide the returns sought by investors. The market price of the New NAVF Shares may not fully reflect their underlying asset value (if any).

The past performance of NAVF and Rising Sun is not a guide to future performance.

The performance of NAVF is substantially dependent on the performance of the securities (including derivative instruments) held within NAVF.

NAVF believes that the substantial undervaluation of Japanese equities, coupled with an activist strategy designed to unlock underlying value should allow NAVF to achieve significant investment results over time. Given the nature of NAVF's strategy however, it is possible that such returns could be "lumpy" and unpredictable. NAVF's intention is therefore to look to achieve its results primarily through capital appreciation. As such, no specific dividend policy has been established and any distributions will be made entirely at the discretion of the NAVF Board. Notwithstanding the foregoing, NAVF will make such distributions as may be required to ensure compliance with the rules relating to investment trusts.

NAVF may use gearing to seek to enhance investment returns. The use of borrowings may increase the volatility of the net asset value and may reduce returns when asset values fall.

NAVF is a closed-ended vehicle. Accordingly, Shareholders will have no right to have their New NAVF Shares repurchased at any time. Shareholders wishing to realise their investment in NAVF may therefore be required to dispose of their New NAVF Shares in the market. Although the New NAVF Shares are listed on the Official List and admitted to trading on the Premium Segment of the Main Market, there can be no guarantee that a liquid market in the NAVF Shares will exist or be maintained. Accordingly, Shareholders may be unable to realise their New NAVF Shares at the quoted market price (or at the prevailing net asset value per New NAVF Share).

The price of shares in an investment trust is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The share price can therefore fluctuate and may represent a discount or premium to the net asset value per NAVF Share. This discount or premium is itself variable as conditions for supply and demand for New NAVF Shares change. This can mean that the NAVF Share price can fall when the net asset value per share rises, or *vice versa*.

## **Taxation**

Representations in this document relating to the taxation of Shareholders are based on current UK taxation law and HMRC published practice, which are subject to change (possibly with retrospective effect). The information in this document relating to UK taxation law and HMRC published practice is given by way of general summary and does not constitute legal or tax advice to Shareholders. The Board has been advised that the Scheme should be treated as a scheme of reconstruction for the purposes of UK taxation of capital gains. Clearance has been granted by HMRC under section 138 of the TCGA that section 136 of the TCGA will not be prevented from applying to the Scheme by virtue of section 137(1) of the TCGA. HMRC has also advised that no counteraction notice under section 698 of the Income Tax Act 2007 or under section 746 of the Corporation Tax Act 2010 should be served in respect of the transaction.

However, a subsequent disposal of NAVF Shares may constitute a disposal for UK tax purposes and may, depending on a Shareholder's particular circumstances, give rise to a liability to UK taxation.

The Directors have been advised that the proposed method of winding up the Company and the scheme of reconstruction is such that the Company should remain eligible to be treated as an investment trust for the accounting period which includes the date on which its assets are sold and/or transferred by the Liquidators pursuant to the Transfer Agreement. Accordingly, the transfer of the Company's assets held within the Rollover Pool and the realisation of the Company's assets held within the Cash Pool and the Liquidation Pool under the Scheme should not give rise to a liability to UK corporation tax for the Company. However, there can be no absolute assurance that investment trust status will be preserved and the absence of such status in any accounting period would mean the Company would be liable to pay UK corporation tax on its chargeable gains (net of allowable losses) in that period.

## **US Shareholders**

The Scheme is being implemented subject to United Kingdom disclosure requirements which are different from certain United States disclosure requirements. In addition, US Shareholders should be aware that this document has been prepared in accordance with a UK format and style, which differs from the US format and style. In particular, parts of this document contain information concerning the Scheme required by UK disclosure requirements which may be material and may not have been summarised elsewhere in the documents. Furthermore, the Scheme will be subject to other procedural requirements, including with



respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under US domestic procedures and law.

US Shareholders should note that the New NAVF Shares are not listed on a US securities exchange and NAVF is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the SEC.

Any receipt of cash pursuant to the Scheme by a US Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each US Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Scheme.

It may be difficult for US Shareholders to enforce their rights and claim arising out of the US federal securities laws, since NAVF is located in a foreign country, and all of its officers and directors are residents of a foreign country. US Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgement. Whether located in the United States or elsewhere, US Shareholders will receive any cash consideration in pounds sterling.

## PART 5

### FURTHER INFORMATION ON NAVF

**Any investment in NAVF will be governed by the NAVF Prospectus (which is available at [www.nipponactivevaluefund.com](http://www.nipponactivevaluefund.com)) and the NAVF Articles. Accordingly, Shareholders are required to read the NAVF Prospectus (from which the information in this Part 5 has been extracted) and in particular the risk factors contained therein prior to deciding whether or not to make an Election for any NAVF Shares. Neither the Board (other than those Directors who are expected to join the NAVF Board on the Effective Date) nor the Company takes any responsibility for the contents of the NAVF Prospectus.**

#### INTRODUCTION AND HISTORY

NAVF is a closed-ended investment company incorporated on 22 October 2019 in England and Wales with registered number 12275668 and registered as an investment company under Section 833 of the Act. NAVF carries on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010, as amended.

NAVF's Ordinary Shares were first admitted to trading on the Specialist Fund Segment on 21 February 2020. On the IPO admission date, 103,000,000 Ordinary Shares were issued and admitted to trading on the Specialist Fund Segment at 100p per share. On 26 November 2021, a further 10,021,432 Ordinary Shares were issued and admitted to trading on the Specialist Fund Segment at 139.70p per share. As at the date of the NAVF Prospectus, NAVF had 113,021,433 Ordinary Shares in issue. As at the Latest Practicable Date, NAVF had a market capitalisation of approximately £153.1 million, a net asset value of approximately £168.0 million and a net asset value per share of 148.7p.

Subject to NAVF Shareholder approval of the New NAVF Investment Policy at the NAVF General Meeting, applications will be made to the London Stock Exchange for (i) the Existing NAVF Shares; and (ii) the New NAVF Shares to be issued pursuant to the Scheme, the AJIT Combination and the NAVF placing programme from time to time, to be admitted to the Official List of the Financial Conduct Authority and to trading on the premium segment of the Main Market. If the Migration is not completed, the Existing NAVF Shares will continue to be traded on the Specialist Fund Segment and the Scheme shall fail.

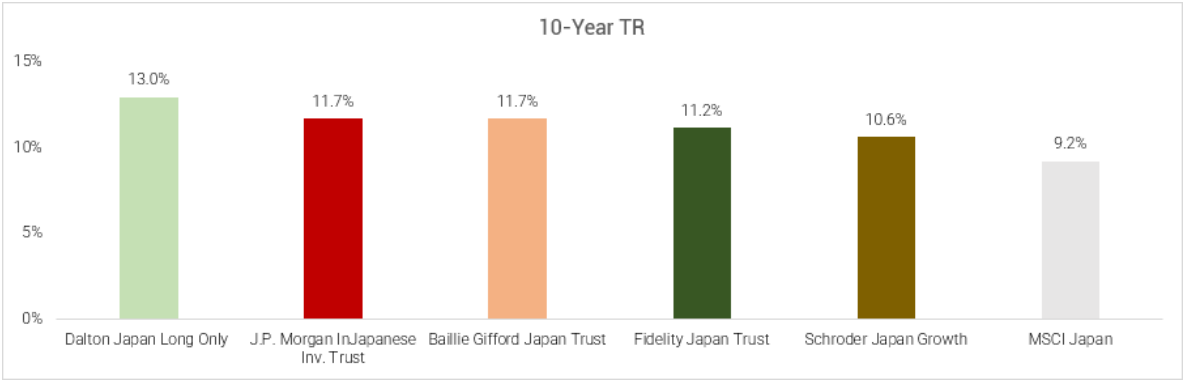
NAVF has a board of non-executive directors, all of whom are considered to be independent. NAVF does not have any managing directors. NAVF has appointed FundRock Management Company (Guernsey) Limited as alternative investment fund manager to provide overall portfolio and risk management services to NAVF. NAVF's AIFM and NAVF have appointed Rising Sun as investment adviser to provide investment advisory services to NAVF's AIFM and NAVF in relation to NAVF's portfolio of investments. Further information on Rising Sun and NAVF's AIFM is set out in Part 7 (*Directors, Management and Administration*) of the NAVF Prospectus.

