

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. This document and the annexes attached hereto together comprise the listing document for the purposes of TISEA's Listing Rules and constitutes a prospectus for the purposes of the RCIS Rules (the "**Prospectus**") relating to Financial Services Opportunities Investment Fund Limited (the "**Company**").

This Prospectus includes particulars given in compliance with TISEA's Listing Rules for the purpose of giving information regarding the Company.

Application has been made to TISEA for the Offer Shares to be admitted to the Official List. It is expected that Admission to the Official List will become effective and that dealings shall commence on or about 20 November 2023.



FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

(a company incorporated on 30 August 2016 in Guernsey under the Companies (Guernsey) Law, 2008 with company number 62421)

Pre-Emptive Offer for Subscription and Listing of 51,093,750 Shares at £0.95 per Offer Share

SPONSORS TO TISE LISTING

Sanne Fund Services (Guernsey) Limited

RULE 3 ADVISER, FINANCIAL ADVISER

Cavendish Capital Markets Limited

Your attention is drawn to the section headed Risk Factors of this Prospectus, beginning on page 36, which contains details of certain factors which should be taken into account when considering whether to purchase Offer Shares.

The Company is a registered closed-ended collective investment scheme registered pursuant to the POI Law and the RCIS Rules. Neither the GFSC nor the States of Guernsey take any responsibility for the financial soundness of the Company, or for the correctness of any of the statements made or opinions expressed with regard to it.

The Directors have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the Prospectus, whether of facts or of opinion. All the Directors accept responsibility accordingly.

Subject as set out below, the Company accepts responsibility for the information contained in this Prospectus and, to the best of the knowledge and belief of the Company (which has taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Cavendish Capital Markets Limited (“**Cavendish**”) is authorised and regulated in the United Kingdom by the Financial Conduct Authority (the “**FCA**”) and is acting exclusively for the Company and for no-one else in connection with the matters set out in this Prospectus and will not be responsible to any other person for providing the protections afforded to their respective clients or for providing advice in connection with the matters set out in this Prospectus, the contents of this Prospectus or any matters referred to in this Prospectus. Cavendish is not responsible for the contents of this Prospectus. This does not exclude or limit any responsibilities which Cavendish may have under the Takeover Code) or any other relevant regulatory regime.

Apart from the responsibilities and liabilities (if any) which may be imposed on Cavendish by the FCA or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Cavendish does not make any representation or warranty, express or implied, nor does Cavendish accept any responsibility whatsoever for the contents of this Prospectus, including its accuracy, completeness or verification, nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Offer Shares, the Share Issue, the Bonus Issue or Admission. Cavendish together with its respective affiliates (nor their respective directors, officers, employees or agents) accordingly disclaims to the fullest extent permitted by applicable law all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise be found to have in respect of this Prospectus or any such statement.

Cavendish has given and not withdrawn its written consent to the inclusion of its name in this Prospectus in the form and context in which it is included.

Neither the admission of the Offer Shares to the Official List nor the approval of the Prospectus pursuant to the listing requirements of TISEA shall constitute a warranty or representation by TISEA as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of the information contained in the Prospectus or the suitability of the Company for investment or any other purpose.

In the United Kingdom, this Prospectus has not been approved by an authorised person pursuant to Section 21 of the Financial Services and Markets Act 2000 (as amended) and, as such, this Prospectus is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) who are high net-worth companies, unincorporated association and other bodies within the meaning of Article 49 of the Order, and (iii) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). This Prospectus must not be acted on or relied on in the United Kingdom, by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with such persons. It is a condition of you receiving and retaining this Prospectus that you warrant to the Company and its directors that you are a relevant person.

The Company’s Shares have not been registered with or approved or disapproved by the U.S. Securities and Exchange Commission (“**SEC**”) or by the securities regulatory authority of any state or other jurisdiction, and neither the SEC nor any such authority has passed opinion upon the accuracy or determine the adequacy of this Prospectus nor is it intended that the SEC or any such authority will do so. Any representation to the contrary is a criminal offence.

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

in any jurisdiction in which such distribution is unlawful. The Shares have not been, and will not be, registered under the US Securities Act or under the applicable securities laws of any state of the United States, any province or territory of Canada, Japan, the Republic of South Africa, the Republic of Ireland, New Zealand or Australia (the “**Excluded Territories**”) and may not be sold, directly or indirectly, within the United States or the excluded Territories or to any citizen, national or resident of the United States or the Excluded Territories.

This Prospectus does not purport to provide investment advice and shall not be construed as giving advice on the merits or suitability of an investment in the Company.

The Jersey Financial Services Commission (the “**JFSC**”) has granted consent under Article 8(2) of the Control of Borrowing (Jersey) Order 1958, as amended, for the circulation of the offer for subscription of shares in the Company in Jersey. The JFSC is protected by the Control of Borrowing (Jersey) Law 1947 as amended, against liability arising from the discharge of its functions under that Law. The JFSC does not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or expressed in this Prospectus.

This Prospectus may only be distributed or circulated directly or indirectly in or from within the Bailiwick of Guernsey (a) by persons licensed to do so by the GFSC under the POI Law or (b) to persons licensed under the POI Law; the Banking Supervision (Bailiwick of Guernsey) Law, 2020, as amended; the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended; the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended; or the Regulation of Fiduciaries, Administration Businesses and Company Directors etc. (Bailiwick of Guernsey) Law, 2020, as amended.

Dated 16 October 2023

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IMPORTANT INFORMATION

1. General

The Company is a registered closed-ended collective investment scheme, incorporated as a non-cellular company limited by shares. Further information relating to the Company is set out in this Prospectus.

This Prospectus should be read in its entirety and forms the offering document for the Share Issue and, in particular, the section entitled 'Risk Factors' in Part VI of this Prospectus for a discussion of certain risks and other factors that should be considered in connection with an investment in the Shares. In assessing whether to take part in the Share Issue, Shareholders should rely only on the information contained in this Prospectus.

Unless required to do so by law or regulation or by the TISEA, the Company will not publish any supplementary prospectus or any other update to this Prospectus. Whilst the contents of this Prospectus are accurate at the date of this Prospectus, they may no longer be accurate at any subsequent date and there may be changes in the business affairs of the Company or the Group subsequent to the date of this Prospectus.

The information contained in this Prospectus, which is to be used solely in connection with the consideration of the Share Issue described in it, is confidential to the persons receiving it. This Prospectus is only to be used by persons receiving it who are considering whether to participate in the Share Issue. This Prospectus may not be reproduced in whole or in part nor may any of the information contained in it be disclosed to or used or relied upon by any other person. Acceptance of receipt of this Prospectus constitutes an agreement to be bound by such confidentiality provisions.

No person has been authorised to give any information or make any representations other than as contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Investment Manager or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules and Guidance, 2021 and the RCIS Rules, neither the delivery of this Prospectus nor any subscription made following receipt of this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information contained in it is correct as at any time subsequent to its date.

Apart from the responsibilities and liabilities (if any) which may be imposed on Cavendish by the FCA or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Cavendish does not make any representation or warranty, express or implied, nor does Cavendish accept any responsibility whatsoever for the contents of this Prospectus, including its accuracy, completeness or verification, nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Offer Shares, the Share Issue, the Bonus Issue or Admission. Cavendish together with its respective affiliates (nor their respective directors, officers, employees or agents) accordingly disclaims to the fullest extent permitted by applicable law all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise be found to have in respect of this Prospectus or any such statement.

Shareholders must not treat the contents of this Prospectus or any subsequent communications from the Company or the Investment Manager or any of their respective affiliates, officers, directors, employees or agents, as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles.

If you are in doubt about the contents of this Prospectus you should consult your accountant, legal or professional adviser or financial adviser.

The Company does not operate an investor relations website.

2. Data protection

The information that the Company receives in relation to Shareholders and prospective investors by whatever means which relates to that Shareholder/prospective investor (if it is an individual) or a third party individual (including any Special Category Data (as defined in section 5 of the Company's Privacy Policy)) ("**Personal Data**") will be held and processed by the Company and/or the Administrator in compliance with (i) the Data Protection (Bailiwick of Guernsey) Law, 2017, as amended and any relevant data protection legislation and regulatory requirements applicable in Guernsey and (ii) the Company's Privacy Policy. Each Shareholder and prospective investor acknowledges that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) and/or the Administrator in accordance with the Privacy Policy, including for the following purposes:

- verifying the identity of the Shareholder to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the Shareholder with information about other products and services provided by the Investment Manager, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in Guernsey or elsewhere; and
- disclosing Personal Data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Shareholders and prospective investors are responsible for informing any third party individual to whom the Personal Data relates regarding the disclosure and use of such data in accordance with these provisions.

3. Investment considerations

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment decisions or any other matter. Shareholders must inform themselves as to: (i) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares.

Shareholders must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in it. Your attention is drawn to Part VI of this Prospectus entitled 'Risk Factors'.

It should be remembered that the price of Shares, and the income from such Shares (if any), can go down as well as up. An investment in Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise from it (which may be equal to the whole amount invested). Such an investment should be seen as long-term in nature and complementary to existing investments in a range of other financial assets.

4. Forward looking statements

This Prospectus may contain forward-looking statements with respect to the financial condition, performance and position, strategy, results of operations and businesses of the Company. Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but relate to events and depend upon circumstances in the future and you should not place reliance on them. Forward looking statements are not guarantees of future performance.

Without limitation, any statements preceded or followed by or that include the words 'foresee', 'targets', 'plans', 'believes', 'expects', 'confident', 'aims', 'will have', 'will be', 'will ensure', 'estimates' or 'anticipates' or the negative of these terms or other similar terms are intended to identify such forward-looking statements. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts.

Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this Prospectus. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this Prospectus should be construed as a forecast, estimate or projection of future financial performance.

5. Performance Data

The Company has been actively operating as a registered collective investment scheme since 22 September 2016 and listed on TISE since 7 October 2016. Information regarding the performance of the Company and its portfolio is available on TISE.

Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Investment Manager and the Board. Such market conditions may be different in many respects from those that prevail at present or in the future, with the result that the performance of current portfolios may be significantly different from the performance of past portfolios.

An investment in the Company involves a significant degree of risk.

6. Third party information

Where information in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and the source identified and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

7. Overseas investors

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Shares in any jurisdiction in which such offer or solicitation is unlawful. The issue or circulation of this Prospectus may be prohibited in some countries.

If you receive a copy of this Prospectus in any territory other than in the Bailiwick of Guernsey, the Bailiwick of Jersey or the United Kingdom, you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside of any of these jurisdictions, to satisfy yourself that you have fully observed the laws of any relevant territory or jurisdiction in connection with your receipt of Shares, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

Without limiting the above, the Shares may not be offered, sold or delivered, directly or indirectly, within any state of the United States, any province or territory of Canada, Japan, the Republic of South Africa, the Republic of Ireland, New Zealand or Australia, except in reliance on, or in a transaction not subject to, the registration requirements under the relevant legislation in those jurisdictions.

DIRECTORS AND ADVISERS

Directors	Mel Carvill (Non-Executive Chairman) Fintan Kennedy (Non-Executive Director) Peter Gillson (Non-Executive Director)
Registered Office & Principal Place of Business	1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
Designated Administrator, Secretary and Listing Sponsor	Sanne Fund Services (Guernsey) Limited 1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
Investment Manager	Ravenscroft Specialist Fund Management Limited PO Box 222 20 New Street St Peter Port Guernsey GY1 4JG
Guernsey Legal Advisers	Mourant Ozannes (Guernsey) LLP Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 4HP
English Legal Advisers	Addleshaw Goddard LLP Milton Gate 60 Chiswell Street London EC1Y 4AG
Rule 3 Adviser, Financial Adviser	Cavendish Capital Markets Limited One Bartholomew Close London EC1A 7BL
Market Maker	Ravenscroft (CI) Limited PO Box 222 20 New Street St Peter Port Guernsey GY1 4JG
Auditor	Grant Thornton Limited Lefebvre House Lefebvre Street St Peter Port Guernsey GY1 3TF

Principal Bankers

RBS International Limited
Royal Bank Place
1 Glatigny Esplanade
St Peter Port
Guernsey GY1 4BQ

Tax Advisers

LTS Tax Limited
Ground Floor, North Suite
Tudor House
Le Bordage
St Peter Port
Guernsey GY1 1DB

OFFER STATISTICS

Subscription Price	95p per Share
Number of Shares in issue immediately prior to Admission	51,093,750
Number of Offer Shares to be issued pursuant to the Share Issue	51,093,750
Maximum number of Shares to be repurchased under the Tender Offer	10,000,000
Number of Shares in issue immediately following Admission	102,187,500
Minimum Number of Shares in issue immediately following Tender Offer	92,187,500
Estimated gross proceeds from the Share Issue	£48.5m
Estimated expenses	£0.26m
Estimated Net Share Issue Proceeds	£37.78m
NAV at 30 June 2023 (unaudited)	£54.73m
NAV per Share at 30 June 2023 (unaudited)	£1.0712
ISIN of the Shares	GG00BD37JS91
SEDOL	BD37JS9
TIDM	FSO

Notes:

- (1) the offer statistics assume that no other Shares are issued, save for the Offer Shares at Admission and do not include any Shares to be issued under the Bonus Issue*
- (2) the minimum number of Shares in issue immediately following the Tender Offer assumes that the maximum amount of Shares will be tendered in the Tender Offer*

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of publication of this Prospectus	16 October 2023
Offer period for the Share Issue commences	16 October 2023
Offer period for the Share Issue ends	13 November 2023
Latest time and date for receipt of Forms of Proxy and Subscription Forms	1pm on 13 November 2023
EGM	1pm on 15 November 2023
Announcement of outcome of EGM and Share Issue	16 November 2023
Latest time and date for subscription monies to be received	11am on 17 November 2023
Admission and dealings in the Offer Shares to commence	20 November 2023

Each of the times and dates in the above timetable is subject to change. Should there be any change to the timetable, this will be notified to Shareholders by way of an announcement on TISE.

All references to time in this Prospectus are to Guernsey time unless the context provides otherwise.

