

Alternative Investment Fund Managers Directive

As the Company and the Investment Manager are each domiciled in the United Kingdom, the FCA Handbook rules require that, among other things, the AIFM makes available the following information to shareholders of the Company under the AIFMD (as implemented in the UK) and to notify them of any material change to information previously provided.

Investment policy, leverage and liquidity (AIFMD 23(1)(a)(b)(h))

The investment strategy and objectives of the Company, the types of assets it may invest in and the investment techniques it may employ, associated risks and any investment restrictions are laid out in the investment objectives and policy and other sections of the Annual Report.

For information about the circumstances in which the Company may use leverage, the types of sources permitted and the associated risks and any restrictions on the use of leverage and any collateral and asset re-use arrangements, shareholders are directed to the disclosures contained in the investment objectives and policy section of these financial statements as well as specific AIFMD-related disclosures further below.

Under the FCA rules to which the Company is subject, it needs the prior approval of its shareholders to make a material change to its investment policy.

Since the Company is closed-ended without redemption rights, liquidity risk management is limited to the liquidity required to meet the Company's obligations in relation to its financing arrangements. The Investment Manager utilises various risk assessment methods to measure the risk of portfolio illiquidity to meet the Company's obligations. This measurement enables the provision of management information to the Investment Manager and the Board of the Company to enable these risks to be monitored and managed.

Legal relationship with investors (AIFMD 23(1)(c))

The Company is a public limited company with shares admitted to trading on AIM. The Company is incorporated under the laws of England and Wales. The constitutional document of the Company is its Articles of Association, which may only be amended by way of a special resolution of its shareholders. Upon the purchase of shares, an investor becomes a shareholder of the Company. A shareholder's liability to the Company will be limited to the amount uncalled on their shares.

As the Company is incorporated under the laws of England and Wales, it may not be possible for a shareholder located outside that jurisdiction to effect service of process within the local jurisdiction in which that shareholder resides upon the Company. All, or a substantial portion, of the assets of the Company may be located outside a local jurisdiction in which a shareholder resides, and as a result, it may not be possible to satisfy a judgement against the Company in such local jurisdiction or to enforce a judgement obtained in the local jurisdiction's courts against the Company.

AIFM and its delegates (AIFMD 23(1)(d), (e) and (f))

The Investment Manager is a limited company with its registered office at 136 Buckingham Palace Road, London SW1W 9SA and which is authorised and regulated by the Financial Conduct Authority (FRN 648953). It has been appointed by the Company to manage the Company under an Investment Management Agreement with effect from 22 August 2017.

The Investment Manager is responsible for portfolio management and risk management and monitoring of the assets of the Company, and has discretionary authority over the acquisition and disposition of the Company's assets, with power to give guarantees and undertake other transactions on behalf of the Company subject to the provisions of the Investment Management Agreement. The Investment Manager is also responsible for ensuring compliance with the AIFMD.

The Investment Manager's duties under the Investment Management Agreement are owed to the Company as a whole rather than directly to the shareholders, whether individually or in groups. The Board of the Company is responsible under the Investment Management Agreement for representing the Company in its dealings with the Investment Manager.

In order to comply with its regulatory obligations, the Investment Manager holds professional indemnity insurance.

Independent auditors (AIFMD 23(1)(d))

The independent Auditor of the Company for the year ended 31 March 2019 was Deloitte LLP. The Auditor's duties are owed to the Company as a whole. They have a statutory responsibility to report to the members of the Company as a whole in relation to the truth and fairness of the Company's state of affairs and profit or loss.

Valuation (AIFMD 23(1)(g))

The assets of the Company are valued in accordance with the provisions set out in the valuation policy. The Investment Committee which has been set up by the Investment Manager in respect of the Company and its assets adds a further level of oversight to the valuation process as set out in the strategic report of the Annual Report.

Fair treatment of investors and preferential treatment (AIFMD 23(1)(j))

No preferential rights have been granted to any existing shareholder.

The Company and the Investment Manager are committed to ensuring that all shareholders are treated fairly and in accordance with UK company law. They have not and will not enter into any arrangement with one shareholder which could result in any overall material disadvantage to the other shareholders.

Issue and redemption of shareholder interests in the company (AIFMD 23(1)(l))

The Company is closed-ended and does not provide for redemption or repurchase of the interests of ordinary shareholders at their request.

Reporting and performance (AIFMD 23(1)(k), 23(1)(m) and 23(1)(n))

The historic performance of the Company, to the extent available, has been disclosed to shareholders in the Company's Annual and Half-yearly Reports, which are available from www.warehouseit.co.uk.

The latest NAV of the Company is published in the latest Annual or Half-yearly Report.

Prime broker (AIFMD 23(1)(o))

The Company does not have a prime broker.

Method of making ongoing/periodic disclosures (AIFMD 23(1)(p), 23(4) and 23(5))

Information about the Company's risk profile and risk management, total leverage and any material change to the arrangements for managing the Company's liquidity, the proportion of assets (if any) subject to special arrangements arising from liquidity, the maximum permitted leverage or the grant of rights of re-use of collateral or guarantees in relation to leverage will be provided in the Company's Annual Reports or on the Company's website www.warehouseit.co.uk.

Restrictions on the use of leverage and maximum leverage (AIFMD 23(5))

As specified in the investment objectives and policy in the Annual Report, the Company has the ability to put up to a maximum leverage of 50% of the Company's GAV and the Investment Manager oversees the use of leverage to ensure that the use of borrowing is consistent with this requirement. Leverage is calculated using gross assets, with various adjustments, divided by net assets.

Under AIFMD, the Company is required to calculate leverage under the two methodologies specified by the Directive, the 'gross method' and the 'commitment method', the difference being that the commitment method allows certain exposures to be offset or netted. Leverage is calculated using gross assets, with various adjustments, divided by net assets. The Investment Manager has currently set a limit of 200% on the use of leverage based on the gross method and a limit of 200% on the use of leverage based on the commitment method, which the Investment Manager considers consistent with the gearing limit set out in the investment policy. As at 31 March 2019 the leverage under the 'gross method' was 169% and 171% under the 'commitment method'.