#### RISING SUN

##### History and Capabilities

Rising Sun is a Cayman entity which is led by James B. Rosenwald, III. Mr Rosenwald has over 40 years' experience investing in Asia and is co-founder and chief investment officer of Dalton. Dalton is a value focused investment management firm with expertise in Asia equities and global equities. Headquartered in Santa Monica, California, with affiliate offices in Las Vegas, Tokyo, Sydney, Mumbai and Hong Kong, Dalton manages (as at 30 June 2023) US\$3.0 billion in actively managed long only and long-short strategies for pensions, endowments, foundations, financial institutions and family offices. Dalton has a strong track record investing in Japanese equities. The Dalton Japan Long Only composite track record (US\$1.5bn gross assets under management as at 30 June 2023) is set out below.

The Dalton Japan Long Only composite track record as at 30 June 2023 (data presented in accordance with the Global Investment Performance Standards)



	Since Inception	1996	1997	1998	1999	2000	2001	2002
<b>JLO Gross</b>	8.7%	-2.0%	-1.2%	-0.2%	95.9%	-13.8%	-12.1%	-27.3%
<b>Benchmark</b>	2.7%	-11.5%	-14.0%	-8.6%	45.4%	-19.5%	-19.0%	-19.0%
	2003	2004	2005	2006	2007	2008	2009	2010
<b>JLO Gross</b>	25.9%	15.7%	48.8%	6.6%	-15.0%	-36.9%	7.9%	16.7%
<b>Benchmark</b>	23.0%	10.5%	44.4%	7.2%	-10.1%	-42.5%	9.0%	0.6%
	2011	2012	2013	2014	2015	2016	2017	2018
<b>JLO Gross</b>	-3.3%	25.1%	73.5%	16.0%	24.1%	3.8%	24.6%	-16.0%
<b>Benchmark</b>	-18.8%	21.7%	54.5%	9.3%	9.9%	-0.7%	19.7%	-15.1%
	YTD							
	2019	2020	2021	2022	2023			
<b>JLO Gross</b>	19.0%	8.0%	10.8%	-0.3%	25.8%			
<b>Benchmark</b>	18.4%	8.9%	13.3%	-5.1%	24.5%			

Sources: Dalton Investments LLC and Morningstar.<sup>5</sup>

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE PERFORMANCE. THE VALUE OF THE INVESTMENTS AND THE INCOME FROM THEM CAN GO DOWN AS WELL AS UP AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INVESTED. THESE INVESTMENTS ARE DESIGNED FOR INVESTORS WHO UNDERSTAND AND ARE WILLING TO ACCEPT THESE RISKS. PERFORMANCE MAY BE VOLATILE, AND AN INVESTOR COULD LOSE ALL OR A SUBSTANTIAL PORTION OF ITS INVESTMENT.

**Investment Process**

Rising Sun has combined capabilities in origination, evaluation and transaction execution with expertise across equities, shareholder activism and active portfolio management. Rising Sun maintains a management team that meets regularly (the “**Management Team**”) that is responsible for reviewing and evaluating potential investment opportunities. The Management Team’s role is to make recommendations to NAVF’s AIFM and NAVF in relation to proposed and existing investment activities of NAVF together with reviewing any due diligence reports along with any transaction memorandum on a potential investment. Following review by the Management Team, NAVF’s AIFM and the Board will be provided with information relating to the investment and have the opportunity to review and request further information on the potential investment opportunity.

**The Management Team**

The Management Team comprises Mr James B. Rosenwald, III, Mr Gifford Combs, Mr Paul ffolkes Davis and Mr Kazutaka Mizuochi. In addition, Rising Sun has entered into an agreement whereby the Tokyo office

<sup>5</sup> This performance data is supplemental to Dalton’s GIPS-verified performance data, which is provided in Appendix 1 of the NAVF Prospectus. Please refer to Appendix 1 of the NAVF Prospectus, including GIPS verified Dalton Japan Long Only presentation, for performance disclosures.

of Dalton Advisory KK will provide investment research services to Rising Sun. Rising Sun is also registered with the U.S. Securities and Exchange Commission, as a relying adviser for Rosenwald Capital.

The Management Team of Rising Sun includes:

***James B. Rosenwald, III***

James heads the investment team at Rising Sun as well as being the co-founder and Chief Investment Officer of Dalton which was established in 1999.

James is currently an Adjunct Professor of Finance at New York University's Business School where he teaches, "Global Value Investing". James has over 40 years of investment experience managing equity portfolios and in particular in investing in Asia, and was also previously an external manager for the Soros Group. James has been a director of Shore Capital since January 2010.

James holds an MBA from New York University and an AB from Vassar College.

***Gifford Combs***

Gifford is the co-founder and Portfolio Manager for Dalton and was a founding member of Dalton which was established in 1999. Gifford has over 35 years of investment experience managing equity portfolios.

Prior to joining Dalton, he managed equity portfolios for U.S. and international institutions at Pacific Financial Research, a Beverly Hills-based money manager with assets in excess of US\$5 billion.

Gifford serves on the Philanthropic Advisory Board for the University of Cambridge (Cambridge, UK) as well as on the investment committees of the College of the Atlantic (Bar Harbor, USA) and the Mt Desert Land and Garden Preserve (Seal Harbor, USA). He is member of the Board of Directors of The Pot and Kettle (Bar Harbor, USA).

Gifford holds an M.Phil degree, with distinction, in Economics and Politics from Cambridge University and an AB degree, magna cum laude, from Harvard College.

***Paul ffolkes Davis***

Paul is the Chairman of Rising Sun and has over forty years' experience in financial services.

From 2004 until March 2020, he was Bursar of Trinity Hall, one of Cambridge University's oldest colleges (founded 1350). During his time in charge of the College's endowment, its value rose from circa £60 million to over £320 million. Investments consisted mainly of global listed securities, together with physical property and various 'alternatives'.

While in this role, Paul founded Cambridge & Counties Bank in June 2012, with the College owning 50 per cent., and acted as its first Chairman until December 2016. Thereafter, he continued as Vice-Chairman until retiring from the Board in June 2021.

His career began in investment banking and included roles in fixed income sales and trading, portfolio management, and, latterly, running Equity Capital Markets at several institutions. Board level appointments included NM Rothschild & Sons Limited (1984-95), NatWest Markets and Rabobank International.

Paul holds MA (Hons) degrees from both Oxford and Cambridge Universities.

***Kazutaka Mizuochi***

Since 2018, Kazutaka has been a partner at the Tokyo law firm, Hibiya-Nakata and has over 25 years of experience in advising on matters of corporate law with a particular focus on mergers and acquisitions.

Prior to joining Hibiya-Nakata, he was a partner at the law firm Baker & McKenzie, Tokyo between 2006 and 2018.

Kazutaka's mergers and acquisitions experience includes representing various international companies (including Japanese and British companies) in the acquisition or disposal of overseas interests.

Kazutaka was the chairperson of the Public Relations Committee of the Tokyo Bar Association between 2013 and 2015. He holds an LLB from the Keio University (Tokyo) as well as an LLM from the University of Illinois.

### **Julie Arnall**

Julie started her career in the United Kingdom where she trained as an accountant with Whitbread Group plc, having studied Accounting and Business at the University of Luton.

In 1987, Julie moved to the Cayman Islands to join Cayman National Trust Co. Ltd (CNT), a large financial services group. As Senior Vice President of the company, Julie specialised in mutual funds and hedge funds, as well as company and trust, administration and accounting.

Julie currently runs her own financial and management accounting company as well as holding directorships in many large funds and investment companies.