DEFINITIONS

Unless the context requires otherwise, defined terms used in this Prospectus shall have the meanings set out below:

“2022 Annual Report and Accounts”	the report and audited financial statements of the Company for the financial year ended 31 December 2022;
“2023 Interim Report and Accounts”	the report and unaudited financial statements of the Company for the six months ended 30 June 2023;
“Administration Agreement”	the administration agreement dated 27 September 2016 and addendums dated 3 March 2017 and 22 June 2018 made between (1) the Company and (2) the Administrator in respect of the provision of administrative and secretarial services;
“Administrator”	Sanne Fund Services (Guernsey) Limited, or such other person or entity as may be appointed to act as administrator to the Company from time to time;
“Admission”	admission of the Offer Shares and/or Bonus Shares (as applicable) to trading on the Official List;
“Articles”	the articles of incorporation of the Company, as may be amended, substituted or replaced from time to time;
“Auditor”	Grant Thornton Limited or such other person or entity as may be appointed to act as auditor to the Company from time to time;
“Board” or the “Directors”	means the directors of the Company whose names are set out on page 9 of this Prospectus;
“Bonus Issue”	means the proposed offer to qualifying Shareholders who are on the Company’s register of members on the Bonus Issue Record Date on the terms and subject to the conditions set out in the Circular;
“Bonus Issue Record Date”	6pm on 22 November 2023;
“Bonus Shares”	Shares to be issued by the Company pursuant to the Bonus Issue;
“Companies Law”	the Companies (Guernsey) Law, 2008, as amended;
“Company”	Financial Services Opportunities Investment Fund Limited, a non-cellular company limited by shares incorporated in Guernsey with registered number 62421;
“Concert Party”	means Pula and those persons acting, or deemed to be acting, in concert with it, as more fully described in section 2 of Part II of the Shareholder Circular;

“De-listing”	the cancellation of Shares from admission to listing on the Official List of TISE;
“EGM”	the extraordinary general meeting of the Company to be held at 1pm on 15 November 2023 (or at any adjournment thereof);
“EGM Notice”	the notice convening the EGM;
“GFSC”	the Guernsey Financial Services Commission;
“IFRS”	International Financial Reporting Standards;
“Independent Shareholders”	means Shareholders other than the members of the Concert Party;
“Investment Management Agreement”	the investment management agreement dated 27 September 2016 made between (1) the Company and (2) the Investment Manager, as amended on 23 June 2017, novated on 26 May 2020 and as amended and restated on 19 July 2021, in respect of the provision of investment management services;
“Investment Manager”	Ravenscroft Specialist Fund Management Limited, or such other person or entity as may be appointed to act as investment manager to the Company from time to time;
“Listing Rules”	the listing rules of TISEA relating to the listing of equity securities on TISE (as may be amended or replaced from time to time);
“Market Maker”	Ravenscroft (CI) Limited, or such other person or entity as may be appointed to act as market maker to the Company from time to time;
“NAV” or “NAV per Share”	respectively the net asset value of the Company and the net asset value of a Share calculated in accordance with the investment valuation policy and the accounting policies of the Company from time to time;
“Net Share Issue Proceeds”	the Share Issue Proceeds, after deduction of all expenses and commissions relating to the Share Issue payable by the Company, all amounts to be returned to Shareholders under the Tender Offer and such amount as may reasonably be required by the Company for its ongoing working capital requirements;
“Oak”	shall have the meaning given on page 21 of this Prospectus;
“Offer Shares”	Shares to be issued by the Company pursuant to the Share Issue;
“Official List”	means the list of securities admitted to listing and trading on TISE, which is published and maintained by TISEA;

“Opera”	shall have the meaning given on page 21 of this Prospectus;
“Personal Data”	shall have the meaning given on page 6 of this Prospectus;
“POI Law”	the Protection of Investors (Bailiwick of Guernsey) Law, 2020;
“Privacy Policy”	the privacy policy which has been adopted by the Company and appended to the Subscription Form;
“Pula”	Pula Investments Limited, a company incorporated under the laws of Guernsey with registered number 55820;
“RCIS Rules”	the Registered Collective Investment Scheme Rules and Guidance, 2021 issued by the GFSC, as may be amended from time to time;
“Record Date”	6pm on 13 November 2023;
"Regulatory Approval"	means the Company or any of its Shareholders or portfolio companies or any other person (as applicable) obtaining any regulatory consents, authorisations or approvals, including from the GFSC or any other regulatory body or authority, which, in the reasonable opinion of the Company, are necessary or desirable in order to complete each of the Share Issue, Tender Offer and Bonus Issue;
"Resolutions"	means each of the resolutions to be proposed at the EGM as set out in the EGM Notice;
“Rule 9 Waiver”	means the waiver granted by the Takeover Panel, conditional on the approval by Independent Shareholders of the Waiver Resolution, of any obligation which would otherwise be imposed on members of the Concert Party, either individually or collectively, to make a general offer to all Shareholders under Rule 9 of the Takeover Code, as a result of the Share Issue, the Tender Offer and/or the Bonus Issue;
“Shareholders”	means the holders of Shares on the register of members of the Company and for the purpose of determining eligibility and entitlement under each of the Share Issue, Tender Offer and Bonus Issue, the Board, in its absolute discretion, will look through nominee arrangements to the underlying beneficial holder. References to Shareholders throughout this Prospectus should be construed accordingly;
“Shareholder Circular”	a circular to Shareholders to be published on or around the date of this Prospectus containing details of the Share Issue, Tender Offer, Bonus Issue, amendment of the Articles, proposed change of the Company’s investment objective, policy and restrictions, proposed Rule 9 Waiver, intention to delist and EGM Notice;

“Share Issue”	the proposed offer to each Shareholder to subscribe for 1 new Offer Share for each Share it currently holds on the Record Date at 95p per Share and otherwise on the terms and subject to the conditions set out in this Prospectus;
“Share Issue Proceeds”	the aggregate cash proceeds of the Share Issue;
“Shares”	ordinary shares of no par value issued or to be issued in the capital of the Company;
“Subscription Form”	the prescribed form to be completed by Shareholders, pursuant to which the Shareholder shall agree to subscribe for a specific number of Offer Shares and to pay the requisite Subscription Price to the Company;
“Subscription Price”	95p per Offer Share;
“Takeover Code”	the City Code on Takeovers and Mergers;
“Takeover Panel”	the Panel on Takeovers and Mergers;
“Tender Circular”	the document published by the Company in connection with the Tender Offer dated 16 October 2023;
“Tender Offer”	the invitation by the Company to qualifying Shareholders to tender Shares by way of an on-market purchase on the terms and subject to the conditions set out in the Tender Circular;
“TISE”	The International Stock Exchange;
“TISEA”	The International Stock Exchange Authority Limited; and
“Waiver Resolution”	the resolution numbered 3 in the EGM Notice to approve the Rule 9 Waiver.

PART I: INFORMATION ON THE COMPANY

The Company

Financial Services Opportunities Investment Fund Limited was incorporated in Guernsey as a non-cellular company limited by shares on 30 August 2016 with registered number 62421. The Company operates under the Companies Law and has been declared a registered closed-ended collective investment scheme by the GFSC pursuant to the POI Law and the RCIS Rules. The Company has an indefinite life.

Share Capital Structure

The Company may issue an unlimited number of Shares. There are no other classes of share in issue in the Company and there are no warrants or options existing over any new Shares in the Company.

On 12 July 2022, the Company announced that Shareholders had elected to tender a total of 3,406,250 Shares at a price of 116.68p per Share in connection with a tender offer. The tendered Shares were cancelled and the total Shares in issue reduced from 54,500,000 to 51,093,750.

At the date of this Prospectus, the Company has a total of 51,093,750 Shares in issue which are fully paid up and admitted to trading on the Official List.

As at the date of this Prospectus:

- (a) no Shares are held by, or on behalf of, the Company as treasury shares;
- (b) no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option, nor are there any subscriptions or allotments existing in respect of the Company's Shares save in respect of the issue of any Bonus Shares;
- (c) no convertible securities, exchangeable securities or securities with warrants have been issued by the Company; and
- (d) no debt securities have been issued by the Company which are outstanding, authorised or otherwise created but unissued.

Share Issue, Tender Offer and Bonus Issue

(i) Pre-emptive Share Issue:

The Company has today announced that it proposes the Share Issue to raise approximately £48.5 million. The Share Issue will involve the issue of 51,093,750 Offer Shares at a Subscription Price of 95p per Offer Share to raise gross aggregate proceeds of £48,539,063. Further details of the Share Issue are in Part V of this Prospectus. The Company values the support provided to it from existing Shareholders and therefore it is proposing a fully pre-emptive equity fundraise. Under the terms of the Share Issue, each existing Shareholder on the Record Date will be offered the opportunity to subscribe for 1 Offer Share for every 1 existing Share that it holds on the Record Date at a Subscription Price of 95p per Offer Share (being, their "**Share Issue Entitlement**"). Shareholders may also be able to subscribe for Offer Shares in excess of their Share Issue Entitlement, dependent on the appetite of other Shareholders for the same.

The Company has identified a significant financial backer, Pula, which is supportive of the Company's strategy and is prepared to backstop the Share Issue. To the extent that existing Shareholders do not take up all of the Offer Shares available under the Share Issue (being 51,093,750), Pula will subscribe for

those Offer Shares that are not subscribed for. Pula is already a significant Shareholder in the Company, holding 9,375,000 Shares representing 18.35% of the issued share capital. Pula is part of a wider Concert Party that currently holds 30.19% of the issued share capital of the Company. On that basis, any increase in Pula's shareholding in the Company is subject to approval of Independent Shareholders and receipt of a Rule 9 Waiver under the Takeover Code, in respect of the maximum possible controlling position of Pula and the Concert Party following completion of the Share Issue, Tender Offer and Bonus Issue. Details of the proposed Rule 9 Waiver are set out in section 4 of the Shareholder Circular.

The rights attaching to the Offer Shares issued pursuant to the Share Issue will be identical in all respects to existing Shares in issue on the Record Date. Application will be made for the Offer Shares issued pursuant to the Share Issue to be admitted to the Official List of TISE.

The Share Issue is conditional upon, amongst other things, Regulatory Approval and Shareholder approval of the Resolutions.

(ii) Tender offer

The Board is keen that all Shareholders have the opportunity to participate in the Share Issue, and to benefit from the opportunities that the Share Issue will bring in delivering on the strategy of the Company. However, the Board is mindful that there may be current Shareholders who do not want, or are unable to participate in the Share Issue, and who may not want to remain invested in the Company following the Share Issue. To help safeguard their interests, the Company has today announced a Tender Offer to every Shareholder on the Record Date who does not participate in the Share Issue to tender their Shares to the Company.

The Tender Offer will be made available to all Shareholders on the register of members of the Company at the Record Date who do not participate in the Share Issue. Non-participating Shareholders can elect to tender their Shares on a pro-rata basis, and will also have the opportunity to tender Shares in excess of that amount should the Tender Offer be undersubscribed. The Tender Offer will be conducted at a fixed price of 100p per Share, which represents a discount of 6.65 per cent. to the unaudited published NAV per Share as at 30 June 2023. The Company will use up to £10 million of the proceeds of the Share Issue to buy-back up to 10,000,000 Shares (being up to approximately 19.57% of the current issued share capital of the Company) at the Record Date. An application will be made to delist the tendered Shares from TISE and the Shares will be cancelled once they are bought back.

The Tender Offer is conditional upon, amongst other things, completion of the Share Issue in accordance with its terms and Shareholder approval of the Resolutions.

(iii) Bonus Share Issue

The Board hopes that Shareholders will support the proposed strategy for the future of the Company and participate in the Share Issue, or only tender their pro-rata entitlement under the Tender Offer. In order to incentivise Shareholders to remain invested in the Company and therefore not to take up the opportunity of an exit pursuant to the Tender Offer, following completion of the Tender Offer, the Company proposes to issue Bonus Shares to Shareholders who are on the register of members of the Company on the Bonus Issue Record Date on the following basis:

- Shareholders who do not participate in the Tender Offer will receive 1 additional Bonus Share for every 10 Shares held by them on the Record Date, with fractional entitlements being rounded down;

- Shareholders who successfully tender in the Tender Offer their pro-rata entitlement (being approximately 19.57 per cent. of their shareholding on the Record Date) (**Tender Offer Entitlement**) will receive 1 additional Bonus Share for every 20 Shares held by them on the Record Date, with fractional entitlements being rounded down; and
- Shareholders who successfully tender more than their Tender Offer Entitlement will not receive any Bonus Shares under the Bonus Issue.

The rights attaching to the Bonus Shares issued pursuant to the Bonus Issue will be identical in all respects to existing Shares in issue on the Bonus Issue Record Date and will rank *pari passu* to them from the date of Admission. Application will be made for the Bonus Shares issued pursuant to the Bonus Issue to be admitted to the Official List of TISE.

The Bonus Issue is conditional upon completion of each of the Share Issue and Tender Offer in accordance with their terms and Shareholder approval of the Resolutions.

Purchase of Shares by the Company

On 29 November 2022 at its last annual general meeting, the Shareholders authorised the Company to make market purchases of up to 14.99 per cent of its own Shares in issue at that date and the Company may cancel those shares or hold those Shares as treasury shares for future resale or transfer or cancellation. Shareholder approval of this authority is sought at each annual general meeting of the Company.

This authority is in addition to the buy back authority being sought at the EGM to effect the Tender Offer.

In order to address any imbalance in the supply of and demand for Shares and to assist in minimising the volatility of the discount or premium to NAV per Share at which the Shares may be trading from time to time, the Company may purchase Shares or reissue Shares when deemed appropriate. Shareholders should have no expectations that the Board will exercise any such discretion on any one or more occasions in respect of the Shares.

Further Share Issues

In addition to the proposals referred to in the paragraph above headed "Share Issue, Tender Offer and Bonus Issue", further issues of shares in the Company may occur to provide funds for investment by the Company as and when the Directors in their discretion consider it appropriate.

Shares are not automatically subject to pre-emption rights. However, the Directors are aware of the importance attached to pre-emption rights amongst institutional and other investors in the UK and, increasingly, across other jurisdictions. With that in mind, the Directors have adopted a policy of: (a) no issue of more than 10% of the Shares then in issue, except on a pre-emptive basis, in any given twelve month period without first obtaining Shareholder approval; and (b) no issue of Shares may occur at a price below the NAV attributable to the Shares in the Company for the time being other than on a pre-emptive basis, save with the prior consent of Shareholders by special resolution.

The Articles do make provision for a separate class of shares ("**C Shares**") to be issued in specific circumstances determined by the Board if considered appropriate on a non-pre-emptive basis to allow for specific fundraising or investment opportunities. Any subsequent conversion of C Shares into Shares that may occur would take place at a price related to the net asset values of the respective share classes

in order to prevent the issue of further Shares diluting existing Shareholders' share of the NAV of the Company.

It is not intended to issue C Shares in the foreseeable future. If C Shares were to be issued, the Company anticipates that these would not be listed but would be issued on the basis that they would be converted into Shares (which would be listed) as soon as reasonably practicable.

Unless the Company has resolved otherwise, any new shares shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class, whether then issued or not, or be subject to such stipulations deferring them to any other shares with regard to dividends or voting or in the distribution of the assets as the Board may determine.

A listed class of Shares may not be converted into a different class without the approval of a majority of the Shareholders of that class, except where such conversion is for the consolidation of classes and as may be provided for and explained fully in this Prospectus.

Reports and Accounts

The Company's annual report and financial statements are prepared up to 31 December each year and are prepared in accordance with IFRS and the Companies Law and reported in pounds sterling.

The Company's annual report and financial statements are published within six months of the end of the period to which they relate and are made available to Shareholders upon publication. The Company also produces an interim report and financial statements for the six months to 30 June each year, which are made available to Shareholders within four months of the end of the period to which they relate.

The 2022 Annual Report and Accounts were published on TISE on 26 June 2023 and the 2023 Interim Report and Accounts were published on TISE on 16 October 2023. Both the 2022 Annual Report and Accounts and the 2023 Interim Report and Accounts are appended to this Prospectus as Annex B.

NAV

The NAV is calculated in accordance with the Articles and the accounting and valuation policies adopted by the Directors. The NAV is calculated and published quarterly and is notified to TISE as soon as possible after calculation.

Financial and Trading Prospects

The Directors are not aware of any material adverse change in the financial or trading position of the Company since the 2023 Interim Report and Accounts. The risks and uncertainties described under Part VI represent those the Directors consider to be material as at the date of this Prospectus.

The NAV per share as at 31 December 2022 was £1.0784 and as at 30 June 2023 was £1.0712.

PART II: INVESTMENT OBJECTIVE & POLICY

The Company's current investment objective, policy and restrictions are included as Annex A to this Prospectus.

Future Strategy of the Company

The Company intends to concentrate its investment in Opera Limited ("**Opera**"), a newly incorporated subsidiary of the Company which the Company intends will hold its shares in Oak Group Limited ("**Oak**"), with a view to creating a leading, global financial services business.

The trust and fund administration sub-sector has seen significant consolidation among the more established providers in recent years through the acquisition of smaller and challenger businesses. This market dynamic, which exists particularly in the Channel Islands where both the Board and the Investment Manager have a strong network of contacts, provides significant opportunities for a well-capitalised purchaser to grow a business quickly through mergers and acquisitions. Such a strategy may involve acquisitions of entire trading businesses or strategic minority investments.

From late 2019 through to 2022, Oak, the Company's largest investment, has been in discussions around a number of separate merger, takeover and sale opportunities that ultimately did not complete. The Company believes that Oak provides an excellent platform from which to grow, both organically and inorganically, and ultimately create a leading, global financial services business. However, it currently lacks the funding to do so. The fundraise and appointment of Kim Sgarlata to the board of Opera will enable her to deliver the identified strategy, as further outlined below.

The Company, in consultation with its largest investor, Pula, has agreed, subject to shareholder approval, a strategy to raise approximately £48.5 million to be used to (i) provide a new subsidiary, Opera, with the necessary funds to maximise the potential of Oak, including through "business as usual" optimisation, rationalisation of Oak's shareholder base, organic growth and the pursuit of acquisitions that are accretive to its business model with a view to creating a leading global financial services business and (ii) fund the Tender Offer up to a maximum of £10 million.

If the Share Issue is successful, the Company intends to transfer the shares it holds in Oak to Opera, a new company incorporated in Guernsey as a subsidiary of the Company. It is anticipated that Opera will benefit from synergies across its group, as it is enlarged through acquisitions and integrations, thereby enabling it to compete more effectively on a global scale. The aim is for Opera to become a leading global offshore financial services business. The Company believes that this strategy will enhance value for Shareholders in the long term.

Pula is the family office of Stephen Lansdown CBE, which he set up shortly after moving to Guernsey in 2010. Stephen is co-founder and former chairman of Hargreaves Lansdown Plc, the UK's largest independent private client brokerage and a member of the FTSE 100. He was awarded a CBE in the 2017 Queen's Birthday Honours for services to business and the community in Bristol. Pula has many business interests including sport, aviation, sustainability-focussed investments and lodges in Southern Africa. Stephen was formerly a non-executive director of the Ravenscroft Group and stepped down as chairman in 2021. Pula remains a significant shareholder in the ultimate holding parent company of Ravenscroft.

Stage 1

Following completion of the Share Issue, the Company intends to transfer 100% of the shares it owns in Oak to Opera by way of a share-for-share exchange. Oak is consulting with its active management shareholders to also achieve a transfer of 100% of the shares which such management shareholders hold in Oak to Opera by way of a share-for-share exchange. Upon completion of this exercise, it is anticipated

that the Company would own 91.6% of the issued share capital in Opera and Oak management would own 8.4%.



The board of directors of Opera initially comprises Kim Sgarlata as CEO of Oak and Fintan Kennedy to represent the interests of the Company and its Shareholders.

Kim Sgarlata was appointed as CEO of Oak on 1 September 2023. Kim has over 20 years of experience in financial services. She held the positions of Global Head of Strategic Programme Development and Global Head of Wholesale Transformation at HSBC from 2020 and 2021 respectively. Before that, she worked for over 9 years at Capco, a global management consultancy, where she was partner for nearly 8 years. Kim is a successful client relationship manager with demonstrated leadership skills and extensive experience in change delivery. As a career management consultant practitioner, Kim has defined business models and strategies, executed change programs and motivated teams to achieve common goals.

At HSBC, Kim drove the transformation of the Commercial Bank, covering trade finance, payments, treasury, lending, client services, channels and the underlying technology and data to support all functions. This resulted in significant benefits delivered including new business launches, increased margin related to cost reductions implemented, increased client retention, capital saves, operational risk reduction and regulatory compliance.

Kim is also particularly skilled in transitioning teams to agile ways of operating and embedding ESG-linked behavioural changes when mandated and has substantial experience in managing large teams and investment budgets to strategically transform large financial institutions.

The Net Share Issue Proceeds will be invested in Opera. Opera will hold the same in cash or near cash investments until such time as they are deployed. It is expected that Opera will place the cash on short-to mid-term deposit until required.

The Board believes that the Company would be better served with greater flexibility in the pursuance of its strategy following completion of the Share Issue, Tender Offer and Bonus Issue if it were an unlisted company, and so not subject to the administrative and regulatory requirements applicable to a company whose shares are listed on TISE. Therefore, following completion of the Share Issue, Tender Offer and Bonus Issue and conditional upon approval of the Resolutions, the Board will in due course seek the De-listing.

The Board proposes that the Company's listing on TISE would be retained for a period of approximately 3 months following completion of the Bonus Issue, to allow any Shareholders who desire a further exit and were not able to achieve the same under the Tender Offer the opportunity to sell their Shares in the

market and for any existing or new Shareholders to purchase those Shares. Furthermore, following the De-listing from TISE, the Company will ensure that a secondary trading facility remains available to allow Shareholders to seek to trade their Shares to the extent willing purchasers can be identified.

Stage 2

The long-term strategy of the Company is to realise the non-core assets of the existing portfolio and either reinvest the proceeds or return funds to Shareholders. The Company shall then seek to cancel its registration as a closed-ended collective investment scheme and distribute shares in Opera to its Shareholders before commencing an orderly winding up.

The Board will ultimately be responsible for making decisions in relation to the sale and purchase of investments and will be advised by the Investment Manager. The Board will have full access to the resources of the Investment Manager for the purpose of implementing those investment decisions.

It is intended that investment and divestment transactions for acquisition or disposal should be considered and determined by the Board on the basis of advice and a full report and recommendation received from the Investment Manager.

Whilst it is not intended that the Company will make any further direct investments outside of Opera and the investments it currently holds, should the Investment Manager become aware of an investment (or divestment) opportunity in a new entity or an existing entity using proceeds that have been realised from the existing portfolio and which meets the criteria determined by the Board from time to time, the Investment Manager will prepare a report for consideration by the Board who may decide to make such an investment (or divestment).

Amendment to investment objective, investment policy and restrictions

Whilst the strategy described above aligns with the Company's current investment objective, the Board is proposing to amend to Company's investment objective, investment policy and restrictions, if the Share Issue is successful, to reflect the fact that the Company's investments will be heavily concentrated in one investment (Opera) whilst it endeavours to realise the non-core portfolio and ultimately distribute the shares in Opera to Shareholders. Accordingly, it is proposed that, if the Share Issue is successful, the Board will proceed to amend the Company's investment objective and policy as follows and to remove all investment restrictions:

"The Company has the investment objective of attaining capital growth and an income stream by investment in financial services businesses and related businesses.

The Company intends to concentrate its investment in Opera Limited, with a view to creating a leading, global financial services business."

The Board is cognisant that some Shareholders may not wish to, or may be unable to, participate in the Share Issue and may not want to remain invested in the Company following the Share Issue. Shareholders are therefore being offered an opportunity to tender Shares as the Company seeks to embark on this new chapter of its journey.

Borrowing

The Company may borrow funds up to an amount equal to 25 per cent of the Company's last announced NAV and such borrowings may, if required, be secured on its investments.

The Company may also be indirectly exposed to the effects of gearing to the extent that any investee company has borrowings.

The Company may, from time to time, for the purposes of efficient portfolio management, for strategic purposes in connection with proposed acquisitions and disposals and for hedging purposes, enter into contracts for differences, options and other derivative investment products.

Commitments to such investments will not be made beyond the extent of the Company's assets available to meet the same. Investment in such instruments is not intended to be made for gearing purposes or otherwise as an active policy or means to achieve the Company's investment objectives.

As at the date of this Prospectus, the Company does not have any borrowings or indebtedness, nor is there any mortgage, charge or security interest over or attaching to the assets of the Company.

Dividend Policy

The Directors intend that returns should be generated for Shareholders primarily through capital appreciation of their investment.

The Directors operate a distribution policy for the Company commensurate with and appropriate to the make-up of its investment portfolio and investment policy from time to time.

PART III: CURRENT INVESTMENTS

The Company has invested in the following entities:

1. Oak Group Limited (“Oak”)

The Company has a 72.50% stake in Oak. As at the date of this Prospectus, the holding is valued at £37.3 million.

Oak Group is a private client, corporate services and fund administration business formed in 2018 through the consolidation of four carefully selected businesses, which together bring a collective 65 years of experience. The Group has operations in Guernsey, Jersey, the Isle of Man and Mauritius and is also able to provide corporate and fund services in Luxembourg through its joint venture arrangement with Fiducenter S.A.. Oak Group employs approximately 200 staff across its operations.

Oak Group is one year into an ambitious three-year programme of integration and growth which seeks to achieve a cultural, operational and commercial transformation of the business.

The group finished its financial year to 31 March 2023 with audited revenues of £21.3 million and is confident of continued organic growth as the transformation initiatives start to take effect.

2. Praxis Group Limited (“Praxis”)

The Company has a 14.39% stake in Praxis. As at the date of this Prospectus, the holding is valued at £13.6 million.

Praxis is an independent financial services group, headquartered in the Channel Islands, which provides bespoke private wealth, corporate administration and yacht services to companies, individuals and families across the world.

Praxis is listed on TISE and has offices in 15 jurisdictions across the world and employs over 450 staff.

Praxis has also embarked on a three-year plan to grow its core services, increase efficiency and align the quality and interests of its people with the company’s stakeholders. A key focus for 2022 was to redefine the group’s operating model and structure, reducing the cost base to an appropriate level for the size of the business. The company is also looking to implement systems and processes to increase efficiency and enhance levels of client service. Praxis recently went through a rebranding exercise to boost brand recognition and present itself as a leader in the private wealth and corporate services sectors.

3. Enhance Group Limited (“Enhance”)

The Company has a 38.39% equity stake in Enhance. It also holds 100% of the D Redeemable Preference Shares. As at the date of this Prospectus, the entire holding is valued at £2.1 million.

Enhance, established in 2005, is a leading investment monitoring and advisory boutique for fiduciaries, family offices and charities around the world, with fintech at its core. Enhance has gained a reputation for delivering services through the use of proprietary technology and now has more than \$40 billion of assets under review. The company aims to continue to innovate and deliver financial services that provide long-term solutions based on technology, but with the foundations of integrity, experience and professionalism.

In 2020, Enhance successfully rolled out its proprietary investment reporting platform, Mosaic, which provides an automated foundation for the company's monitoring, portfolio and consultancy services.

4. Next Generation Holdings Limited (“NextGen”)

The Company has a 50% stake in NextGen. It has also made a loan of £358,264 to NextGen and holds 65.35% of the Convertible Redeemable Preference Shares in NextGen's subsidiary, Next Gen Worldwide Limited (“**NGW**”). As at the date of this Prospectus, the entire holding is valued at £1.3 million.

NextGen is a Guernsey based holding company which was established as a joint venture between the Company and Toby Esser, the former CEO of a multinational insurance company. Toby was previously responsible for building one of the world's largest wholesale insurance brokers.

NextGen is the majority shareholder in NGW, which in turn is the sole owner of Ambon Insurance Brokers Limited, formerly AFL Insurance Brokers Limited (“**Ambon**”), a UK based Lloyds broker. Following agreement between the shareholders of NGW in early 2021, the group is in the process of conducting an orderly break-up of its assets.

NextGen and Ambon have together brought claims against the previous owners, Alec and Bob Finch, that funds from Ambon's client account were historically used to inflate the company's profitability and value. In September 2023, judgment was received in favour of NextGen and Ambon in respect of all claims. Action is now being taken to enforce the judgment and obtain payment of the damages awarded to NextGen and Ambon.

5. Corvid Holdings Limited (“Corvid”)

The Company has a 5% stake in Corvid. As at the date of this Prospectus, the holding is valued at £0.8 million.

Corvid wholly owns a subsidiary business, Corvid Protect Holdings Limited (“**Protect**”).

Ultra Electronics Holdings plc, the parent company and main customer of Protect, was acquired by a wholly owned indirect subsidiary of Cobham Group Holdings Limited on 28 July 2022 by way of a court sanctioned scheme of arrangement.

PART IV: DIRECTORS, MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

The Board of Directors comprises three Directors, all of whom are non-executive:

Mel Carvill	Non-Executive Chairman
Fintan Kennedy	Non-Executive Director
Peter Gillson	Non-Executive Director

The Directors are responsible for the determination of the Company's investment objectives and policies and have overall responsibility for the Company's activities, including the review of investment activity and performance and the supervision of the Investment Manager and the Administrator. The Directors are, save as disclosed below, independent of the Investment Manager. The Directors meet at least 4 times per annum.

The business address of each of the Directors in connection with the Company is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL.

Brief biographies of the Directors are set out below:

Mel Carvill

Mel serves as a director of a number of financial services companies operating in North America, Europe and Asia. He worked at Generali Group from 1985 until 2009, latterly as head of Western Europe, the Americas and Middle East. During his time at Generali, Mel held the positions of Chief Risk Officer, Head of International Regulatory Affairs, Head of Corporate Finance and Head of Strategic Planning. He was then Chairman of Friends Life Ltd, the UK life insurer, until its takeover by Aviva. Mel served as Chairman of Aviva Life UK until 30 June 2022. He is Chairman of Bank of Georgia Group PLC, a FTSE250 company.

Mel was a commissioner of the GFSC for nine years. He is a Fellow of the Institute of Chartered Accountants in England and Wales, holds the Advanced Diploma in Corporate Finance, is an Associate of the Chartered Insurance Institute, a Chartered Insurer and a Fellow of the Chartered Institute for Securities & Investment.

Fintan Kennedy

A Fellow of the Institute of Chartered Accountants in England and Wales, Fintan is Chief Executive Officer of Sealyham Investments Limited. Fintan started his finance career almost 30 years ago with PricewaterhouseCoopers, advancing to Head of Finance with CI Traders Limited (now SandpiperCI) before heading up Cofra Jersey Limited, a family office for the Brenninkmeijer family with interests in property, renewable energy and private equity. In his current role, he is now responsible for a diverse portfolio of investments including property investment and development, finance, retail and renewable energy and brings a wealth of experience accumulated through multiple and diverse corporate finance transactions.

Fintan is also Finance Director of Leicester Tigers Rugby Club and a Non-Executive Director of Super League Triathlon.

Peter Gillson

An Associate of the Chartered Governance Institute UK & Ireland, Peter was a director and co-founder of International Private Equity Services Limited (IPES), a company which specialised in the administration of private equity funds and associated structures. Although involved in all aspects of the company, his main focus was financial control and providing technical advice to clients when structuring funds. During the

10 years from setting up the company to its sale in 2008, the company grew substantially; employing over 120 staff in three jurisdictions with funds under administration in excess of Euro 30 billion. Peter has had more than 30 years of involvement in the private equity industry, he has held appointments on the boards of many fund general partner companies for groups of varying sizes and locations, operating in all sectors.

Between 2008 and 2016, Peter was a member of Guernsey's government, holding a number of positions ranging from the Commerce & Employment Department to being the Minister of the Home Department.

Each of the Directors was appointed as a director of the Company on 9 September 2016.

INVESTMENT MANAGER

The Investment Manager of the Company is Ravenscroft Specialist Fund Management Limited, a company limited by shares incorporated in Guernsey. The Investment Manager is a wholly owned subsidiary of Ravenscroft Capital Limited, which in turn is a wholly owned subsidiary of Ravenscroft Holdings Limited.

The Investment Manager is licensed by the GFSC pursuant to the POI Law to carry out controlled investment business, including the regulated activities of promotion, dealing, management and advising in respect of Category 1 controlled investments (collective investment schemes) and dealing and advising in respect of Category 2 controlled investments (general securities and derivatives).

The Investment Manager has been appointed pursuant to the Investment Management Agreement, which is summarised on page 65 of this Prospectus. The Investment Manager is responsible for the management of the Company's assets (including un-invested cash held by the Company) and subject to the approval of the Board with regards to any investment decisions.

The directors of the Investment Manager are as follows:

Brian O'Mahoney

Brian joined Ravenscroft in July 2015 and has nearly 25 years' experience in the financial services sector. He holds the positions of Group Finance Director and Head of Corporate Finance, splitting his time between group projects and oversight, and leading and overseeing the management of the specialist funds and provision of advisory services to corporate clients. Brian previously worked at Legis Group and was instrumental in steering the business through its initial management buyout and its subsequent industry sales. Prior to that, Brian worked at Kleinwort Benson for 13 years, ultimately becoming the Chief Financial Officer for the Channel Islands, a role he held for a number of years.

Brian is a Fellow of the Institute of Chartered Accountants in Ireland and holds a finance-based MBA from Manchester Business School.

Semelia Hamon

Semelia joined Ravenscroft in April 2016, initially as company secretary before becoming part of the corporate finance team in October 2017. She manages corporate transactions, such as acquisitions and fundraises, as well as heading up the TISE listing sponsorship function and overseeing governance and operations for the department. Semelia has more than 15 years' experience in Guernsey's financial services industry, previously in a company secretarial and corporate governance function working with a range of both public and private funds, trading companies and other corporates.

She is an Associate of the Chartered Institute for Securities & Investment, holding the CISI Certificate in Corporate Finance, the ICSA Certificate in Offshore Finance and Administration, and the CIPD Certificate in Personnel Practice.

Jim McInnes

Jim joined Ravenscroft in 2019 with over 15 years' accounting experience in Guernsey, France, London and Bermuda across a wide range of industries, his last position being Chief Financial Officer of a hotel and resort in Bermuda. His primary focus is on the provision of investment management services to the non-property specialist funds.

Jim was educated at Elizabeth College, Guernsey and The University of Nottingham and is a Fellow of The Institute of Chartered Accountants in England and Wales.

ADMINISTRATOR, SECRETARY AND DESIGNATED ADMINISTRATOR

Sanne Fund Services (Guernsey) Limited has been appointed by the Company to act as administrator and secretary pursuant to the Administration Agreement (details of which are set out on pages 66 to 67 of this Prospectus). It is the "designated administrator" for the purposes of the POI Law and the RCIS Rules.

The Administrator is a company limited by shares incorporated in Guernsey. It is licensed by the GFSC pursuant to the POI Law to carry out certain restricted activities in relation to collective investment schemes. The Administrator is a wholly owned subsidiary of Apex Acquisition Company Limited as part of the Apex Group. The Apex Group employs over 13,000 people worldwide and administers in excess of £3 trillion of assets under a variety of structures and funds.