## **INVESTMENT OBJECTIVE AND POLICY OF NAVF**

Subject to the adoption of the New NAVF Investment Policy by the NAVF Shareholders at the NAVF General Meeting (which is a condition of the Migration and therefore, indirectly, a condition of the Scheme), the investment objective and policy of NAVF will be as follows:

### **Investment objective**

*The investment objective of NAVF is to provide NAVF Shareholders with attractive long-term capital growth primarily through the active management of a focused portfolio of quoted companies that have the majority of their operations in, or revenue derived from, Japan, or a majority of whose consolidated net assets are held in Japan, or that are included in the TOPIX, and that have been identified by Rising Sun as being undervalued.*

### **Investment policy**

#### *Asset allocation*

*NAVF will primarily invest in a highly selective portfolio of shares issued by quoted companies that have the majority of their operations in, or revenue derived from Japan or a majority of whose consolidated net assets are held in Japan, or that are included in the TOPIX ("**Japanese Shares**"), and which Rising Sun deems attractive and undervalued and typically where (i) cash and other liquid investments, real estate and/or tradeable securities constitutes a significant proportion of the investee company's market capitalisation; and (ii) the relevant company has no controlling or majority shareholders.*

*NAVF may also from time to time obtain exposure to Japanese Shares, Derivatives (as defined below), cash, cash equivalents, exchange traded funds, near cash instruments and money market instruments, which may not necessarily suit activist management by Rising Sun, though this will be opportunistic, including as part of an acquisition of a broader portfolio, and will not form a core focus for asset allocation on an ongoing basis.*

*There are no restrictions placed on the market capitalisation of investee companies; but it is expected that the portfolio will be weighted towards small-cap and mid-cap companies with market capitalisation of up to US\$3 billion. The portfolio is expected to have up to 35 holdings, although there is no guarantee that this will be the case, and it may contain a lesser or greater number of holdings at any time.*

*NAVF intends to acquire meaningful minority stakes in each investee company. NAVF will not, however, acquire any stake which could cause a change in its status as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010.*

*The NAVF Board will not set any limits on sector weightings or stock selection within the portfolio. NAVF will not be constrained by any index benchmark in its asset allocation.*

NAVF may use derivatives for efficient portfolio management purposes. Such purposes would include the management of cash received by NAVF upon the occurrence of significant liquidity events (including, without limitation, the receipt of proceeds of fundraisings, the realisation of portfolio assets and other cash-generative events such as the completion of a management buyout by an investee company). Such derivative contracts may, for example, give NAVF exposure to the whole or a sub-section of the Japanese stock market until such time as Rising Sun determines that NAVF's derivative position should be liquidated and invested in an investee company in accordance with the investment policy (the foregoing derivative contracts being, for the purposes of this Investment Policy "**Derivatives**").

Additionally, while NAVF intends that the majority of its investments will be in quoted companies, it may also make investments in unquoted companies and NAVF may become invested in unquoted companies as a result of corporate actions or commercial transactions undertaken by quoted companies. NAVF will only make investments in unquoted companies in order to maintain or improve its position in relation to a business which operated through a quoted entity at the time of NAVF's initial investment in that business.

#### *Investment restrictions*

The NAVF Board will apply the following restrictions on the size of its investments:

- (i) not more than twenty per cent. (20 per cent.) of the gross asset value at the time of investment will be invested in the securities of a single issuer (such restriction does not, however, apply to investment of cash held for working capital purposes and pending investment or distribution in near cash equivalent instruments including securities issued or guaranteed by a government, government agency or instrumentality of any EU or OECD Member State or by any supranational authority of which one or more EU or OECD Member States are members);
- (ii) NAVF will only make an investment in an unquoted company if the aggregate interest of NAVF in unquoted companies at the time of such investment is not more than ten per cent. (10 per cent.) of the net asset value of NAVF at that time. This will mean if a quoted portfolio company is delisted or an unquoted investment is revalued with the effect of increasing NAVF's interest in unquoted investments to above ten per cent. (10 per cent.) of NAVF's net asset value at that time, NAVF will not be in breach of its investment policy and will not have to divest itself of any unquoted investments. Nevertheless, while NAVF's interest in unquoted investments remains above ten per cent. (10 per cent.) of its net asset value, NAVF will not be able to make any further investments in unquoted companies;
- (iii) total net investment Derivative exposure will not exceed twenty per cent. (20 per cent.) of gross asset value at the time of investment; and
- (iv) total exposure to any single counterparty which has issued Derivatives to NAVF will not exceed twenty per cent. (20 per cent.) of gross asset value at the time of investment.

NAVF will comply with the following investment restrictions for so long as they remain requirements of the Listing Rules:

- (a) neither NAVF, nor any of its subsidiaries will conduct any trading activity which is significant in the context of its group as a whole;
- (b) no more than ten per cent. (10 per cent.), in aggregate, of the value of the total assets of NAVF will be invested in other listed closed-ended investment funds (except to the extent that those investment funds have stated investment policies to invest no more than fifteen per cent. (15 per cent.) of their total assets in other investment companies which are listed on the Official List); and
- (c) NAVF must, 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 published investment policy.

#### **Treasury policy**

Until NAVF is fully invested, and pending re-investment or distribution of cash receipts, NAVF will use Derivatives, cash, cash equivalents, exchange traded funds, near cash instruments and money market instruments in accordance with the investment policy.

The Company expects to maintain any non-operational cash balances in Japanese yen.

### **Gearing Policy**

NAVF may use borrowings and other gearing to seek to enhance investment returns at a level (not exceeding 20 per cent. of NAVF's net assets calculated at the time of drawdown) which the NAVF Directors, NAVF's AIFM and Rising Sun consider to be appropriate. It is expected that gearing will primarily comprise bank borrowings, public bond issuance or private placement borrowings, although overdraft or revolving credit facilities may be used to increase acquisition and cash flow flexibility.

### **Hedging Policy**

Although NAVF does not currently intend to enter into any arrangements to hedge its underlying currency exposure to investments denominated in Japanese yen, it may in future, at its discretion, enter into currency hedging arrangements using futures, forwards, swaps or other derivative instruments.

### **Material breach of investment restrictions**

In the event of any breach of the investment restrictions applicable to NAVF, NAVF Shareholders will be informed of the actions to be taken by Rising Sun and the Company through a Regulatory Information Service.

### **DIVIDEND POLICY**

NAVF's intention is to look to achieve its results primarily through capital appreciation. As such, no specific dividend policy has been established and any distributions will be made entirely at the discretion of the NAVF Board. Notwithstanding the forgoing, NAVF will make such distributions as may be required to ensure compliance with the rules relating to investment trusts.

### **DISCOUNT MANAGEMENT**

NAVF may purchase NAVF Shares in the market at prices which represent a discount to the prevailing NAV per NAVF Share of that class so as to enhance the NAV per NAVF Share for the remaining holders of NAVF Shares of the same class. NAVF is currently authorised to make market purchases of up to 14.99 per cent. of the aggregate number of issued NAVF ordinary shares as at the date of the NAVF Prospectus.

The NAVF Board intends to seek NAVF Shareholder approval to renew its authority to make market purchases of its own issued NAVF Shares once its existing authority has expired or at subsequent AGMs.

Purchases of NAVF Shares will be made within guidelines established from time to time by the NAVF Board and only in accordance with applicable law and the Disclosure Guidance and Transparency Rules. Any purchase of NAVF shares may be satisfied by the available cash or cash equivalent resources of NAVF, from borrowings, the realisation of NAVF's assets or any combination of these sources of liquidity, at the NAVF Directors' discretion.

NAVF Shares bought back by NAVF may be held in treasury or cancelled. Such NAVF ordinary shares may (subject to there being in force a resolution of NAVF Shareholders to disapply the rights of pre-emption that would otherwise apply) be resold by NAVF. C Shares bought back by NAVF will be cancelled.

At the date of the NAVF Prospectus, NAVF does not hold any NAVF shares in treasury.

### **MANAGEMENT FEES AND ONGOING EXPENSES**

#### **Management Fee**

For the provision of investment advisory services under the investment advisory agreement, Rising Sun is entitled to receive an annual fee to be calculated as 0.85 per cent. of NAVF's net assets (exclusive of VAT). NAVF will also reimburse Rising Sun for reasonable expenses properly incurred by Rising Sun in the performance of its obligations under the investment advisory agreement, however Rising Sun will pay any amounts due to Dalton Advisory KK for the provision of research and data analysis services to Rising Sun.