The Administrator provides day-to-day administration and company secretarial services and is responsible for general administrative and secretarial functions, such as (but not limited to) the calculation of the estimated NAV, the maintenance of the Company's accounting and statutory records, and the safekeeping of all title documentation in relation to investments or otherwise.

The Administrator employs a number of qualified members of respective professional disciplines which include members of the Association of Chartered and Certified Accountants and members of the Institute of Chartered Secretaries and Administrators.

The Administrator will collect Personal Data from investors and potential investors on behalf of the Company and will provide information to, and seek the consents from, such investors and potential investors to the extent required under the Data Protection (Bailiwick of Guernsey) Law 2017 (as amended or replaced from time to time).

Investors should note that it is not possible for either of the Investment Manager or the Administrator to provide investment advice to investors.

MARKET MAKER

On 27 September 2016 the Company and Ravenscroft (CI) Limited entered into the Market Maker Agreement pursuant to which Ravenscroft (CI) Limited acts as market maker for Shares in the Company. The Market Maker is indemnified by the Company against claims, liabilities, costs, expenses, demands, actions, damages or losses arising from its appointment as market maker to the Company.

FEES AND EXPENSES

The Company will incur the following fees and expenses:

Share Issue, Tender Offer and Bonus Issue Expenses

1 *Professional Advisers' Fees*

The professional advisers' fees are those incurred in connection with the Share Issue and associated Tender Offer and Bonus Issue.

These include legal, accounting, tax and financial advisory fees, which are estimated to amount to approximately £187,000.

The Administrator will also receive a one-off fee of £25,000.

2 *Other Expenses*

The expenses of the Company which are necessary to effect the Share Issue, Tender Offer and Bonus Issue include fees payable to the GFSC, the Takeover Panel and TISE. It is estimated that these costs and expenses will amount to approximately £21,000.

A fee of £25,000 is payable to Ravenscroft (CI) Limited for acting as agent to the Company in respect of the Tender Offer.

All fees and expenses incurred in relation to the Share Issue, Tender Offer and Bonus Issue will be paid out of the Share Issue Proceeds.

Annual Expenses

3 *Management Fee*

The Investment Manager is entitled to receive a management fee equal to an annualised 1.5% per annum of the Company's adjusted closing NAV (excluding cash and near cash investments). The fee is calculated and paid on a quarterly basis after calculation of the NAV.

The Investment Manager will not charge a management fee in relation to any amount of the Net Share Issue Proceeds that have been invested into Opera but not yet deployed.

4 *Administrator's Fee*

The Administrator is entitled to receive an administration fee of 0.10% per annum of the NAV of the Company subject to a minimum fee of £73,851 (effective from 1 May 2023), excluding disbursements. In addition to this, the Administrator earns fees for assisting with reporting under Article 24 of the AIFMD where Annex IV Reporting is required by the Company, reporting under US FATCA and CRS and for nonroutine company secretarial work. All fees are subject to an annual review.

5 *Listing Sponsor's Fee*

For acting as TISE listing sponsor, the Administrator is paid an annual fee, which was £8,379 for the year ending 31 December 2022. Fees are calculated and paid on a quarterly basis in arrears.

6 *Directors' Fees*

Each of the Directors is entitled to receive from the Company a fee at such rate as may be determined in accordance with the Articles. The current fees for the directors are £40,625 per annum for Mel Carvill as chairman and £31,919 per annum for each of Fintan Kennedy and Peter Gillson.

7 *Market Maker's Fee*

The Market Maker is entitled to receive an annual fee of £10,000.

8 *Auditor's Fee*

The Auditor is entitled to receive an annual fee from the Company, which is agreed with the Board each year in advance of the Auditor commencing audit work.

Investment Related Expenses

9 *Acquisition Fee*

The Investment Manager is entitled to receive a deal fee equal to 1% of the total amount paid by the Company for any completed investment, within 3 months of the date of completion of that investment (except in relation to investments where the total amount payable is determined later than 3 months after completion, in which case the deal fee element referable to any deferred part of the consideration shall be payable within 3 months of the date of payment of that deferred consideration).

The Investment Manager has waived its fee in relation to the investment of the Net Share Issue Proceeds in Opera (as noted in paragraph 3 headed "*Management Fee*" above). The Investment Manager will be entitled to receive a fee of up to 3% of the purchase price of any acquisitions or investments made by Opera, by agreement with the Board and the board of Opera on a case by case basis. The level of such fee will depend on the nature, scale and complexity of the transaction and the level of the Investment Manager's involvement.

In the event that a deal does not proceed or complete, the Investment Manager shall be entitled to receive a one-off fee from Opera or the Company in connection with undertaking due diligence in respect of that transaction. Such fee shall be agreed with the Board.

Other Operational Expenses

Other ongoing operational expenses of the Company (excluding fees paid to service providers as set out above), including travel, accommodation, printing, finance costs and legal fees (including those incurred by professional advisers on behalf of the Company) shall be deducted from the assets of the Company, together with all reasonable out-of-pocket expenses of the Investment Manager, the Administrator and the Directors.

CORPORATE GOVERNANCE

Code of Corporate Governance

The Directors of the Company are required to adhere to the requirements of the GFSC Code of Corporate Governance as applicable to the Company together with the general fiduciary duties and duties of care,

diligence and skill imposed on directors under Guernsey law. The Directors recognise the importance of good corporate governance and will comply with the GFSC Code of Corporate Governance to the extent practicable and commensurate with the size and operations of the Company.

Voting Rights

In relation to the use of the Company's voting rights in respect of investee companies, the Investment Manager, in the absence of explicit instructions from the Board, is empowered to exercise discretion in the use of the Company's voting rights. The underlying aim of exercising such voting rights will be to protect and maximise the return from an investment.

Committees

The Board considers it necessary and appropriate to maintain an Audit Committee. The Audit Committee is responsible for reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant, considering annual and interim accounts and audit reports, considering the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications. All members of the Board are members of the Audit Committee. The Chairman of the Audit Committee is Fintan Kennedy.

All of the Directors are non-executives. The Board does not therefore consider it necessary to appoint a Remuneration Committee.

The Board has appointed a Nominations Committee with responsibility for identifying suitable candidates to be appointed as directors as and when a vacancy may arise. This committee will only meet as required. The members of the committee are the current members of the Board.

There is no age limit by which the Directors or equivalent relevant officers must retire. At each annual general meeting of the Company, the Directors take it in turn to retire from office and put themselves forward for re-election, such that each Director complies with this requirement on a rolling three year basis.

Share Dealing

The Board has adopted the Model Code for Security Transactions by Persons Discharging Managerial Responsibilities in respect of Issuers, as published by TISEA, and will take all reasonable and proper steps to ensure compliance as required by the Listing Rules.

PART V: SUMMARY OF THE SHARE ISSUE AND SUBSCRIPTION PROCESS

The Share Issue

The Company is seeking to raise £48,539,063 through the issue of 51,093,750 Offer Shares at a price of 95p per Offer Share. The cash expenses of the Share Issue are estimated to amount to approximately 0.53 per cent. of the Share Issue Proceeds.

The Net Share Issue Proceeds will be used to fund Opera, as described in Part II of this Prospectus.

Offer Shares are being offered to Shareholders on a pre-emptive basis. Under the terms of the Share Issue, each existing Shareholder on the Record Date will be offered the opportunity to subscribe for 1 Offer Share for each Share that it currently holds on the Record Date at a Subscription Price of 95p per Offer Share ("**Share Issue Entitlement**"). Each Shareholder's Share Issue Entitlement shall be as set out on their Subscription Form.

Shareholders may also be able to subscribe for Offer Shares in excess of their Share Issue Entitlement ("**Excess Offer Shares**"), dependent on the appetite of other Shareholders for the same. If the total number of Excess Offer Shares applied for by all Shareholders exceeds the total number of Excess Offer Shares available, applications shall be scaled back pro rata to the number of Excess Offer Shares applied for by Shareholders or allocated in such manner as the Board may, in its absolute discretion, determine.

The Company has identified a significant financial backer, Pula, which is supportive of the Company's strategy and is prepared to backstop the Share Issue. To the extent that Shareholders do not take up all of the Offer Shares available under the Share Issue, Pula will subscribe for those Offer Shares that are not subscribed for. Pula is already a significant Shareholder in the Company, holding 9,375,000 Shares representing 18.35% of the issued share capital. Pula is part of a wider Concert Party that currently holds 30.19% of the issued share capital of the Company. On that basis, any increase in Pula's shareholding in the Company is subject to approval of Independent Shareholders and receipt of a Rule 9 Waiver under the Takeover Code, up to the maximum possible controlling position of Pula and the Concert Party following completion of the Share Issue, Tender Offer and Bonus Issue. Details of the proposed Rule 9 Waiver are set out in Part II of the Shareholder Circular.

Upon completion of the Share Issue, Tender Offer and Bonus Issue, it is estimated that Pula could hold a maximum of 65.51% of the issued share capital of the Company. As such, Pula would have acquired a controlling stake in the Company.

In the event that there are any significant changes affecting any of the matters described in the Prospectus (or any document incorporated into it by reference) or where any significant new matters have arisen after the publication of the Prospectus and prior to Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s). Should the Share Issue be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant.

There is no fixed period within which the Company is required to make an investment or return funds to Shareholders.

The Share Issue will open on 16 October 2023 and will close on 13 November 2023. Further details around the timetable are set out on page 12 of this Prospectus.

The number of Offer Shares to be issued to Shareholders pursuant to the Share Issue will be rounded up or down to the nearest whole number. Fractions of Shares will not be issued.

If an existing Shareholder does not subscribe successfully for such number of Offer Shares as is equal to their proportionate ownership of existing Shares, their proportionate ownership and voting interests in the Company may be reduced and the percentage that their Shares will represent of the total share capital of the Company will be reduced accordingly.

The rights attaching to the Offer Shares issued pursuant to the Share Issue will be identical in all respects to, and will rank *pari passu* with, existing Shares in issue on the Record Date.

The Share Issue is conditional upon:

- (i) Admission occurring and becoming effective by 7am (Guernsey time) on 20 November 2023 (or such later time and/or date, not being later than 7am on 31 December 2023, as the Company may determine);
- (ii) the passing of the Resolutions; and
- (iii) the Company determining, in its sole discretion, that the Regulatory Approval has been satisfied.

If these conditions are not satisfied or waived (where capable of waiver) on or before 20 November 2023 or such later time and/or date, not being later than 31 December 2023 (as the Company may determine), the Share Issue will not proceed and any applications made by Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without interest, as soon as practicable thereafter. Notwithstanding the above, the Company has the ability to withdraw the Share Issue at any time in its discretion.

Subscription Process

Shareholders who wish to subscribe for Offer Shares should complete the Subscription Form in accordance with the instructions printed thereon and **return it to the Administrator no later than 1pm on 13 November 2023**. The Board may in its discretion accept receipt after such date or time. The Company may, in its sole and absolute discretion, extend the period for which the Share Issue is open and shall notify Shareholders of any extension by way of an announcement on TISE no later than 1pm on 13 November 2023.

Shareholders who hold their Shares through a nominee company should ensure that they instruct their nominee in sufficient time for the nominee company to complete and submit the Subscription Form on their behalf.

If a Shareholder does not submit a Subscription Form, they will be deemed not take part in the Share Issue.

Shareholders who participate in the Share Issue **WILL NOT** be eligible to participate in the Tender Offer.

Shareholders should read the accompanying Shareholder Circular and Tender Circular before deciding whether or not to take up their pro-rata entitlement to subscribe for Offer Shares. The Shareholder Circular and Tender Circular contain important information about other matters associated with the Share Issue.

Admission

Application will be made to TISEA for 51,093,750 Offer Shares to be admitted to trading on the Official List of TISE pursuant to the Share Issue. It is expected that Admission will become effective and that dealings in the Offer Shares will commence on 20 November 2023. The Offer Shares are in registered form and will be capable of being held in registered form and will be uncertificated. The Offer Shares are not currently eligible for clearing through CREST.

Settlement and Dealings

The methods of payment of the Subscription Price are set out in the Subscription Form, which will be sent to Shareholders. It is expected that contract notes will be despatched to Shareholders, at the risk of the person entitled thereto, by no later than seven days from Admission. Temporary documents of title will not be issued.

Money Laundering

Pursuant to anti-money laundering laws and regulation with which the Company must comply in Guernsey, the Company and its agents, the Administrator and/or the Investment Manager may require evidence in connection with any Shareholder, including further identification of the Shareholder, before any Shares are issued. By agreeing to invest in the Company, investors also agree to promptly provide all client information and documentation requested from time to time by the Company and its agents, the Administrator and/or the Investment Manager to ensure that the Company complies with such anti-money laundering laws and regulation.

PART VI: RISK FACTORS

The risk factors referred to below are the risks which are considered by the Company and the Directors to be material as at the date of this Prospectus but are not the only risks relating to the Company or the Shares.

The value of the Shares could go down due to any of these risk factors, and investors could lose some or all of their investment. Potential investors should carefully consider the information contained in this Prospectus before making any investment in the Company. In particular, but without limitation, investors should carefully consider the risks associated with investing in the Company, whether the Shares are a suitable investment for them and whether they have sufficient resources to be able to bear any losses which may result from an investment in the Company.

Additional risks and uncertainties relating to the Company or the Shares that are not currently known to the Company or the Directors or that the Directors or the Company do not currently consider to be material may also have a material adverse effect on the Company. Potential investors should review this Prospectus carefully and in its entirety and consult with their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment.

Prospective investors should note that the risks relating to the Company, its industry and the Shares are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Company. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider, amongst other things, the risks and uncertainties described below.

The following summary of the key risks is not exhaustive and new risks may emerge over time. Investors should only invest in the Company if they understand the terms on which such an investment is being offered and should, where appropriate, seek advice from relevant adviser(s) before making an investment.

RISKS RELATING TO THE COMPANY

Speculative investment

The Company aims to generate returns for Shareholders by investing in other companies, however there can be no assurance that the Company will achieve its investment objective or future strategy. An investment in the Company is not guaranteed or subject to principal or capital protection and investors could lose some or all of their investment. Both an investment in the Company and the investments which the Company proposes to make are speculative. Furthermore, the Company's investments may be subject to sudden, unexpected and substantial price movements (which may be influenced by factors such as changes in interest rates, currency exchange rate and economic and political events which are beyond the control of, and cannot be predicted by, the Board, the Investment Manager or the management of the portfolio companies).

Unexpected and substantial price movements may lead to substantial fluctuations in the NAV per Share within a short period of time. Accordingly, an investment in the Company should be made only by those persons who could afford to sustain a loss in such an investment.

Regardless of the fact that the Investment Manager intends to manage the Company's portfolio diligently in pursuit of the Company's investment objective, no guarantee or representation can be made that the Company's investment programme will be successful. The Company may utilise a variety of investment techniques, each of which can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject.

No guarantee that the Company will find suitably priced investments

There can be no guarantee that the Company will, in pursuit of its investment objective, find sufficient investments at suitable prices and as a result investors may not get back the full value of their investment.

Typical investor

It is expected that typical investors in the Company will be either institutional investors or high net worth individuals who are capable themselves of evaluating the merits and risks of an investment in the Company and who have sufficient resources to be able to bear any losses (which may equal the full value originally invested) that may result from their investment in the Company.

Past performance is not a guide to future performance

The value of an investment in the Company, and income derived from it, if any, may go down as well as up. There can be no guarantee that any appreciation in the value of the Company's investments will occur. Investors may not get back the full value of their total investment in the Company.

The past performance of the Company and/or its portfolio companies is not a guide to the future performance of the Company or the portfolio. There can be no assurance that the information set out in this Prospectus in relation to the Company's investment strategy, or its past performance, will be indicative of how the Company will perform in the future.

Distribution Policy

It is not guaranteed that Shareholders will receive dividends because the Company is a non-cellular company limited by shares incorporated in Guernsey and its ability to pay dividends, make distributions, repurchase or redeem its Shares is governed by the Companies Law which requires the Company to satisfy a solvency test. The solvency test requires the directors of a company to carry out a cashflow test and a balance sheet test before any dividend or distribution, repurchase or redemption payment can be made. The test requires the directors of a company to make a future assessment of solvency by making reference to the solvency test being satisfied immediately after a dividend, distribution, repurchase or redemption payment is made. If at the time a dividend, distribution, repurchase or redemption payment is to be made the company's board of directors believe that the solvency test cannot be passed, then no payment may be made.

Additionally, the Company's ability to pay dividends or make distributions in respect of Shares will rely on the generation of profits from the Company's investment portfolio, including through the realisation of investments. Any change in the tax treatment of dividends, distributions or interest received by the Company or in the treatment of profits or gains realised by the Company on its investments may reduce the level of yield received by Shareholders.

Any distribution in specie made by the Company to Shareholders may not be sufficient for Shareholders to receive back the full value of their investment in the Company.

Share Issue

Shareholders are offered the opportunity to participate in the Share Issue on a pro rata basis to their existing investment but if existing Shareholders do not take up their pro rata rights to invest in the Share Issue, the Share Issue may dilute the voting rights attached to the Shareholder's Shares then in issue.

Tender Offer

The Company's Shareholders are offered the opportunity to exit the Company through participation in the Tender Offer and investors should be aware that a result of the Tender Offer may be an adverse impact on the liquidity of the Shares.

De-listing from TISE

Following the Company's De-listing from TISE, the Company will ensure that a secondary trading facility remains available to allow Shareholders to seek to trade their Shares to the extent willing purchasers can be identified. Investors should be aware that De-listing from TISE may cause the Company's NAV to decline and impact on the liquidity of the Shares.

Winding up

On the winding up of the Company, the proceeds of disposal of its net assets may not be sufficient for Shareholders to receive back the full value of their total investment.

Economy

Changes in economic conditions (for example, interest rates and rates of inflation) and changes in industry conditions, competition, political and diplomatic events, tax laws and other factors can and do substantially and adversely affect markets and will also, therefore, affect the Company's portfolio and the Company's prospects.

Accounts

The Company will prepare its accounts in accordance with IFRS. IFRS is subject to change and this may have an effect on the Company's calculation of its NAV. Changes in the accounting policies of the Company could adversely affect Shareholders. To the extent that there are impairments to the value of the Company's investments that are recognised in the Company's accounts under IFRS, this may affect the reported profitability of the Company (or lead to losses).

Leverage

The Company may use leverage in the financing of its investments. Shareholders should be aware that, whilst the use of debt can enhance the NAV per Share where the value of the Company's investments is rising, it can also reduce the NAV per Share where the underlying net asset value is falling. This could adversely affect the returns to Shareholders. The use of external debt magnifies both the favourable and unfavourable effects of price movements in the Company's investments. Should any fall in the asset value of the investments result in the Company breaching any financial covenants contained in any borrowing agreements, the Company may be required to repay such borrowings in whole or in part, together with any applicable costs. This could adversely affect the NAV per Share and the returns to Shareholders.

The use of leverage may increase the exposure of investments to adverse economic factors such as rising interest rates, severe economic downturns or deteriorations in the condition of an investment or its market.

In respect of any future borrowings that the Company may incur, it is possible that the Company may from time to time not be able to refinance borrowing which becomes repayable during the life of the Company, in which case the performance of the Company may be adversely affected as the Company may be required to seek alternative sources of financing which may be unavailable or may not be on as favourable terms. If alternative sources of financing are unavailable, the Company would be required to dispose of assets in order to make such repayments and the Company may not be able to realise the same value as if it were not a forced seller and the performance of the Company may be adversely affected in such circumstances.

Conflicts Management Risks

Each Director must act in accordance with the Articles in relation to transactions in which such Director is interested. The Directors are also required by the RCIS Rules to take all reasonable steps to ensure that there is no breach of any of the conflicts of interest requirements in the RCIS Rules.

Each of the Investment Manager and the Administrator will have regard to their respective obligations, under the Investment Management Agreement and the Administration Agreement (as applicable) in particular, to act in the best interests of the Company so far as is practicable, having regard to their obligations to other clients when undertaking an investment where potential conflicts of interest may arise and in accordance with The Licensees (Conduct of Business) Rules and Guidance, 2021 as issued by the GFSC.

The Investment Manager is precluded under the terms of the Investment Management Agreement from acting as investment adviser to any other investment fund whose objective is substantially the same as that of the Company but otherwise its duties to the Company are not exclusive and it is not precluded from performing investment management or similar services to other persons. Subject to compliance with its duties to the Company at all times under the Investment Management Agreement, the Investment Manager is not precluded from having a personal interest or advising others in relation to similar transactions to those of the Company and is not obliged to account for any profits made on fees received thereon.

The Investment Manager and any interested party therein (an "**Interested Party**") may, subject to the restrictions contained in the Investment Management Agreement (summarised above), be involved in other financial, investment or other professional activities which may, on occasion, give rise to conflicts of interest with the Company, including with regard to the allocation of investment opportunities to different clients.

Subject to the above, any Interested Party and any company within the same group as any Interested Party and/or any investment company or account advised or managed by an Interested Party, may:

- (a) acquire securities from or dispose of securities to the Company;
- (b) hold shares and deal with the same as it thinks fit;
- (c) buy, hold and deal in any investments for its own account notwithstanding that similar investments may be held or made by the Company;

- (d) contract or enter into any financial or other transactions with any Shareholder or with any entity any of whose securities are held by or for the account of the Company or be interested in any such contract or transaction; and
- (e) receive fees and commissions which it may negotiate in relation to any sale or purchase of any investments quoted by it for the account of the Company.

Whenever conflicts arise, the Investment Manager shall endeavour to ensure that they are resolved, and any relevant investment opportunities allocated fairly in accordance with the Investment Manager's allocations policy. If the Investment Manager at any time considers that it or the Company is exposed to a conflict of interest or potential conflict of interest in relation to the Company or its investments it will discuss the same in all good faith with the Directors.

Hedging risk

Should the Company elect to enter into hedging or similar arrangements to protect against inflation risk, interest rate risk and/or currency risk (and it will be under no obligation to do so), the use of instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce the Company's earnings and funds available for distribution to investors and that such losses may exceed the amount invested in such hedging instruments. Investors may, at certain times, be exposed to exchange rate risks between sterling and other currencies, such that if the value of the other currencies falls relative to sterling, the Company's assets will, in sterling terms, be worth less. There is no perfect hedge for any investment and a hedge may not perform the intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Company may also be exposed to the risk that the counterparties with which the Company trade may cease making markets and quoting prices in such instruments, which may render the Company unable to enter into an offsetting transaction with respect to an open position.

Although the Company will select the counterparties with which it enters into hedging arrangements with due skill and care, there will be a residual risk that the counterparty may default on its obligations.

Substantial fees payable regardless of profit

The Company will incur obligations to pay costs. The Company will also incur obligations to pay all fees and out-of-pocket expenses properly incurred by the Investment Manager and the Administrator. In addition, the investment approach of the Company may generate substantial transaction costs (including abort fees) which will be borne by the Company. Likewise, monies raised and to be invested in Opera may be earmarked or used to pay fees, costs and expenses incurred in relation to due diligence and evaluating prospective acquisitions, notwithstanding that the potential transaction might not proceed or complete. These expenses will be payable regardless of whether the Company makes a profit.

RISKS RELATING TO SERVICE PROVIDERS AND KEY PERSONNEL

Dependence on the Investment Manager

Whilst the Company remains a collective investment scheme, the success of the Company is significantly dependent upon the ability of the Investment Manager to develop and implement effectively the Company's investment objective. Except as otherwise discussed in this Prospectus, investors will be relying entirely on the Investment Manager to conduct and manage the affairs of the Company and each investment. Subjective decisions made by the Investment Manager may cause the Company to incur losses or to miss profit opportunities on which it could otherwise have capitalised.

Replacement manager and/or adviser

The investment management and realisation of investments require specialist skills and experience. In the event of key individuals no longer being available to the Investment Manager, there could be a need for the Investment Manager to identify and recruit a replacement or replacements with the necessary skills. No guarantees can be made that the Investment Manager would be able to recruit such an individual (or individuals) to perform the investment management function.

There can be no assurance that the Company will be able to find a replacement investment manager on acceptable terms if the Investment Manager resigns or if the Company terminates the Investment Manager Agreement. In these circumstances, the Company would have to find a replacement investment manager for the Company and there can be no assurance that such a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company. During any time in which the Company does not have an appointed investment manager making decisions on behalf of the Company, the Company may incur losses or miss profit opportunities on which it could otherwise have capitalised.

Past performance of the Investment Manager

The past performance of the Investment Manager and of the assets managed by the Investment Manager is not a guide to the future performance of the Company. There can therefore be no assurance that information on the Investment Manager or the investment strategies set out in this Prospectus or elsewhere, including information on past performance, will be indicative of how the Company will perform (either in terms of profitability or low correlation with other investments) in the future.

Operational risk

The Company is reliant upon the provision of services by third party service providers in order to carry on its business and a failure by one or more service providers could materially disrupt the business of the Company or impact detrimentally on its investment performance.

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company is, therefore, reliant upon the performance of third party service providers for the performance of certain functions, in particular, the Investment Manager and the Administrator will be performing services which are integral to the operation of the Company.

Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company and could affect the ability of the Company to meet its investment objective. Similarly, the Investment Manager is reliant on third party service providers and a failure by any of these service providers to fulfil their obligations could materially affect the ability of the Investment Manager to meet its obligations to the Company, which would in turn affect the ability of the Company to meet its investment objective and potentially have an adverse impact on the value of the Shares and the Company's NAV.

In the event that it is necessary for the Company or the Investment Manager to replace any third party service provider, it may be that the transition process takes time, increases costs and adversely impacts the operations of the Investment Manager and/or the Company's investments and performance.

The Company is also dependant on the management teams of each of the portfolio companies to effectively manage the underlying portfolio.

Liability and indemnification of service providers

The Investment Manager and the Administrator will be excluded from liability to the Company, except in certain circumstances. The Company has indemnified the Investment Manager and other advisers for losses arising in certain circumstances. Further information is set out on pages 66 to 67 of this Prospectus.

Risks relating to conflicts of interest

The Investment Manager and the Administrator (and any of their members, directors, officers, employees, agents and connected persons) and the Directors and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company and its investments and which may affect the amount of time allocated by such persons to the Company's business. In particular, these parties may, without limitation: provide services similar to those provided to the Company to other entities; buy, sell or deal with assets on its own account (including dealings with the Company); and/or take on engagements for profit to provide services including but not limited to origination, development, financial advice, transaction execution, asset and special purpose vehicle management with respect to assets that are or may be owned directly or indirectly by the Company. These parties will not in any such circumstances be liable to the Company to account for any profit earned from any such services. The Directors will take reasonable steps to ensure compliance with Part 3 (*Conflicts of Interest*) of the RCIS Rules.

Controller Risk

The Company and/or individual Shareholders may be deemed to be a controller of portfolio companies (or their subsidiaries) by their regulators. In some circumstances, this may give rise to potential liability or regulatory implications and costs. The Company intends to mitigate this risk through board representation and by requiring investee boards to provide regular certification of compliance with their regulatory obligations.

Key man risk

The Company is dependent on advice from the Investment Manager. It will also be greatly dependent on Kim Sgarlata and other members of senior management of Opera and/or Oak Group. The Company's performance may be adversely affected in the event of long term absence of, or non-performance by, some or all of the key personnel of the Investment Manager, senior management or Kim.

RISKS RELATING TO THE SHARES

Realisations

Investors should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.

Market value of the Shares

The market value of, and the income derived from, the Shares can fluctuate. The market value of a Share, as well as being affected by the underlying value of the Company's investments, may also be influenced by their dividend yield, prevailing interest rates, exchange rates and, whilst the Company's Shares remain

listed on TISE, the supply and demand for Shares in the market. As such, the market value of a Share may vary considerably from its underlying NAV and investors may not get back the full value of their investment.

Fluctuations could also result from a change in national and/or global economic and financial conditions, the actions of governments as a result of changes in the national and global financial climate or taxation and various other factors and events, including variations in the Company's operating results and/or business developments of the Company.

The price of shares in an investment company 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 to the net asset value per share. This discount is itself variable as conditions for supply and demand change. This can mean that the price of the Company's Shares may go down as well as up and the Share price can fall when the NAV per Share rises, or vice versa. There is no guarantee that the market price of the Shares will fully reflect their underlying NAV. The price of shares in an investment company may represent a premium to the net asset value per share. Investors purchasing Shares at a premium to NAV per Share may not, in the event of a winding up of the Company, realise the full extent of their purchase price.

Market liquidity of Shares

Market liquidity in the shares of investment companies is frequently inferior to market liquidity of shares issued by larger publicly traded companies and it is possible that there may not be a liquid market in the Shares and that as a result Shareholders may have difficulty in selling them. Given the illiquid nature it is anticipated that the Shares will usually be at a discount to NAV.

RISKS RELATING TO INVESTMENTS

Sector risk

The Company will seek primarily to invest in financial services businesses. Accordingly, the Company will be exposed to risks particular to that sector. The financial services sector might be adversely affected by changes to interest rates, additional regulation and reduction of investor confidence leading to reduced demand for financial products.

The Company will be investing in financial services businesses operating principally from regulated financial centres. Although there are benefits to this strategy, including business reputation, acceptability for institutional investors and barriers to entry for less well-structured competitors, there are also risks associated with regulatory breaches, enforcement action and also the impact of regulatory change, including the cost of assimilation and possible structure redundancy.

The financial services industry is susceptible to changes in government policy and approach regarding international tax regulations, which could impact on demand for the services of the companies in which the Company proposes to invest.

The financial services industry is dependent upon continued commercial activity by existing and potential clients, which in turn may be affected by macro-economic factors such as GDP, interest rate fluctuations, inflation rates, availability of credit, equity market conditions, consumer confidence, unemployment rates and changes in fiscal and monetary policy on a national, super national and global basis.

As in most areas of business, the financial services industry is subject to competition. The performance of service providers in which the Company invests may be adversely impacted by alternative product offerings, aggressive pricing or consolidation of competitor entities.

The overall trend towards greater regulation of financial services, which looks set to continue for the foreseeable future, is generally expected by the Board to be beneficial to well-run financial services businesses. However, it is possible that it will have a negative impact upon the overall financial performance of the investee companies, resulting in reduced growth potential for those companies and/or downward pressure on revenues.

Increased regulation may, through creating barriers to entry, result in the consolidation of the entities to whom financial services may be sold, which itself may result in the hardening of marketing conditions for financial services businesses.

The value of individual financial services businesses may be severely adversely affected by regulatory or reputational problems. Whilst the Company will seek to ensure that the businesses in which it invests are operated in a way which mitigate the risks, it remains a fact that financial services businesses are by their nature exposed to harm resulting from criminal behaviour by rogue individuals and improper behaviours on the part of their own clients.

The financial services industry has significant dependence on the use of “offshore” jurisdictions to facilitate tax neutrality, regulatory stability and so on. If the onshore regulatory or political climate were to become significantly more hostile to the use of offshore jurisdictions, this may have a negative impact on the financial services industry which could not wholly be offset by relocating activities and entities into “onshore jurisdictions”.

It can often be harder for offshore financial services businesses to attract and retain high quality and experienced staff due to a number of possible factors, including geographical location, immigration and housing requirements, cost of living, travel links and educational and other facilities. This often results in a high turnover of staff which could potentially impact on client service levels and revenue.

Investors should also be aware that the Company's operations in the financial services sector expose the Company to a risk of financial crime, including but not limited to money laundering, terrorist financing, fraud, bribery, corruption and other illicit activities. The Company is subject to domestic and international laws, regulations and guidelines, including the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as amended and the GFSC's Handbook on Countering Financial Crime and Terrorist Financing. The Company may also have operations in jurisdictions that have been blacklisted or grey-listed by international regulatory authorities. Blacklisted jurisdictions are those considered high-risk for financial crime, money laundering, terrorist financing, or lacking sufficient regulatory oversight. Grey-listed jurisdictions, although not as severe as blacklisted ones, may still have deficiencies in their anti-money laundering and counter-terrorism financing frameworks. MONEYVAL, the committee of experts which evaluates anti-money laundering and counter-terrorism financing measures within Europe, will be assessing Guernsey's compliance with international standards (including the requirements of the Financial Action Task Force (FATF), the global money laundering and terrorist financing watchdog) in 2024. Failure of a MONEYVAL inspection by a jurisdiction could lead to such jurisdiction being moved onto FATF's grey list. Despite the Company implementing robust anti-money laundering and countering the financing of terrorism policies and procedures, there is no guarantee that the Company can eliminate the risk of being involved, directly or indirectly, in illicit financial activities which may adversely impact the Company's financial performance, reputation and overall business operations.