### ***AIFM Fee***

For the provision of AIFM services under the AIFM agreement, the AIFM is entitled to an annual fee calculated at a rate of 0.04 per cent. per annum of Net Asset Value up to £250 million, plus 0.025 per cent. per annum of Net Asset Value in excess of £250 million. The AIFM fee is subject to a minimum fee of £70,000 per annum. In addition, there will be a reporting cost of £3,000 per annum, per EEA jurisdiction in which NAVF is marketed (if any). NAVF will also reimburse the AIFM for reasonable expenses properly incurred, in the performance of its obligations.

### ***Administration Fee***

For the provision of NAVF company secretarial and administration services under the NAVF administration agreement, the administrator is entitled to receive a NAVF company secretarial fee of £55,000 per annum and an administration fee calculated at a rate of 0.06 per cent. per annum of net asset value up to, and including, £100 million plus 0.035 per cent. per annum of net asset value in excess of £100 million. The administration fee is subject to a minimum fee of £5,000 per month. NAVF will also reimburse the administrator for disbursements and reasonable out of pocket expenses properly incurred by the administrator on behalf of NAVF. The NAVF company secretarial fee and the administration fee are stated exclusive of VAT.

### ***Custodian Fee***

For the provision of global custody services to NAVF, the NAVF custodian is entitled to receive a global custody fee of £75,000 per annum (exclusive of VAT), plus additional set up and operational charges if NAVF opts to use segregated accounts rather than NAVF custodian's omnibus accounts. In addition, NAVF must reimburse the NAVF custodian for any expenses incurred by the NAVF custodian which were not reasonably foreseeable and/or quantifiable at the time the NAVF custodian agreement was entered into.

### ***NAVF BOARD***

All of the NAVF directors (including Claire Boyle and Noel Lamb) are considered by the NAVF Board to be independent of the AIFM and Rising Sun. The NAVF Board currently consists of:

#### ***Rosemary Morgan (non-executive chair)***

Rosemary is an independent director and Chairman of JP Morgan India Investment Trust. Until 2022, she was a Senior Independent non-executive Director of Schroder Asia Pacific Investment Trust, where she was the Chairman of the Audit and Risk Committee.

Rosemary studied Japanese at the Australian National University in Canberra before being awarded the Monbusho Scholarship at Kobe University in Japan and then studying for a Master of Arts in Japanese Literature at Harvard University in the United States.

After university, Rosemary worked as a Japanese equity fund manager for 16 years at John Govett before joining the institutional client team at Fidelity International and then moving to the Royal Bank of Scotland as Head of Asia and Emerging Markets (Multi Manager Funds), where she managed long only and alternative funds of funds, specialising in Japan and Emerging Markets.

#### ***Chetan Ghosh (non-executive director)***

Chetan is the Chief Investment Officer for Centrica's pension scheme arrangements and is responsible for providing support to the directors of the investment committee. His role covers investment strategy considerations, asset class and manager research, and liaising with the investment advisers. This role is now carried out within Schrodgers under an OCIO (Outsourced Chief Investment Officer) arrangement.

Prior to joining Centrica in 2009 Chetan worked in a number of roles, ranging from pensions actuary at Towers Perrin to investment consultant at Aon Hewitt and Lane Clark & Peacock. Whilst at financial services firm Alexander Forbes, Chetan developed a fiduciary management offering to improve client governance structures.

Chetan has a first class degree in Mathematics from Kings College London.



***Rachel Hill (non-executive director)***

Since 2006, Rachel has been a director of Dragon Capital Markets (Europe) Limited and has been responsible for the European marketing of London Stock Exchange listed Vietnam Enterprise Investments Ltd and the Vietnam Equity (UCITS) fund. Rachel was also previously on the board of Dalton Asia Fund, which is a long/short Asian Investment fund managed by Dalton Investments LLC. Rachel has 32 years of experience in respect of equity and equity fund sales in Asian markets.

In addition, Rachel also currently serves on the board of DC Developing Market Strategies Ltd, a Dublin regulated UCITS fund investing in Vietnam; Quaero Capital Luxembourg Fund, a Luxembourg regulated UCITS platform with various sub funds investing in equities and bonds.

Rachel holds a BA (Hons) MA in Natural Science from Trinity Hall, Cambridge University and is also a Chartered Member of the Chartered Institute for Securities and Investment.

***Ayako Hirota Weissman (non-executive director)***

Ayako is a senior portfolio manager and director of Asia Strategy at Horizon Kinetics LLC. With over 30 years of investment experience, Ayako was previously a founder and Chief Investment Officer of AS Hirota Capital Management, LLC.

Ayako's prior experience also includes acting as a portfolio manager specialising in Japanese securities for Kingdon Capital Management, LLC, a New York-based hedge fund, two years as a partner and Portfolio Manager of Feirstein Hirota Japan Partners and 12 years at Salomon Smith Barney Asset Management, as a Managing Director and Senior Portfolio manager in the U.S. value equity group, with responsibility for approximately US\$2 billion in assets. Ayako is a director of Toshiba Corporation.

Ayako received an MBA from the International Institute for Management Development (IMD) in Lausanne, Switzerland and a BA in Liberal Arts from International Christian University in Tokyo, Japan. Ayako is a CFA® charterholder.

***Alicia Ogawa (non-executive director)***

Alicia is a director of the Project on Japanese Corporate Governance and Stewardship at the Center on Japanese Economy and Business (CJEB), Columbia Business School, NYC and has over 20 years of experience in the Asian financial markets. She also serves on the board of The Maureen and Mike Mansfield Foundation, Misaki Capital (from December 2019). She was also a member of the Assistant Adjunct Faculty, Columbia University School of International and Public Affairs from 2007-2021. She is currently a consultant for activist funds.

In her role as director of the Project on Japanese Corporate Governance and Stewardship, Alicia has been a featured speaker on Japanese financial markets issues for public and private sector conferences such as Goldman Sachs, SIFMA, Council of Institutional Investors, Japan Securities Dealers Association, CSIS, Peterson Institute, and Japan Society.

Prior to 2006, Alicia was a Managing Director and the Director of Global Research Product, Lehman Brothers, NYC and was tasked with leading the global analysts in development of a globally-themed equity research product focused on specific market sectors.

Alicia holds an M.I.A from the Columbia University School of International and Public Affairs in East Asian Studies and International Finance.

***AJIT Combination- Claire Boyle (proposed non-executive director)***

If the AJIT Combination becomes effective, NAVF has stated an intention to appoint Claire Boyle, currently a director of AJIT, to the NAVF Board.

Claire was appointed as an independent non-executive director of AJIT with effect from 1 February 2019 and was appointed Chair of the Audit and Risk Committee from October of that year. She is also the Chair of Life Science REIT plc, a non-executive director and Chair of the Audit Risk Committee of Fidelity Special Values plc and a director of The Monks Investment Trust PLC.

Claire is a Fellow of the Institute of Chartered Accountants in England and Wales, qualifying in 1993 whilst working in litigation support at Coopers & Lybrand. She has over 17 years' experience working in finance and equity investment management, working on funds over a wide range of sectors for international corporate, Government, State and retail clients, including unit and investment trusts. She started her investment career on the UK research desk at Robert Fleming, was a partner at Oxburgh Partners LLP with responsibility for their European Equity Hedge Fund, and prior to that a European Equity Fund Manager at American Express Asset Management, where her role included both equity investment and business development.

***The Scheme – Noel Lamb (proposed non-executive director)***

If the Scheme is implemented, in order to provide continuity for Shareholders, particularly with regard to the proposed structure of the Scheme whereby a transfer of the Company's portfolio comprising the Rollover Pool is made, it is intended that Noel Lamb will join the NAVF Board on the Effective Date.