Investment risk

The success of the Company will be dependent upon, inter alia, the identification, making, management and realisation of suitable investments, whether to be held directly or to be acquired through other portfolio companies. There can be no guarantee that such investments can or will be made, either within the expected timeframe, or at all, or that such investments will be successful. Poor performance by any investment could severely affect the NAV per Share and/or the market price of the Shares.

Shareholders will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Company (either directly or through any other portfolio company) and, accordingly, will be dependent upon the judgment and ability of the Board, with the advice of the Investment Manager, or the underlying management team of the portfolio company in investing and managing the assets invested.

No assurance can be given that the Company or the relevant portfolio company will be successful in obtaining suitable investments, or that if such investments are made, the investment objective of the Company will be achieved. In particular, there can be no guarantee that the potential targets identified will be able to be acquired or that any approach to them will be welcome.

The Company's investment portfolio will comprise interests in unquoted private companies, which may be difficult to value and/or realise. Investment in the securities of smaller companies may involve greater risks than is customarily associated with investments in larger, more established companies. In particular, such companies may often have limited product offerings, markets or financial resources and may be dependent on a small number of key individuals.

Where the Company has a minority interest in a portfolio company, it may be unable to exercise control over the operations of that company or control over an exit, or the timing of an exit.

The management of portfolio companies may not always welcome proactive shareholder involvement and may be resistant to change.

The Company, whether directly or through a portfolio company, may be unable to effect an investment in an identified opportunity and, in particular, resources of the Company and the Investment Manager may be expended investigating potential projects which are subsequently rejected as being unsuitable.

The Company and the Company's portfolio companies may face competition from other entities, many of which may have significantly greater resources than the Company or the Company's portfolio companies.

A proportion of the Company's portfolio may be held in cash or near cash from time to time and may be held directly by the Company or through a portfolio company in anticipation of being deployed. Such proportion of the Company's assets will therefore be "out of the market" and will not benefit from increases in the value of the Company's investments. Having excess uninvested cash and a large number of Shares in issue may restrict the Company's capital and income growth.

Competitors of the Company's portfolio companies may develop or market technologies that are more effective or less expensive than those developed or marketed by the portfolio company, or that would render the portfolio company's technology or business model obsolete or uncompetitive.

It may be difficult for the Company to realise investments and in a timely manner. For example, if a willing buyer cannot be identified, an acceptable price achieved or where a portfolio company is in solvent wind down or subject to ongoing litigation.

Concentration risk

As set out in Part II of this Prospectus, the Company intends to pursue an investment strategy whereby it will invest heavily into one investment in the portfolio, Opera. Although the intention is to realise the rest of the portfolio, with a view to distributing the shares in Opera to Shareholders and winding up the Company, there will be a period of time in which the Company is highly exposed to Opera. As a result, the impact on the Company's performance and the potential returns to Shareholders may be adversely affected if Opera were to perform badly than if the Company's portfolio were more diversified.

General economic and market conditions

The success of the Company's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Company's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments, prices and the liquidity of the Company's investments. Volatility or illiquidity could impair the Company's profitability or result in losses. The Company may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

The economies of some countries may differ favourably or unfavourably from the US and Western European economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

RISKS RELATING TO TAXATION AND REGULATION

Taxation

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this Prospectus are those currently available and their value depends on the individual circumstances of Shareholders and underlying investors.

Any change in the Company's tax status, including being treated as tax resident in a jurisdiction other than the Bailiwick of Guernsey, or any change in taxation legislation could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders.

The amount of distributions and future distribution growth will depend on the Company's underlying investments. Any change or incorrect assumption in the tax treatment of income and other receipts received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests) may reduce the level of distributions received by Shareholders.

Information in this Prospectus concerning the taxation of Shareholders is based upon current tax law and practice which is, in principle, subject to change.

Laws and regulations which may affect the Company

Any changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Company's business, investments and performance. The Company is subject to laws and regulations enacted by the Guernsey government and, to an extent, the UK. In addition, the Company is required to comply with certain regulatory requirements which are applicable to closed-ended collective investment schemes and imposed by the GFSC. The Company is also a company to which the Takeover Code applies, and this applicability may have consequences for investors and the overall strategic direction of the Company. Any change in the laws and regulations affecting the Company, the Investment Manager or the Company's investments may have an adverse effect on the ability of the Company to carry on its business and pursue its investment objective. Any such changes may also adversely affect the value of the underlying assets. In such event, the investment returns of the Company may be materially adversely affected.

The regulatory environment for investment funds and the managers of investment funds is continually evolving. Any change in the laws and regulations affecting the Company, or any change in the regulations affecting investment funds or investment fund managers generally may have a material adverse effect on the ability of the Company and the Investment Manager to carry on their respective businesses which in turn could have a material adverse effect on the Company's performance and returns to Shareholders.

Brexit

The exit by the United Kingdom from the EU (Brexit) has resulted in global economic and political uncertainty and it is unknown what the impact shall be on the economic or political environment of the EU, the United Kingdom and the Bailiwick of Guernsey.

On 29 March 2017, the UK's government gave notice of its intention to withdraw from the EU pursuant to Article 50 on the Treaty of the EU. On 31 January 2020 at 11 p.m. (London Time), the UK exited from the EU. On the basis of the agreement for an orderly withdrawal of the UK from the EU, the UK benefited from a transitional period, pursuant to which all EU Treaties and EU legislation still applied to the UK. This transitional period ended on 31 December 2020. Since the end of this transitional period, the UK is considered a third country.

An agreement determines the terms of the UK's relationship with the EU, including the terms of trade between the UK and the EU, after such transitional period. The Bailiwick of Guernsey agreed to take part in certain aspects of this agreement. In addition, the UK is required to negotiate with other countries with which the UK previously traded on the basis of agreements concluded with the EU (having been members thereof).

The UK's exit from the EU may result in regulatory change for the UK since a significant portion of the UK regulatory regime is derived from EU directives and regulations. Such uncertainty could lead to a high degree of economic and market disruption and uncertainty. It is not possible to ascertain how long this period will last and the impact it will have within global markets, including market value and liquidity or to the Bailiwick of Guernsey. Such conditions could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company, the Investment Manager and other transaction parties. The Company and the Investment Manager cannot predict when political stability will return, or when market conditions will stabilise.

PART VII: TAXATION

The information below relates only to Guernsey, Jersey and the United Kingdom and in so far as is applicable to the Company and to persons who are resident or ordinarily resident in Guernsey and resident in Jersey or the United Kingdom. It is based on current tax law and published practice, which is, in principle, subject to any subsequent changes (potentially with retrospective effect).

Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment, may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

Shareholders, wherever resident, are strongly recommended to consult their own professional adviser in relation to any investment in the Company.

The Company

The Directors of the Company have applied for exempt status for Guernsey tax purposes from the Director of the Revenue Service in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, which has been granted for the calendar year 2023. In return for the payment of a fee, currently £1,200, a registered closed-ended collective investment scheme such as the Company can apply for exempt status for Guernsey tax purposes annually.

Where exempt status is granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey.

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

With effect from 01 January 2019, companies that are Guernsey tax resident will potentially be subject to Economic Substance legislation under The Income Tax (Substance Requirements) (Guernsey) (Amendment) Ordinance, 2018 ("the **Regulations**"). Although certain collective investment vehicles were exempt from Economic Substance, further amendments to the Regulations with effect from 1 October 2020 brought self-managed funds within the scope of Guernsey economic substance. In response to the enactment of the Regulations, the Directors have taken the appropriate steps to review the Company's affairs in accordance with the prescribed requirements of Economic Substance.

Guernsey currently does not levy taxes upon capital such as inheritances, capital gains, gifts, capital transfer, wealth, nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of Shares. There is no sales tax, GST or VAT in Guernsey.

Shareholders

Guernsey Residents

Where the Company has been granted exempt status, any Shareholders who are resident for tax purposes in the island of Guernsey, Alderney or Herm will receive dividends without deduction of Guernsey income tax.

Any beneficial owners of Shares who are resident for tax purposes in the Islands of Guernsey, Alderney or Herm will be liable to Guernsey income tax on any dividends paid on Shares beneficially owned by them.

As an exempt company, the Company will be required to provide the Director of the Revenue Service with such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of the Revenue Service may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. The Director of the Revenue Service can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Shares in the Company, with details of the interest.

In the absence of exempt status being granted, depending on the source of income being distributed, the Company may be obliged to withhold and pay any tax on behalf of those Guernsey resident Shareholders to the States of Guernsey Revenue Service.

Shareholders are recommended to consult their own professional adviser in relation to any investment in the Company.

Jersey Residents

Dividends on Shares and redemption proceeds payable to Jersey resident Shareholders may be paid by the Company without withholding or deduction for or on account of Guernsey or Jersey income tax.

Shareholders who are resident in Jersey for income tax purposes may be liable to pay Jersey income tax on distributions received from the Company according to their personal income tax circumstances.

Shareholders are recommended to consult their own professional adviser in relation to any investment in the Company.

United Kingdom Residents

Dividends paid to UK resident investors will be paid without withholding or deduction of tax. Dividends will be treated as a foreign dividend for UK resident investors and subject to their usual rates of UK tax depending on whether the Shareholder is an individual or corporate entity.

Anti-Avoidance

Guernsey has a wide-ranging anti-avoidance provision. This provision targets transactions where the effect of the transaction or series of transactions is the avoidance, reduction or deferral of a tax liability. The Director of the Revenue Service has discretion to make such adjustments to the tax liability to counteract the effects of the avoidance, reduction or deferral of the tax liability. Should the anti-avoidance provisions be applied, additional tax may become payable by the underlying entities and/or

distributions and disposal or redemption proceeds may become subject to additional tax once paid over to Shareholders.

FATCA and related Intergovernmental Agreements

On 13 December 2013, the United States of America and the States of Guernsey entered into an intergovernmental agreement (an “**IGA**”) which brought into effect the provisions of the Foreign Account Tax Compliance Act (“**FATCA**”).

The object of the FATCA regime is to require “foreign financial institutions” (“**FFI**”) to report to the Internal Revenue Service US persons’ direct and indirect ownership of non-US financial accounts and non-US entities. An offshore investment fund will constitute a FFI for this purpose.

Further information is available on request from the Administrator.

Common Reporting Standards

The Common Reporting Standard (“**CRS**”) is a standard developed by the Organisation for Economic Co-operation and Development for the automatic exchange of information.

Guernsey committed to the adoption of the global CRS on Automatic Exchange of Information with effect from 1 January 2016, with first reporting taking place in 2017. The adoption of CRS by the States of Guernsey replaces any reporting obligations under the European Union Savings Directive and the IGA entered into by the States of Guernsey with the United Kingdom.

Further information is available on request from the Administrator.

Completion of Self-Certification Forms

Shareholders shall be responsible for completing any self-certification forms required in connection with FATCA or CRS and should request these from the Administrator.

PART VII: ADDITIONAL INFORMATION

1 MEMORANDUM AND ARTICLES

Memorandum of Incorporation

- 1.1 The memorandum provides that the Company's objectives are unrestricted and it shall therefore have the full power and authority to carry out any object not prohibited by the Companies Law or any other applicable laws.

Articles of Incorporation

The Articles contain provisions, amongst others, to the following effect:

1.2 **Voting rights**

On a show of hands, every Member present in person or by proxy shall have one vote subject to any special voting powers or restrictions, unless such proxy is himself/herself a Member entitled to vote. On a poll, every Member present in person or by proxy shall have one vote for each Ordinary Share held by him/her subject to any special voting powers or restrictions.

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

To any separate general meeting of a class the provisions of the Articles relating to general meetings shall apply, but so that the necessary quorum for a variation of class rights meeting is:

- (a) for a meeting, other than an adjourned meeting, two (2) persons present holding at least one third of the voting rights of the class in question; or*
- (b) for an adjourned meeting, one (1) person holding shares of the class in question; or*
- (c) where the class has only one Member, that Member.*

For the purposes of the above, where a person is present by proxy or proxies, he/she is treated as holding only the shares in respect of which the proxies are authorised to exercise voting rights.

At a variation of class rights meeting, any holder of shares of the class in question present may demand a poll. For the purposes of the above:

- (a) any alteration of a provision contained in the Articles for the variation of rights attached to a class of shares, or the insertion of any such provision into the Articles, is itself to be treated as a variation of those rights; and*
- (b) references to the variation of rights attached to a class of shares include references to their abrogation.*

*The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.*

1.3 **General meetings**

The first general meeting of the Company shall be held within eighteen (18) months of the date of incorporation, as required by the Law, and thereafter general meetings shall be held once at least in each subsequent calendar year in accordance with Sections 199 of the Law but so that not more than fifteen (15) months may elapse between one annual general meeting and the next.

The requirement for a general meeting may be waived by the Members in accordance with the provisions of the Law. Other meetings of the Company shall be called extraordinary general meetings.

The quorum for a general meeting shall be two (2) or more Members holding 5 per cent or more of the voting rights applicable at such meeting present in person or by proxy provided that, if the Company shall have only one (1) Member entitled to attend and vote at the general meeting, that Member shall constitute a quorum.

If, within half an hour after the time appointed for the meeting, a quorum is not present, the meeting, if convened by or upon a requisition, shall be dissolved. If otherwise convened, it shall stand adjourned for fourteen (14) clear days at the same time and place and no notice of adjournment need be given.

1.4 **Dividends**

Subject to compliance with Section 304 of the Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company.

No dividend shall be paid in excess of the amounts permitted by the Law or approved by the Board.

Unless and to the extent that the rights attached to any Ordinary Shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid pro rata according to the number of shares held by each Member.

The Board may deduct from any dividend payable to any Member on or in respect of an Ordinary Share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

The Board may retain any dividend or other moneys payable on or in respect of an Ordinary Share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.

The Board may retain dividends payable upon Ordinary Shares in respect of which any person is entitled to become a Member until such person has become a Member.

With the sanction of the Company in general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and in particular of paid-up Ordinary Shares of the Company. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional Ordinary Shares and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of Members and may vest any such specific assets in trustees for the Members, entitled as may seem expedient to the Board. Any dividend interest or other moneys payable in cash in respect of

Ordinary Shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register.

Any one of two or more joint holders may give effectual receipts for any dividends, interest, bonuses or other moneys payable in respect of their joint holdings.

No dividend or other moneys payable on or in respect of an Ordinary Share shall bear interest against the Company.

All unclaimed dividends (or unclaimed sums payable in respect of Ordinary Shares) may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared shall be forfeited and shall revert to the Company.

1.5 Return of capital

If the Company shall be wound up whether voluntarily or otherwise, the liquidator may with the sanction of a special resolution divide among the Members, in specie, the whole or any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Members as the liquidator with the like sanction shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.

If thought expedient subject to the obtaining of any necessary consents or sanctions any such division may be otherwise than in accordance with the then existing rights of the Members and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in default of any such provision the assets shall subject to the rights of the holders of shares issued with special rights or privileges or on special conditions be distributed rateably according to the amount paid up on the shares.

In case any of the shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within fourteen (14) clear days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall if practicable act accordingly.

Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the "transferee") the liquidator of the Company may, with the sanction of an ordinary resolution, conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee for distribution among the Members or may enter into any other arrangement whereby the Members may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

On any return of capital the net assets of the Company (save any assets attributable to C shares, if any) shall be divided amongst the holders of shares. Any net assets attributable to C shares shall be divided amongst the holders of C shares.

1.6 **Transfer of shares**

- (1) *The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. Where they do so, section (2) below (amongst others) shall commence to have effect immediately prior to the time at which EUI admits the class to settlement by means of the CREST UK system.*
- (2) *In relation to any class of shares which, for the time being, EUI has admitted to settlement by means of the CREST UK system, and for so long as such class remains so admitted, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:*
 - (a) *the holding of shares of that class in uncertificated form;*
 - (b) *the transfer of title to shares of that class by means of the CREST UK system; or*
 - (c) *the CREST Guernsey Requirements.*

Shares are freely transferable and tradable. Fully paid Shares are free from all liens.

The Company shall keep the Register in accordance with Sections 123-128 of the Law and allow inspection in accordance with Sections 127-128 of the Law. Subject to the CREST Guernsey Requirements and without prejudice to Section 127 of the Law, the registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in one year) as the Board may decide and either generally or in respect of a particular class of share.

1.7 **Redemptions**

Subject to the provisions of the Law any shares may with the sanction of the Board be issued on terms that they are, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner as the Board may determine.

The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) the shares of a Member or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:

- (i) *during the period of not less than twelve (12) years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three (3) dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and*
- (ii) *the Company shall following the expiry of such period of twelve (12) years have inserted advertisements, but in a national newspaper and in a newspaper circulating in the area in which the last known address of the Member or the address at which service of notices may be effected under these Articles is located giving notice of its intention to sell the said shares; and*
- (iii) *during the period of three (3) months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such Member or person; and*

- (iv) notice shall have been given to the stock exchanges on which the Company is listed, if any.

1.8 **C Shares**

In order to prevent the issue of further shares diluting existing Shareholders' share of the NAV of the Company, if the Directors consider it appropriate they may issue further shares as "C Shares". C Shares constitute a temporary and separate class of shares which are issued at a fixed price determined by the Company. The issue proceeds from the issue of C Shares will be invested in new portfolio investments, which will initially be attributed solely to the C Shares. Once the further investments have been made, the C Shares will be converted into Ordinary Shares on a basis which reflects the respective net assets per share represented by the two classes of shares.

1.9 **Determination of Net Asset Value**

The Net Asset Value of the Company shall be determined in accordance with the following provisions:

- (1) *The Net Asset Value shall be equal to the value as at the relevant Valuation Point of all the assets, less all the liabilities, of the Company.*
- (2) *The assets of the Company shall be deemed to include the following:*
- (a) *all cash on hand, on loan or on deposit, or on call including any interest accrued thereon;*
 - (b) *all treasury bills, demand notes, promissory notes and accounts receivable;*
 - (c) *all shares, stocks, units, participations, warrants, bonds, time notes, debenture stock, subscription rights, options, futures contracts and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it;*
 - (d) *all stock and cash dividends and cash distributions to be received by the Company and not yet received by it but declared payable to stockholders of record on a date before the day as of which the assets are being valued;*
 - (e) *all interest accrued on any interest-bearing securities owned by the Company;*
 - (f) *unrealised profits on open contracts; and*
 - (g) *all other assets of the Company of every kind and nature including any claims for repayment of any taxation levied on capital (including capital gains) or on income accrued before the Valuation Point and prepaid expenses as valued and defined from time to time by the Directors.*
- (3) *Any expense or liability of the Company may be amortised over such period as the Directors may determine (and the Directors may at any time and from time to time determine to lengthen or shorten any such period) and the unamortised amount thereof at any time shall also be deemed to be an asset of the Company.*
- (4) *The investments of the Company shall be valued as follows:*
- (a) *subject to sub-Article (6) assets listed, quoted or dealt in on a recognised securities exchange (including financial futures, warrants and rights expressed by reference to stock indices) are to be valued at the bid price, at the last close of business before the Valuation Point on the recognised securities exchange which,*

in the opinion of the Directors, is the principal recognised securities exchange on which the asset in question is listed, quoted or dealt in;

- (b) deposits shall be valued at their principal amount plus accrued interest from the date of acquisition;*
- (c) certificates of deposit acquired at their nominal value shall be valued at cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate;*
- (d) contract of deposit acquired at a discount or premium on the sum of the nominal value and accrued interest at the date of acquisition shall be valued at their cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate, and adjusted by an amount equal to the discount or premium at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the date as of which the assets are being valued;*
- (e) investments in unit trusts or other forms of collective investment schemes will be valued at the latest available bid price or valuation quoted by the manager or, as the case may be, the administrator of the unit trust or scheme in question;*
- (f) any interest and exchange rate contracts will be valued at their market value; and*
- (g) other investments of the Company shall be valued as determined by the Directors from time to time in their absolute discretion.*

PROVIDED THAT *where the value of an investment cannot be determined in accordance with the above procedures, or in instances where the Directors determine that it is impracticable or inappropriate to determine a price or liability in accordance with the above procedures, the price or liability will be a fair and reasonable value or a fair and reasonable assessment of the liability as determined in good faith and on a prudent basis in such manner as the Directors of the Company may prescribe in accordance with the accounting procedures applicable from time to time to the Company.*

- (5) Notwithstanding the foregoing, where at the time as of which the assets are being valued any investment of the Company has been realised or unconditionally contracted to be realised there shall be included in the assets of the Company in place of such investment the net amount receivable by the Company in respect thereof provided that if the net amount receivable is not payable until some further time after the time as of which the assets are being valued the Directors may make such allowance as they consider appropriate.*
- (6) Notwithstanding the rules in sub-Article (4), where an option subsists for another person to purchase an asset from the Company or for the Company to sell an asset to another person, but such option has not been exercised, the value of the asset concerned shall be taken to be the price at which the option is exercisable, at any time at which such price is (in the case where another person is entitled to purchase) lower than, or (in the case where the Company is entitled to sell to another person) higher than, the price by reference to which the value would otherwise be calculated.*

- (7) *Any valuations made pursuant to these Articles shall be binding on all relevant persons.*
- (8) *The liabilities of the Company shall be deemed to include all its liabilities (including such amount as the Directors determine to provide in respect of contingent liabilities including (but without limitation) liabilities in respect of taxation on income or capital gains whether realised or unrealised) of whatsoever kind and nature. Any unrealised loss on open contracts will be included as liabilities of the Company. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period. All fees and expenses payable by the Company shall be treated as accruing on a daily basis unless the Directors shall otherwise determine.*
- (9) *Brokerage commissions on open contracts shall be accrued as a liability of the Company upon the initiation of such positions.*

1.10 Creation or issue of further securities, changes in share capital and variation of rights

The Company may by ordinary resolution:

- (a) *convert shares from one class to another and convert, reclassify, consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;*
- (b) *subject to other provisions in the Articles, subdivide all or any of its shares into shares of a smaller amount;*
- (c) *cancel shares which, at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;*
- (d) *convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other day as may be specified therein; or*
- (e) *where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.*

A listed class of Shares may not be converted into a different class without the approval of a majority of the Shareholders of that class, except where such conversion is for the consolidation of classes and is provided for and explained fully in the Listing Document.

1.11 Borrowing powers

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

1.12 **Directors Appointment, Renewal and Retirement**

The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting subject nevertheless to the Articles and to the Law and to such regulations as may be prescribed by the Company in general meeting but no regulation so made shall invalidate any prior act of the Board. The general powers given by this section shall not be limited or restricted by any special authority or power given to the Board by any other Article.

The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman at the meeting shall have a second or casting vote.

A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Board.

The continuing directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the minimum number fixed pursuant to the Articles, the continuing directors may act for the purpose of increasing the number of directors to that number or of summoning a general meeting but for no other purpose. If there be no directors able or willing to act, then any Member may summon a general meeting for the purpose of appointing directors.

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two (2) for a meeting of the Board and two (2) for a committee of the directors, except that where the minimum number of directors has been fixed at one, a sole director shall be deemed to form a quorum. An alternate appointed by a director shall be counted in a quorum at a meeting at which the director appointing him is not present.

A director shall cease to hold office:

- (a) if he (not being a person holding for a fixed term an executive office, subject to termination if he ceases for any cause to be a director) resigns his office by written notice signed by him sent to or deposited at the registered office of the Company;*
- (b) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of twelve months and the Board resolves that his office shall be vacated;*
- (c) if he dies or becomes of unsound mind or incapable;*
- (d) if he becomes insolvent suspends payment or compounds with his creditors;*
- (e) if he is requested to resign by written notice signed by all his co-directors;*
- (f) if the Company in general meeting shall declare that he shall cease to be a director; or*
- (g) if he becomes ineligible to be a director in accordance with Section 137 of the Law.*

If the Company in general meeting removes any director before the expiration of his period of office, it or the Board may appoint another person to be a director in his stead who shall retain his office so long only as the director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claims such director may have for damages for breach of any contract of service between him and the Company.

At a general meeting the following directors will retire from office and be eligible for re-election:

- (i) any director who was not elected or re-elected at either of the two preceding general meetings; and
- (ii) such number of other directors as when added to those retiring represent one third of the current directors (excluding those directors who were appointed by the Board to fill a casual vacancy or as an addition to the existing directors, whose term has ended at the general meeting).

1.13 **Directors and conflicts of interests**

A director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with Section 162 of the Law:

- (a) if the monetary value of the director's interest is quantifiable, the nature and monetary value of that interest; or
- (b) if the monetary value of the director's interest is not quantifiable, the nature and extent of that interest.

The above section does not apply if:

- (a) the transaction or proposed transaction is between a director and the Company; and
- (b) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

A general disclosure to the Board to the effect that a director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.

Nothing in the above sections applies in relation to:

- (a) remuneration or other benefit given to a director;
- (b) insurance purchased or maintained for a director in accordance with Section 158 of the Law; or
- (c) qualifying third party indemnity provision provided for a director in accordance with Section 159 of the Law.

A director who is interested in a transaction entered into, or to be entered into, by the Company, may:

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purpose of a quorum;
- (c) sign a document relating to the transaction on behalf of the Company; and
- (d) do any other thing in his capacity as a director in relation to the transaction; as if the director was not interested in the transaction.

Subject to the sections below, a director is interested in a transaction to which the Company is a party if the director:

- (a) is a party to, or may derive a material benefit from, the transaction;
- (b) has a material financial interest in another party to the transaction;

- (c) *is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;*
- (d) *is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or*
- (e) *is otherwise directly or indirectly materially interested in the transaction.*

A director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the director, at the request of the third party, in respect of a debt or obligation of the Company for which the director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.

A director may hold any other office or place of profit under the Company (other than Auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.

Any director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a director.

1.14 Power to purchase own shares

The Company may, at the discretion of the Board, purchase any of its own shares, whether or not they are redeemable, and may pay the repurchase price in respect of such purchase to the fullest extent permitted by the Law.

1.15 Remuneration of Directors

The directors shall be paid out of the funds of the Company by way of fees such sums not exceeding an aggregate of £150,000 per annum as the directors shall determine, or as may otherwise be approved by the Company in general meeting. Directors' fees shall be deemed to accrue from day to day.

The directors shall also be entitled to be repaid all reasonable out of pocket expenses properly incurred by them in or with a view to the performance of their duties or in attending meetings of the Board or of committees or general meetings.

If any director, having been requested by the Board, shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company, he shall be entitled to receive such sum as the Board may think fit for expenses and also such remuneration as the Board may think fit, either as a fixed sum or as a percentage of profits or otherwise, and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration which he may be entitled to receive.

The Board may pay a gratuity, pension or allowance on death or retirement to, and may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation or life assurance funds or schemes, for the benefit of any persons:

- (a) who are or were at any time in the employment or service of the Company or of any company which is or was a holding or subsidiary company of the Company or of any predecessor in business of any of them; or*
- (b) who are or were at any time directors or officers of the Company or of any such other company or predecessor in business and holding any salaried employment or executive office in the Company or such other company or predecessor in business; and the wives, widows, children, dependants or relations of any such persons. The receipt of any such gratuity pension or allowance shall not disqualify any person from being a director of the Company.*

The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid and make payments for or towards the insurance of any such persons.

The Board may do any of the matters aforesaid either alone or in conjunction with any such other company.

1.16 Shares

Other than through the exercise of options or warrants, Shares of the same class may not be issued at a price which is less than the NAV per Share of that class.

1.17 Disclosure of Interests

The Directors may serve notice on any Member to disclose within a reasonable time (determined by the directors) to the Company the identity of any person (other than the Member) who has an interest in the Shares and the nature of that interest. The Directors may be required to exercise such powers by Members holding no less than one-tenth of the Company's voting capital. Members who fail to provide the requested information with 28 clear days (or 14 clear days if the Shares represent 0.25 per cent or more in nominal value of the issued Shares in the relevant class), may be subject to loss of the right to vote their Shares at general and/or class meetings. Where the Shares for which information is not provided represents at least 0.25 per cent of the Share class concerned, the Shares may also be prohibited from receiving dividends or transfers being registered. The Directors must remove such sanctions with 7 days of the Member supplying the required information or selling the Shares to a bona fide unconnected third party.

2 DIRECTORS' AND OTHER INTERESTS

Directors' and Significant Interests

As at the date of this Prospectus and immediately following Admission of the Offer Shares, the interests of the directors and those persons who hold a significant beneficial interest in the Company are, and on Admission of the Offer Share are expected to be, as follows:

Name	As at the date of this Prospectus		On Admission		
	No. of Existing Shares	% of Existing Share Capital	No. of Offer Shares	Total No. of Shares	% of Enlarged Share Capital
Mel Carvill (Director)	1,118,906	2.19%	0	1,118,906	1.09%
Fintan Kennedy (Director) ⁽¹⁾	42,187	0.08%	0	42,187	0.04%
Peter Gillson (Director)	562,500	1.10%	562,500	1,125,000	1.10%
Pula Investments Limited (Shareholder) ⁽²⁾	9,375,000	18.35%	49,995,934	59,370,934	58.10%

⁽¹⁾ Fintan Kennedy is a director of Sealyham Investments Limited which owns 4,707,785 Shares (9.21%).

⁽²⁾ As set out in Part V of this Prospectus, Pula has agreed to backstop the Share Issue. The table above shows its maximum beneficial interest after factoring in the irrevocable undertakings received from 23 of the largest Shareholders (further detail set out in section 4 of this Part VII below) and assuming that no other Shareholders subscribe for Offer Shares and before the reduction of share capital as a result of the Tender Offer and before the issue of any Bonus Shares.

Other Interests

Mel Carvill is Non-Executive Chairman of Guernsey Investment Fund PCC Limited, which is also managed by the Investment Manager. He holds 70,000 shares in Ravenscroft Holdings Limited ("**RHL**"), the ultimate holding company of the Investment Manager, and is a client of Ravenscroft (CI) Limited ("**RCIL**"), which is a sister company of the Investment Manager.

Sealyham Investments Limited is a client of RCIL.

Peter Gillson is a director of Praxis Group Limited, acting as the Company's representative on that board. He holds 25,000 shares in RHL and is a client of RCIL.

Jonathan Ravenscroft, CEO of Ravenscroft Group, holds 1,060,193 Shares in the Company and 1,825,000 shares in RHL.

Brian O'Mahoney, Finance Director of Ravenscroft Group and Director of the Investment Manager, holds 112,520 Shares in the Company and 300,000 shares in RHL.

RCIL is the beneficial owner of 22,372 Shares in its capacity as Market Maker.

Pula owns 40.16% of RHL.

It is possible that Opera might engage Ravenscroft Cash Management Limited (“RCML”) to provide cash management services. RCML is part of the wider Ravenscroft Group.

Each of the Directors is entitled to receive a fee from the Company. The fees payable with effect from 1 January 2023 are as set out in the section headed “Fees and Expenses” in Part IV (*Directors, Management and Administration*) of this Prospectus. In the financial year ending 31 December 2022, Mel Carvill received a total fee of £37,616 and each of Peter Gillson and Fintan Kennedy received a total fee of £29,555.

The Directors are also entitled to out-of-pocket expenses and other expenses incurred in the proper performance of their duties.

None of the Directors has any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.

No Director has a service contract with the Company, nor are any such contracts proposed. The Directors were each appointed as non-executive directors by letters of appointment dated 23 August 2016. Each appointment is terminable by the Company giving the relevant Director not less than 90 days' written notice or by the Director giving the Company 90 days' written notice. Furthermore, each appointment is terminable immediately by the Company upon the occurrence of certain specified events including, inter alia, a Director's act of gross misconduct or gross negligence. The Articles provide that the office of a Director shall be terminated by, amongst other things, written resignation, unauthorised absences from board meetings for 12 months or more, at the written request of the other Directors or by resolution of the Shareholders.

No loan has been granted by or to, nor any guarantee provided for the benefit of, any Director by the Company.

Save as set out in Part IV (*Directors, Management and Administration*), none of the Directors has any business interests or activities outside the Company which are significant with respect to the Company.

Save as set out in this Prospectus, there are no contracts or arrangements subsisting as the date of this Prospectus in which a Director is materially interested and which is significant in relation to the business of the Company.