Noel was appointed to the board of the Company on 1 February 2011 and appointed as Chairman on 1st May 2014. He graduated from Exeter College, Oxford University and is a barrister-at-law. He joined Lazard Brothers & Co Limited in 1987 and from 1992 to 1997 he was the managing director of Lazard Japan Asset Management where he was the fund manager for their Japanese equities. In 1997, he moved to the Russell Investment Group where he established the investment management capability of Russell in London. In 2002, he was promoted to Chief Investment Officer in North America where he managed assets of \$150bn until his departure in 2008. In 2020, he was appointed as a director of Guinness Asset Management Funds and in January 2022 as chairman of Rockwood Strategic plc.

## PART 6

### ADDITIONAL INFORMATION

#### 1 Transaction Agreement

On 1 September 2023, the Company entered into the Transaction Agreement with NAVF, pursuant to which the Company undertook to take certain actions in connection with the Scheme, following the publication of the NAVF Prospectus on 1 September 2023.

#### 2 Transfer Agreement

Provided that the Scheme is approved by Shareholders and becomes effective, the Company (acting by the Liquidators) will enter into the Transfer Agreement with the Liquidators and NAVF pursuant to the Scheme. The Transfer Agreement is, as at the date of this document, in a form agreed between the Company, the Liquidators and NAVF. The Transfer Agreement provides for the transfer of the cash, undertaking and other assets of the Company comprising the Rollover Pool to NAVF (or its nominee), in consideration for the allotment of New NAVF Shares to the Liquidators (as nominees for the Shareholders entitled to them), such shares to be renounced by the Liquidators in favour of the holders of Reclassified Shares with "A" rights on the basis referred to in paragraph 8 of Part 3.

Thereafter, the Liquidators will renounce the allotments of New NAVF Shares in favour of Shareholders and such New NAVF Shares will be issued by NAVF to such Shareholders pursuant to the Scheme. The Transfer Agreement excludes certain liability on the part of the Liquidators for entering into or carrying into effect the Transfer Agreement, save for customary carve-outs.

The Transfer Agreement will be available for inspection as stated in paragraph 4 below.

#### 3 Miscellaneous

- 3.1 Singer Capital Markets has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 3.2 The Liquidators have given and not withdrawn their written consent to the inclusion of their names and references to them in this document in the form and context in which they appear.
- 3.3 As at the close of business on 11 September 2023, the issued and fully paid up share capital of the Company comprised 46,481,756 Ordinary Shares, of which 5,755,686 Ordinary Shares were held in treasury.

#### 4 Documents available for inspection

Copies of the following documents will be available for inspection on request from Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL, during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company until the Effective Date:

- (a) the Articles (containing the full terms of the amendments proposed to be made at the Extraordinary General Meeting);
- (b) the NAVF Prospectus;
- (c) the circular to be published by NAVF in connection with the Scheme;
- (d) the NAVF KID;
- (e) the NAVF pre-investment disclosure document;
- (f) the NAVF Articles;

- (g) the audited report and accounts of NAVF for each of the financial period ended 31 December 2020 and the financial years ended 31 December 2021 and 2022 and the interim report and accounts of NAVF for the six months to 30 June 2023;
- (h) letters of undertaking from the Liquidators and NAVF to enter into the Transfer Agreement;
- (i) the Transaction Agreement;
- (j) Transfer Agreement, in a form agreed between the Company, the Liquidators and NAVF as at the date of this document;
- (k) the letters of consent from Singer Capital Markets and the Liquidators referred to in paragraphs 2.1 and 2.2 of this Part of the document, respectively; and
- (l) this document, the Form of Election and the Form of Proxy.

The Articles of Incorporation of the Company (including the articles of incorporation of the Company containing the full terms of the amendments proposed to be made) will be available at the Extraordinary General Meeting for at least 15 minutes prior to and during that meeting. The proposed amended articles of incorporation will also be available for inspection of the Company's website, from the date of this document.

## Part 7

### Definitions

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

<b>“A” rights</b>	the rights attaching to Shares in respect of which the holders have made or are deemed to have made valid Elections for the Rollover Option;
<b>Accredited Investor or AI</b>	any “accredited investor” within the meaning of Rule 501 of Regulation D under the US Securities Act;
<b>Admission</b>	means the admission of the New NAVF Shares to be issued pursuant to the Scheme to listing on the Official List and to trading on the Premium Segment of the Main Market of the London Stock Exchange;
<b>AI/QP Investor Letter</b>	an Accredited Investor/Qualified Purchaser investor letter, the form of which is annexed to the NAVF Prospectus;
<b>AIFM</b>	means alternative investment fund manager, being, in the case of the Company, Quaero Capital LLP and in the case of NAVF, FundRock Management Company (Guernsey) Limited;
<b>AJG FAV</b>	means the difference between the Residual Net Asset Value and the Cash Pool NAV;
<b>AJG FAV per Share</b>	means the AJG FAV divided by the total number of Reclassified Shares with “A” rights (expressed in pence and rounded down to six decimal places);
<b>AJIT</b>	means abrdn Japan Investment Trust plc;
<b>AJIT Combination</b>	means the proposed combination of NAVF with AJIT to be effected by a scheme of reconstruction by AJIT pursuant to section 110 of the Insolvency Act 1986;
<b>Articles or Articles of Incorporation</b>	means the articles of incorporation of the Company;
<b>“B” rights</b>	the rights attaching to Shares in respect of which the holders have made valid Elections for the Cash Option;
<b>Basic Entitlement</b>	means, subject to the Scheme becoming effective in accordance with its terms, the entitlement of each Shareholder to elect for, and have accepted in full an election for, the Cash Option in respect of up to 25 per cent. by number of its holding of Ordinary Shares as at the Calculation Date, rounded down to the nearest whole share;
<b>Board</b>	means the board of the Company;
<b>Business Day</b>	means a day on which the London Stock Exchange is open for business;
<b>Calculation Date</b>	means the time and date to be determined by the Directors and the NAVF Directors (but expected to be 5.00 p.m. on 5 October 2023), at which the Company’s assets and liabilities will be determined for the creation of the Liquidation Pool, the Cash Pool and the Rollover Pool, and at which the Residual Net Asset Value, the AJG FAV per

	Share, the NAVF FAV per Share, the Cash Pool NAV, the Cash Pool NAV per Share will be calculated for the purposes of the Scheme;
<b>Cash Entitlement</b>	means in respect of any Shareholder who elects for the Cash Option and to the extent that Election is accepted, an amount equal to such Shareholder's entitlement to the net realisation proceeds of the Cash Pool pursuant to the Scheme, with entitlements being rounded down to the nearest penny;
<b>Cash Option</b>	means the option for Shareholders to receive cash under the terms of the Scheme, as described in this document;
<b>Cash Option Discount</b>	means 2 per cent. of the AJG FAV per Share;
<b>Cash Pool</b>	means the pool of assets attributable to the Reclassified Shares with "B" rights;
<b>Cash Pool NAV</b>	the AJG FAV per Share minus the Cash Option Discount multiplied by the total number of Reclassified Shares with "B" rights;
<b>Cash Pool NAV per Share</b>	shall be equal to the Cash Pool NAV divided by the total number of Reclassified Shares with "B" rights, and rounded down to six decimal places;
<b>certificated or in certificated form</b>	means a share that is not in uncertificated form;
<b>Companies Act</b>	the Companies Act 2006, as amended from time to time;
<b>Company or AJG</b>	means Atlantis Japan Growth Fund Limited;
<b>CREST</b>	means the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
<b>CREST Manual</b>	means the compendium of documents entitled "CREST Manual" issued by Euroclear from time to time;
<b>C Shares</b>	has the meaning given to it in the NAVF Prospectus;
<b>Companies (Guernsey) Law, 2008</b>	means the Companies (Guernsey) Law, 2008, as amended;
<b>Directors or Board</b>	means the board of directors of the Company;
<b>Dividend</b>	means the dividend declared by the Company on 9 August 2023 and to be paid to Shareholders on 29 September 2023;
<b>Effective Date</b>	means the date on which the Scheme becomes effective, which is expected to be 10 October 2023;
<b>Election</b>	means the choice made by a Shareholder for the Rollover Option and/or the Cash Option pursuant to the Scheme (including, where the context so permits, a deemed choice for the Rollover Option) and any reference to " <b>elect</b> ", " <b>election</b> " or " <b>elected</b> " shall, except where the context requires otherwise, mean " <b>elect, or deemed to elect</b> ", " <b>election or deemed election</b> " or " <b>elected or deemed to have elected</b> ", respectively;
<b>Eligible US Shareholder</b>	means a US Shareholder who is not an Ineligible US Shareholder;

<b>Euroclear</b>	means Euroclear UK and International Limited in its capacity as the operator of CREST;
<b>EUWA</b>	means the European Union (Withdrawal) Act 2018, as amended;
<b>Excess Application</b>	means that portion of an Election by a Shareholder for the Cash Option that exceeds that Shareholder's Basic Entitlement;
<b>Existing NAVF Shares</b>	the NAVF Shares in issue as at the date of the NAVF Prospectus;
<b>Extraordinary General Meeting or EGM</b>	means the extraordinary general meeting of the Company convened for 3.00 p.m. on 10 October 2023 (or any adjournment thereof) notice of which is set out from page 52 of this document;
<b>FAV</b>	formula asset value;
<b>Financial Conduct Authority or FCA</b>	means the United Kingdom Financial Conduct Authority or any successor entity or entities;
<b>Form of Election</b>	means the personalised forms of election for use by Shareholders in connection with Elections;
<b>Form of Proxy</b>	means the personalised form of proxy for use by Shareholders in connection with the Extraordinary General Meeting;
<b>FSMA</b>	means the Financial Services and Markets Act 2000, as amended;
<b>HMRC</b>	means HM Revenue & Customs;
<b>Ineligible US Shareholder</b>	a US Shareholder which does not execute and return the AI/QP Investor to NAVF and which, by acquiring New NAVF Shares, the NAVF Board believes would: (i) give rise to an obligation on NAVF to register as an "investment company" under the US Investment Company Act or any similar legislation; (ii) give rise to an obligation on NAVF to register under the US Exchange Act or any similar legislation; (iii) result in NAVF no longer being considered a "foreign private issuer" for the purposes of the US Securities Act or the US Exchange Act; or (iv) result in a US Person holding NAVF Shares in violation of the transfer restrictions put forth in any prospectus published by NAVF from time to time;
<b>Investment Adviser</b>	means Atlantis Investment Research Corporation;
<b>Investment Manager</b>	means Quaero Capital LLP;
<b>ISA</b>	means an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998, as amended from time to time;
<b>Latest Practicable Date</b>	means 30 August 2023, being the latest practicable date prior to publication of the NAVF Prospectus;
<b>Liquidation Pool</b>	means the pool of cash and other assets to be retained by the Liquidators to meet all known and unknown liabilities of the Company and other contingencies, as further provided in paragraph 3.3 of Part 3 of this document;
<b>Liquidators</b>	mean the proposed liquidators of the Company, Gareth Rutt Morris and Andrew Martin Sheridan, both of FRP Advisory Trading Limited, Kings Orchard, 1 Queen St, Bristol BS2 0HQ;

<b>Listing Rules</b>	means the listing rules made by the Financial Conduct Authority under FSMA;
<b>London Stock Exchange or LSE</b>	means London Stock Exchange plc;
<b>Main Market</b>	means the Main Market of the London Stock Exchange;
<b>Migration</b>	means the proposed admission of the Existing NAVF Shares to the Official List and to trading on the premium segment of the Main Market;
<b>NAV or net asset value</b>	means the gross assets of the Company or NAVF, as appropriate, less its liabilities (including provision for such liabilities) determined by the relevant board of directors in their absolute discretion in accordance with accounting principles adopted by that company;
<b>NAVF</b>	means Nippon Active Value Fund plc;
<b>NAVF Articles</b>	means the articles of association of NAVF;
<b>NAVF Board or NAVF Directors</b>	means the board of directors of NAVF;
<b>NAVF FAV</b>	means the NAVF NAV as at the Calculation Date in accordance with its normal accounting policies, on a cum income basis as adjusted for debt calculated at fair value post the costs of the Proposals and adjusted to exclude any dividends declared but not paid prior to the Effective Date by NAVF to NAVF Shareholders;
<b>NAVF FAV per Share</b>	means the NAVF FAV divided by the number of NAVF Shares in issue (excluding treasury shares) at the Calculation Date (expressed in pence and rounded down to six decimal places);
<b>NAVF General Meeting</b>	the general meeting of NAVF convened for 9.30 a.m. on 20 September 2023 (or any adjournment thereof) to consider the adoption of the New NAVF Investment Policy and the NAVF Share Allotment Authorities in connection with the Scheme and a placing programme of New NAVF Shares;
<b>NAVF KID</b>	means the key information document prepared in accordance with the PRIIPs Regulation in relation to the NAVF Shares;
<b>NAVF Proposals</b>	means the recommended proposals to issue the New NAVF Shares to Shareholders who validly elect (or are deemed to elect) for the Rollover Option under the Scheme;
<b>NAVF Prospectus</b>	means the prospectus dated 1 September 2023 relating to the issue of New NAVF Shares pursuant to the Scheme and a placing programme of New NAVF Shares;
<b>NAVF Share Allotment Authorities</b>	mean the resolutions to be proposed at the NAVF General Meeting granting NAVF Directors the authority to allot New NAVF Shares pursuant to the Scheme and relating to the disapplication of pre-emption rights in respect of the NAVF Shares to be issued pursuant to the Scheme;
<b>NAVF Shareholders</b>	means holders of shares in NAVF;
<b>NAVF Shares</b>	means the ordinary shares of 1 penny each in the capital of NAVF;



<b>New NAVF Investment Policy</b>	the proposed new investment policy of NAVF, in the form set out in Part 3 of the NAVF Prospectus, to be adopted subject to the passing of the relevant resolution at the NAVF General Meeting;
<b>New NAVF Shares</b>	mean the ordinary shares of 1 penny each in the capital of NAVF to be issued to certain Shareholders pursuant to the Scheme or the NAVF placing programme;
<b>Official List</b>	means the official list maintained by the Financial Conduct Authority;
<b>Ordinary Shares or Shares</b>	means the ordinary shares of no par value in the capital of the Company;
<b>Overseas Shareholder</b>	means a Shareholder (excluding any Eligible US Shareholder) who has a registered address outside of, or who is a resident in, or citizen, resident or national of, any jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man;
<b>PRIPs Regulation</b>	means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products and its implementing and delegated acts, as they form part of the domestic law of the United Kingdom by virtue of the EUWA;
<b>Proposals</b>	means the proposals for the members' voluntary winding up and scheme of reconstruction of the Company, as set out in this document;
<b>QP</b>	a "qualified purchaser" as defined in Section 2(a)(51)(A) of the US Investment Company Act;
<b>Reclassified Shareholders</b>	holders of Reclassified Shares;
<b>Reclassified Shares</b>	means Shares with "A" or "B" rights arising as a result of the Proposals;
<b>Record Date</b>	means 6.00 p.m. on 5 October 2023 (or such other date as determined at the sole discretion of the Directors), being the record date for determining Shareholders' entitlements under the Proposals;
<b>Receiving Agent</b>	means Computershare Investor Services PLC, a public limited company incorporated in England and Wales (registered number 03498808) whose registered office is at The Pavilions, Bridgwater Road, Bristol BS13 8AE;
<b>Register</b>	means the register of members of the Company;
<b>Registrar</b>	means Computershare Investor Services (Guernsey) Limited, a private limited company incorporated in Guernsey (registered number 50855) whose registered office is at 1st Floor, Tudor House, Le Bordage, St Peter Port, GY1 1DB, Guernsey, Channel Islands;
<b>Regulatory Information Service</b>	means the regulatory information service provided by the London Stock Exchange;
<b>Relevant Time</b>	has the meaning given to it in paragraph 4.1 of Part 3 of this document;

<b>Residual Net Asset Value</b>	means the gross assets of the Company as at the Calculation Date less the value of the cash and other assets appropriated to the Liquidation Pool and adjusted for any dividends declared by the Company including the Dividend;
<b>Resolution or Resolutions</b>	means the special resolutions and extraordinary resolution to be proposed at the Extraordinary General Meeting or any of them as the context may require;
<b>Rising Sun</b>	Rising Sun Management Ltd.;
<b>Rising Sun Contribution</b>	has the meaning given to it paragraph 3 of Part 1;
<b>Rollover Option</b>	means the option for Shareholders to elect to receive New NAVF Shares under the terms of the Scheme, as described in this document;
<b>Rollover Pool</b>	means the pool of cash and other assets to be established under the Scheme to be transferred to NAVF pursuant to the Transfer Agreement;
<b>Sanctions Authority</b>	<p>each of:</p> <ul style="list-style-type: none"> <li>(i) the United States government;</li> <li>(ii) the United Nations;</li> <li>(iii) the United Kingdom;</li> <li>(iv) the European Union (or any of its member states);</li> <li>(v) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or</li> </ul> <p>the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury;</p>
<b>Sanctions Restricted Person</b>	<p>each person or entity:</p> <ul style="list-style-type: none"> <li>(i) that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority; or</li> <li>(ii) that is, or is directly or indirectly owned or controlled by a Person that is, described, or designated in (a) the current "Specially Designated Nationals and Blocked Persons" list (which list is maintained by the US Office of Foreign Assets Control); and/or (b) the current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which list is maintained by the EU Directorate-General for Financial Stability, Financial Services and Capital Markets Union); or (c) the current "Consolidated list of financial sanctions targets in the UK" (which list is maintained by the UK Office for Financial Sanctions Implementation (forming part of His Majesty's Treasury)); or</li> <li>(iii) that is otherwise the subject of or in violation of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the current "Sectoral Sanctions Identifications" list (which list is maintained</li> </ul>

by the US Office of Foreign Assets Control) (the “**SSI List**”), (b) Annexes 3,4,5 and 6 of Council Regulation No. 833/2014 (the “**EU Annexes**”), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes;

<b>Scheme</b>	means the proposed scheme of reconstruction of the Company under article 134.3 of the Articles and Section 391(1)(b) of the Companies (Guernsey) Law, 2008, as set out in Part 3 of this document;
<b>SEC</b>	United States Securities and Exchange Commission;
<b>SDRT</b>	means UK stamp duty reserve tax;
<b>Shareholders</b>	means holders of Ordinary Shares in the Company;
<b>Sterling or £</b>	means Pounds Sterling, the lawful currency of the UK;
<b>TCGA</b>	means the UK Taxation of Chargeable Gains Act 1992;
<b>Transaction Agreement</b>	means a transaction agreement dated 1 September 2023 between the Company and NAVF, a summary of which is set out in paragraph 1 of Part 6;
<b>Transfer Agreement</b>	means the agreement for the transfer of assets from the Company to NAVF and the sale of assets by the Company to NAVF pursuant to the Scheme, a summary of which is set out in paragraph 2 of Part 6;
<b>TTE Instruction</b>	means transfer to escrow instruction (as described in the CREST Manual);
<b>UK</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>uncertificated or in uncertificated form</b>	means recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
<b>United States or US</b>	means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
<b>US Exchange Act</b>	the United States Exchange Act of 1934;
<b>US Investment Company Act</b>	The United States Investment Company Act of 1940;
<b>US Person</b>	a “US person” as defined in Regulation S under the US Securities Act;
<b>US Securities Act</b>	the United State Securities Act of 1933;
<b>US Shareholder</b>	a Shareholder who is a US Person; and
<b>VAT</b>	means UK value added tax.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

# ATLANTIS JAPAN GROWTH FUND LIMITED

(the “Company”)

*(A non-cellular company limited by shares incorporated in the Island of Guernsey under the Companies (Guernsey) Law, 2008, as amended, with registered number 30709 and registered as an Authorised Closed-ended Collective Investment Scheme with the Guernsey Financial Services Commission)*

**Notice is hereby given** that an Extraordinary General Meeting of the Company will be held at 3.00 p.m. on 10 October 2023 at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH for the purpose of considering and, if thought fit, passing the following resolutions, resolutions 1 and 2 to be proposed as special resolutions, resolution 3 to be proposed as an extraordinary resolution and resolution 4 to be proposed as a special resolution:

### Special Resolutions

#### 1 THAT:

- 1.1 each of the ordinary shares of no par value in the capital of the Company (the “**Ordinary Shares**”) in issue at the date of the passing of this Resolution (other than any Ordinary Shares held by the Company in treasury) shall be reclassified as shares with “A” rights or shares with “B” rights as the case may be (the “**Reclassified Shares**”), in such respective numbers as may be required to give effect to any election validly made (or deemed to have been made) by the holders of the Ordinary Shares and otherwise in accordance with the terms of the Scheme set out in Part 3 of the circular to Shareholders of the Company dated 12 September 2023 (the “**Circular**”), a copy of which has been laid before the meeting and signed for the purpose of identification by the Chairman of the meeting;
- 1.2 for the purposes of this special resolution:
  - (a) to the extent any holder of Ordinary Shares shall have validly elected (or shall be deemed to have validly elected) for, and under terms of the Scheme will become entitled to receive, New NAVF Shares, such Ordinary Shares shall be reclassified as shares with “A” rights; and
  - (b) to the extent any holder of Ordinary Shares shall have validly elected for, and under the terms of the Scheme will become entitled to receive, cash pursuant to the Cash Option, such Ordinary Shares shall be reclassified as shares with “B” rights;
- 1.3 each of the holders of the shares with the rights set out in paragraph 1.2 above shall have the respective rights set out in the Articles of Incorporation of the Company as amended by this special resolution;
- 1.4 the Articles of Incorporation be and are hereby amended as follows:
  - (a) the following new defined terms shall be added to Article 1(B) of the Company’s Articles:

“ <b>“A” Rights</b> ”	has the meaning given in the Circular.
“ <b>“B” Rights</b> ”	has the meaning given in the Circular.
“ <b>Circular</b> ”	means the circular to holders dated 12 September 2023.
“ <b>Liquidation Pool</b> ”	has the meaning given in the Circular.
“ <b>Liquidators</b> ”	has the meaning given in the Circular.
“ <b>New NAVF Shares</b> ”	has the meaning given in the Circular.
“ <b>Reclassified Shares</b> ”	has the meaning given in the Circular.
“ <b>Relevant Cash</b> ”	has the meaning given in Article 6.B.1.3(c).
“ <b>Rollover Pool</b> ”	has the meaning given in the Circular.
“ <b>Scheme</b> ”	has the meaning given in the Circular.;

(b) by the insertion of the following as a new Article 6.B:

**“6.B ORDINARY SHARES**

6.B.1 The rights and restrictions attaching to the Ordinary Shares shall be as follows:

6.B.1.1 the Ordinary Shares shall carry the right to receive notice of, attend and vote at, general meetings;

6.B.1.2 the right to receive all amounts available for distribution and from time to time to be distributed by way of dividend or otherwise in accordance with the Articles; and

6.B.1.3 the Ordinary Shares with “A” rights and the Ordinary Shares with “B” rights shall be identical to each other and shall be those applicable to Ordinary Shares as set out in these Articles, save that in a winding up of the Company in the circumstances set out in the Circular (subject to the Scheme becoming unconditional in all respects in accordance with its terms), the Reclassified Shares shall have the following additional rights, notwithstanding anything to the contrary in these Articles:

(a) the rights of holders of Shares with “A” rights in respect of the assets of the Company shall be satisfied by the issue to the holders thereof of the number of New NAVF Shares to which they shall be entitled in accordance with the Scheme together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme;

(b) the rights of holders of Shares with “B” rights in respect of the assets of the Company shall be satisfied by the payment to the holders thereof of the amount of cash to which they shall respectively be entitled in accordance with the Scheme together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme; and

(c) any cash arising in the Company after the transfer of the Rollover Pool and any surplus remaining in the Liquidation Pool (“**Relevant Cash**”) shall be distributed in accordance with the Scheme.”; and

(c) such further amendments to the Articles of Incorporation of the Company as may be required to give effect to this Resolution; and

1.5 the terms defined in the Circular have the same meanings in this special resolution, save where the context otherwise requires.

**2 THAT, subject to the passing of Resolution 1:**

2.1 the Articles of Incorporation of the Company be and are hereby amended by inserting the following as a new Article 134.A:

**“134.A Winding up in connection with the Scheme**

Notwithstanding the provisions of these Articles, upon the winding-up of the Company in connection with the Scheme, the Liquidators of the Company will give effect to the Scheme and will enter into and give effect to the transfer agreement with NAVF (as duly amended where relevant), drafts of which were tabled at the extraordinary general meeting of the Company convened for 10 October 2023 by the notice attached to the Circular, in accordance with the provisions of this Article and Article 6.B, and the holders of Ordinary Shares will be entitled to receive New NAVF Shares and/or cash in accordance with the terms of the Scheme.”; and

2.2 the terms defined in the Circular have the same meanings in this special resolution, save where the context otherwise requires.

**Extraordinary Resolution**

**3 THAT, subject to the passing of Resolution 2:**

3.1 notwithstanding anything to the contrary in the Articles of Incorporation of the Company (the “**Articles**”), the Scheme be and is hereby approved and the liquidators of the Company when

appointed (jointly and severally the “**Liquidators**”), be and are hereby authorised to implement the Scheme and to execute any document and do anything for the purpose of carrying the Scheme into effect;

- 3.2 in particular but without prejudice to the generality of sub-paragraph 3.1 above, the Liquidators, when appointed, be and are hereby authorised and directed, pursuant to article 134(3) of the Articles and section 391(1)(b) of the Companies (Guernsey) Law, 2008, as amended and/or this extraordinary resolution:
- (a) to enter into and give effect to the Transfer Agreement (in their personal capacity and on behalf of the Company) referred to in the Circular with NAVF, in the form of the draft produced to the Extraordinary General Meeting and signed for the purpose of identification by the Chairman with such amendments as the parties may from time to time agree;
  - (b) to request that, in accordance with the Scheme, NAVF issue and distribute New NAVF Shares to the holders of Ordinary Shares to which such holders of Ordinary Shares are entitled in accordance with the Scheme (or to the Liquidators as nominees on their behalf) by way of satisfaction and discharge of their respective interests in as much of the property and assets of the Company as will be so transferred to NAVF in accordance with the Transfer Agreement and with the Scheme;
  - (c) to procure that the Rollover Pool be vested in NAVF (or its nominees) on and subject to the terms of the Transfer Agreement;
  - (d) to distribute cash among the holders of Shares with “B” rights by way of satisfaction and discharge of their interests in so much of the Company as shall comprise the Cash Pool in accordance with the Scheme;
  - (e) to transfer any surplus in the Liquidation Pool in accordance with the Scheme; and
  - (f) to apply for the cancellation of the admission of the Ordinary Shares to trading on the premium segment of the Official List and to trading on the main market of the London Stock Exchange's market for listing securities, with effect from such date as the Liquidator may determine; and
- 3.3 the terms defined in the Circular have the same meanings in this extraordinary resolution, save where the context otherwise requires.

### **Special Resolution**

#### **4 THAT, subject to the passing of Resolution 3:**

- 4.1 the Company be and is hereby wound up voluntarily under the provisions of the Company (Guernsey) Law, 2008, as amended and that Gareth Rutt Morris and Andrew Martin Sheridan, both of FRP Advisory Trading Limited, Kings Orchard, 1 Queen St, Bristol BS2 0HQ be and are hereby appointed as liquidators (the “**Liquidators**”) of the Company for the purposes of such winding-up and distributing the assets of the Company in accordance with the Scheme and any power conferred on them by law, the Articles of Incorporation or by this resolution may be exercised by them jointly or by each of them alone;
- 4.2 the remuneration (plus VAT) of the Liquidators be determined by reference to the time properly given by them and their staff in attending to matters prior to and during the winding-up of the Company (including, without limitation, the implementation of the Scheme and any matters outside the statutory duties of the Liquidators and undertaken at the request of the members or a majority of them) and they be and are hereby authorised to draw such remuneration monthly or at such longer intervals as they may determine and to pay any expenses properly incurred by them to give effect to the Scheme;
- 4.3 the Company's books and records be held by the Company Secretary to the order of the Liquidators until the expiry of 12 months after the date of dissolution of the Company, when they may be disposed of, save for financial and trading records which will be kept for a minimum of six years following the vacation of the Liquidators from office;
- 4.4 the Liquidators be empowered and directed to carry into effect the provisions of the Articles as Incorporated as amended by Resolution 1 and Resolution 2 above; and

4.5 the terms defined in the Circular have the same meanings in this special resolution, save where the context otherwise requires.

By Order of the Board

**Northern Trust International Fund Administration Services  
(Guernsey Limited)**

*Company Secretary*

Dated: 12 September 2023

*Registered office:*

PO Box 255  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 3QL  
Channel Islands

**Notes:**

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

**1. Voting record date**

Only members registered in the Register of Members of the Company at close of business on 6 October 2023 or, if the Extraordinary General Meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to vote at the Extraordinary General Meeting in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the Extraordinary General Meeting.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

**2. Rights to attend and vote**

A PINK Form of Proxy is enclosed with this notice. To be valid, the PINK Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or notarially certified copy of such power or authority) must be deposited with the Registrar not later than 3.00 p.m. on 6 October 2023.

Completion and return of the PINK Form of Proxy will not preclude Shareholders from attending and voting at the meeting, if they wish.

**3. Right to appoint proxies**

A member entitled to attend and vote at the meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

Shareholders are encouraged to appoint the Chairman of the Extraordinary General Meeting as their proxy to vote on their behalf.

**4. Proxies' rights to vote at the Extraordinary General Meeting**

On a vote on a show of hands, each proxy has one vote.

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll, all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, Section 285(4) of the Companies Act does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

Voting on all resolutions will be conducted by way of a poll.

As soon as practicable following the meeting, the results of the voting will be announced via a regulatory information service and also placed on the Company's website, <https://www.atlantisjapangrowthfund.com>.

**5. Voting by corporate representatives**

A corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf, all of its powers as a Shareholder, provided that they do not do so in relation to the same shares. However, members should note that corporate representatives are not expected to be able to attend the Extraordinary General Meeting.

**6. Receipt and termination of proxies**

To be valid the enclosed Form of Proxy must be lodged with the Company's Registrar, Computershare Investor Services (Guernsey) Limited ("**Computershare**"), at c/o The Pavilions, Bridgwater Road, Bristol, BS99 6AH as soon as possible and in any event so as to arrive by not later than 3.00 p.m. on 6 October 2023. We strongly encourage you to appoint the Chairman of the meeting as your proxy.

A member may terminate a proxy's authority at any time before the commencement of the Extraordinary General Meeting. Termination must be provided in writing and submitted to the Company's Registrar. In accordance with the Company's Articles of Incorporation, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

Alternatively, Shareholders may register the appointment of a proxy electronically by logging on to the website [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). To appoint a proxy electronically, you will require your Control and Shareholder Number and PIN code which can be found on your share certificate or by contacting the Company's registrar, Computershare. We strongly encourage you to appoint the Chairman of the meeting as your proxy electronically. Electronic proxy appointments must be received by the Company's Registrar, Computershare, no later than 48 hours before the time appointed for the meeting (excluding weekends and public holidays) or any adjournment of the meeting. Proxies received after that date will not be valid.

#### **7. Communication with the Company**

Members may not use any electronic address provided either in the notice of meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

#### **8. Electronic receipt of proxies**

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number 3RA50) no later than the deadline specified in Note 6. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. Instructions on how to vote through CREST can be found on the website [www.euroclear.com](http://www.euroclear.com).

#### **9. Website**

A copy of the notice of the Extraordinary General Meeting, including these explanatory notes, is included on the Company's website, <https://www.atlantisjapangrowthfund.com>.

#### **10. Total voting rights at date of notice**

As at 11 September 2023, the latest practicable date before this Notice is given, the total number of shares in the Company in respect of which members are entitled to exercise voting rights was 46,481,756 Ordinary Shares of no par value, of which 5,755,686 were held in treasury. The total number of voting rights in relation to the Ordinary Shares in the Company on 11 September 2023 was 40,726,070.