As at the date of this Prospectus, none of the Directors (save as disclosed below):

- (a) has any unspent convictions in relation to indictable offences for at least the previous five years;
- (b) has been made bankrupt or has made an individual voluntary arrangement with creditors or suffered the appointment of a receiver over any of his/her assets;
- (c) has been a director of a company which, whilst he was such a director or within 12 months of his ceasing to be such a director, was put into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or

arrangement with that company's creditors generally or with any class of creditors of the company or had an administrator or an administrative or other receiver appointed;

- (d) has been a partner in any partnership which, whilst he was a partner or within 12 months after his ceasing to be a partner, was put into compulsory liquidation or had an administrator or an administrator or other receiver appointed or entered into any partnership voluntary arrangement;
- (e) has had an administrative or other receiver appointed in respect of any asset belonging either to him or to a partnership of which he was a partner at the time of such appointment or within the 12 months preceding such appointment; and
- (f) has received any public criticisms by statutory or regulatory authorities (including recognised professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

3 NOMINEES

Legal title to all Shares in issue other than those held by Brian O'Mahoney are held by two custodians (namely Huntress (CI) Nominees Limited ("**Huntress**") and Pershing Nominees Limited) on behalf of the beneficial owners of such Shares.

4 IRREVOCABLE UNDERTAKINGS

In advance of publishing this Prospectus, the Company has received an irrevocable undertaking from Huntress (as the registered legal owner of 35,160,388 Shares (being 68.82 per cent. of the voting rights in the Company)) on behalf of 23 of the Company's largest investors by size of investment (the "**Beneficial Shareholders**").

Certain of the Beneficial Shareholders (holding in aggregate 13,288,942 Shares) are members of the Concert Party and as such will not vote on the Waiver Resolution (Resolution 3) in respect of the Shares held by them.

Accordingly, Huntress, having been instructed by the Beneficial Shareholders in respect of such Beneficial Shareholders' Shares, has undertaken in aggregate:

- (a) to exercise, or to instruct any proxy appointed in respect of 35,160,388 Beneficial Shareholders' Shares (being 68.82 per cent. of the voting rights in the Company) to exercise, all voting rights attaching to the Shares to vote in favour of Resolutions 1, 2, 4, 5 and 6, provided that the Resolutions are substantially in the form set out in the notice attached to this document; and
- (b) to exercise, or to instruct any proxy appointed in respect of 21,871,446 Beneficial Shareholder's Shares (being 61.32% of the voting rights in the Company held by the Independent Shareholders) to exercise, all voting rights attaching to the Shares to vote in favour of Resolution 3 (being the Waiver Resolution), provided that the Resolution is substantially in the form set out in the notice attached to this document; and
- (c) subject to the Resolutions being passed by the Shareholders at the EGM (or any adjournment thereof) and the Share Issue proceeding, and in accordance with the instructions it has received from each Beneficial Shareholder:
 - (i) to take up Offer Shares pursuant to the terms of the Share Issue on behalf of each Beneficial Shareholder in the manner as set out below; and

- (ii) to tender each Beneficial Shareholder's Shares pursuant to the terms of the Tender Offer in the manner as set out below.

<i>Beneficial Shareholder Instructions to Huntress in respect of the Share Issue</i>	<i>Percentage of Beneficial Shareholders selecting option</i>
Option A: Not subscribe for any Offer Shares	32.36%
Option B: Subscribe for a number of Offer Shares representing less than their Share Issue Entitlement	7.79%
Option C: Subscribe for the number of Offer Shares comprising their Share Issue Entitlement	1.10%
Option D: Subscribe for a number of Offer Shares representing more than their Share Issue Entitlement (to the extent that the excess is available under the terms of the Share Issue)	18.35%
Option E: Subscription not indicated	9.21%

As noted in Part V above, Pula has agreed to backstop the Share Issue and subscribe for those Offer Shares that are not otherwise subscribed for by Shareholders. Pula has undertaken to subscribe for 100% of the Offer Shares and will be scaled back accordingly.

<i>Beneficial Shareholder Instructions to Huntress in respect of the Tender Offer</i>	<i>Percentage of Beneficial Shareholders selecting option</i>
Will not tender any Shares pursuant to the Tender Offer	53.47%
Will tender their entitlement pursuant to the Tender Offer	0%
Will tender their entitlement pursuant to the Tender Offer PLUS an additional amount of Shares to the extent they are available	6.13%
Tender not indicated	9.21%

On the basis of the irrevocable undertakings received not to tender any Shares pursuant to the Tender Offer, there will be an additional 5,347,106 Shares (£5,347,106) available for Shareholders who wish to tender more than their Tender Offer Entitlement. Further Shares may be available for such Shareholders who wish to tender more than their Tender Offer Entitlement, depending on the actions of the other Shareholders.

5 WORKING CAPITAL

The Directors are of the opinion that, after taking into account the proceeds of the Share Issue, the Company has sufficient working capital for its present requirements, that is, for at least the period of twelve (12) months from the date of this Prospectus.

6 MATERIAL CONTRACTS

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

a. Investment Management Agreement

Pursuant to the Investment Management Agreement, the Investment Manager has been appointed to provide investment management services to the Company. The services to be provided under the Investment Management Agreement include, but are not limited to, sourcing and evaluating potential investment opportunities and making recommendations to the Board thereon, assisting with marketing and investor relations as required, advising the Board with regards to capital requirements, borrowings and disposals of investments and monitoring and analysing the performance of the Company's portfolio.

The fees payable to the Investment Manager are as set out in the section headed "*Fees and Expenses*" on page 30 of this Prospectus.

Save in the event of negligence, wilful default or fraud on the part of the Investment Manager, or where it has carried out or relied upon the instructions given by the Company under the Investment Management Agreement, the Company has given certain market standard indemnities in favour of the Investment Manager in respect of the Investment Manager's potential losses in carrying out its responsibilities under the Investment Management Agreement and there are certain limitations on the Investment Manager's liability to the Company for liabilities suffered by the Company arising as a result of or in the course of the provision by the Investment Manager of services pursuant to the Investment Management Agreement.

The Investment Management Agreement may be terminated by either party giving to the other 18 months' notice of termination. The Investment Management Agreement may also be terminated immediately by either party by notice in writing (i) if at any time, either party goes into liquidation or is unable to pay its debts as they become due, (ii) either party commits a material breach of its obligations under the Investment Management Agreement and such breach is not remedied within 30 days of being so notified by the other party or (iii) the Investment Manager is not authorised by a relevant regulatory body to carry out the services which it is to provide to the Company under the Investment Management Agreement. The Investment Management Agreement and therefore the Investment Manager's appointment shall terminate automatically on the winding up of the Company.

b. Administration Agreement

Pursuant to the Administration Agreement, dated 27 September 2016, the Administrator has been appointed to provide administrative and secretarial services to the Company.

The Administrator has primary responsibility for administration of the Company but also maintains the share register and carries out all other duties incidental thereto. The share register will be maintained in Guernsey and may be inspected at the registered office of the Administrator. For the purposes of the RCIS Rules, the Administrator is the designated administrator.

The fees payable to the Administrator in respect of the Company are as set out in the section headed "*Fees and Expenses*" on page 30 of this Prospectus.

The Administration Agreement contains provisions whereby the Company will indemnify the Administrator (and all directors, officers and employees of the Administrator and any agent, sub-contractor or delegate appointed by the Administrator) on an after tax basis from and against any and all liabilities, obligations, direct losses, damages, penalties, actions, judgements, suits, costs, legal costs, expenses or disbursement of any kind or nature whatsoever other than those resulting from the fraud, negligence, material breach of the Administration Agreement, dishonesty, wilful neglect, wilful misconduct or bad faith on the part of the Administrator or any affiliate which may be imposed on, incurred by or asserted against the Administrator as a result of it performing the services pursuant to the

Administration Agreement (including in the event the Administrator acts as proxy for any Shareholder at a general meeting).

The Administration Agreement is terminable, inter alia, upon 90 calendar days' written notice by the Company or the Administrator. The Administration Agreement is also terminable immediately upon the occurrence of certain events including the insolvency of the Company or the Administrator or a party committing a material breach of the Administration Agreement (where such breach has not been remedied within 30 days of written notice being given).

The Administration Agreement is governed by the laws of Guernsey.

c. Sponsor Agreement

Pursuant to a sponsorship agreement dated 27 September 2016 (the "**Sponsorship Agreement**"), the Administrator has been appointed to act as listing sponsor to the Company in relation to its listing on TISE. The fees payable to the Administrator in respect of the Company are as set out in the section headed "*Fees and Expenses*" on page 30 of this Prospectus.

The Sponsorship Agreement contains provisions whereby the Company will indemnify the Administrator, acting in its capacity as listing sponsor, from and against all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered, or incurred by the Administrator, acting in its capacity as listing sponsor, by reason of its performance or non-performance of its duties under the Sponsorship Agreement, including all legal, professional or other expenses, other than as a result of some act of negligence, fraud or wilful default on the part of the Administrator, acting in its capacity as listing sponsor.

The Sponsorship Agreement is terminable upon three months' notice in writing by either the Company or the Administrator, acting in its capacity as listing sponsor. The Sponsorship Agreement is also terminable immediately upon the occurrence of certain events including the insolvency of the Company or the Administrator, acting in its capacity as listing sponsor, or a party committing a material breach of the Administration Agreement (where such breach has not been remedied within 30 days of written notice being given).

The Sponsorship Agreement is governed by the laws of Guernsey.

7 LITIGATION

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

8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office during normal business hours on any weekday (except Saturdays, Sundays and public holidays in Guernsey) from the date of this Prospectus until 13 November 2023:

- this Prospectus;
- the Company's memorandum of incorporation and the Articles;
- the 2023 Interim Report and Accounts; and

- the 2022 Annual Report and Accounts.

The Company's statutory records are held at the Company's registered office.

ANNEX A: CURRENT INVESTMENT OBJECTIVE & POLICY

Investment Objective and Policy

The Company has the investment objective of attaining long term capital growth and an income stream with the aim of spreading risk by investment in a diversified portfolio of investments, principally in financial services businesses.

Subject thereto (and to the restrictions described below), to acquire stakes in well-managed financial services and related companies which will, in the main, be based in offshore financial centres.

The Company may invest in unquoted stocks and private companies. The Investment Manager believes that generational change and the stricter controls being imposed on application will reduce market appetite for smaller IPOs in the short to medium term. To the extent that this causes companies to delay seeking a flotation, it increases the number of opportunities for the Company to offer substantial investment.

Businesses in which the Company is expected to invest are also likely to have one or more of the following attributes:

- (i) potential to increase the scale of its operations;
- (ii) a need to replace a retiring owner-manager, or early stage investors;
- (iii) a need to change strategy and invest to make it an attractive sale or flotation prospect;
- (iv) a need to make a strategic acquisition or some other transformation to make it an attractive sale or flotation prospect.

Up to 15% of the NAV can be invested into businesses which while not strictly falling within the definition of financial services business, are related to the sector and appear to the Investment Manager to fit well within the proposed portfolio of the Company.

Typically, the funds invested are expected to be paid to existing Shareholders or when paid to the investee companies used to finance capital expenditure in order to facilitate the expansion of the businesses by acquisition or through organic growth. Businesses in which the Company has invested and is to invest in future should ideally, in the opinion of the Investment Manager, be capable of achieving a realisation ultimately either through a sale or by listing of their Shares on a stock exchange, in the fullness of time.

Investment Restrictions

It is the Company's intention to maintain a diversified portfolio of financial services investments.

The Company will seek to invest (or commit to invest) in accordance with guidelines determined by the Board and notified to the Investment Manager from time to time.

The Company intends that no more than 60 per cent. of the Company's NAV may be committed to any single investment, and no more than 60 per cent. of the Company's NAV in investments considered by the Board to be "special situations" (such as in companies that are already listed) in each case at the time of investment (or commitment).

ANNEX B: ANNUAL AND INTERIM ACCOUNTS

(1) Annual Report and Audited Accounts for the Financial Year ending 31 December 2022 and

(2) Interim Report and Unaudited Accounts for the 6 Months ending 30 June 2023

**FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

For the year ended 31 December 2022

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

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FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

MANAGEMENT AND ADMINISTRATION

For the year ended 31 December 2022

DIRECTORS

Mel Carvill (Non-executive Chairman)
Fintan Kennedy (Non-executive Director)
Peter Gillson (Non-executive Director)

REGISTERED OFFICE

(Effective 13 February 2023)
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

The address of the Directors is the registered office of the Company.

ADMINISTRATOR, REGISTRAR, LISTING SPONSOR AND SECRETARY

Sanne Fund Services (Guernsey) Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

INDEPENDENT AUDITOR

Grant Thornton Limited
St James Place
St James Street
St Peter Port
Guernsey
GY1 2NZ

INVESTMENT MANAGER

Ravenscroft Specialist Fund Management Limited
P.O. Box 222
20 New Street
St Peter Port
Guernsey
GY1 4JG

REGISTRATION NUMBER: 62421

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

CHAIRMAN'S REPORT

For the year ended 31 December 2022

After the uncertainty and difficulties brought about by the COVID-19 pandemic, 2022 presented new challenges for the Fund's portfolio in the form of rising interest rates and costs, inflationary pressures and reduced consumer confidence.

However, I am pleased to report that the two largest investments in the portfolio, Oak Group Limited ("Oak Group") and PraxisIFM Group Limited ("PraxisIFM") in particular, have proven to be resilient and have made incremental progress over the year. The Manager's report sets out more details on the individual companies' performance.

The Fund's published NAV per share as at 31 December 2022 was 107.84p (2021: 116.36p), a reduction of 8.52p (7.32%) over the financial year and 7.84% above its value on launch.

In February 2022, PraxisIFM announced a tender offer to return £40m to its shareholders following the sale of its Fund Services Division to Sanne Holdings Limited. The Fund participated in the tender, receiving £8.6m. The Fund was then pleased to execute a similar tender offer in July 2022, returning £3.97m to shareholders and reducing the Fund's issued share capital to 51,093,750 ordinary shares in the process.

The Fund also used some of the remaining proceeds from the PraxisIFM tender to repay the remaining balance of its revolving credit facility with Investec Bank (Channel Islands) Limited, leaving the fund debt free.

The pandemic had a significant impact on the portfolio companies in 2020 and 2021, with travel restrictions making it harder for them to convert new business opportunities and clients naturally being more cautious about taking on new project expenditure. It is therefore pleasing to hear the portfolio companies reporting that new business take-on has increased over the course of 2022 and that clients are once again engaging in new projects. The management teams have been actively employing strategies to navigate the fresh challenges posed by increasing inflation and global economic uncertainty.

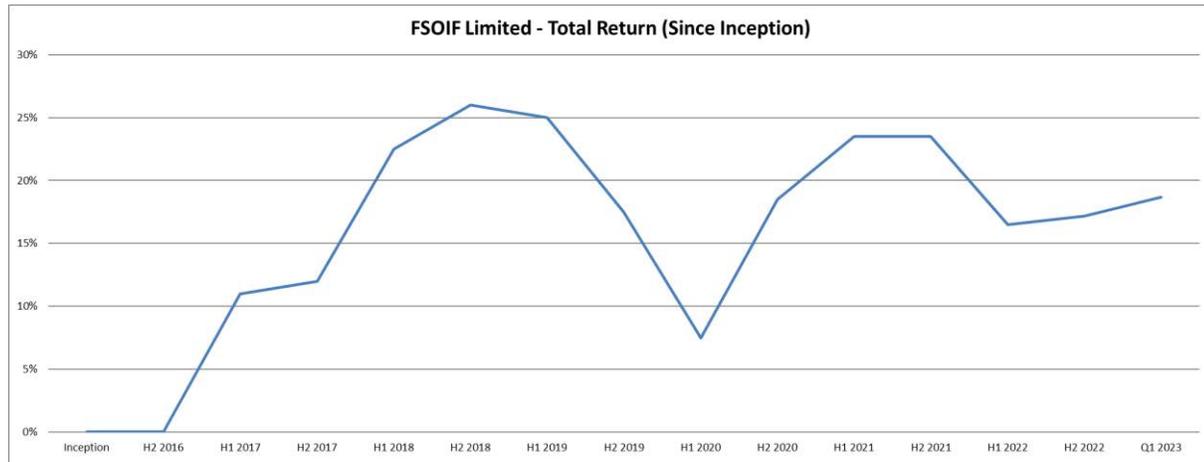
As the Manager will report in more detail, the Fund's cornerstone investments have been embarking on a journey of consolidation and transformation in order to improve efficiencies, reduce costs and improve their client offerings. Both Praxis and Oak Group have completed the first year of their three-year process and we are encouraged by the results achieved to date. The Board and the Manager continue to support the management teams of both businesses as they implement their new strategies and we look forward to seeing the businesses evolve and grow over the coming years.

Having announced an intention to declare a dividend at the Fund's annual general meeting in November 2022, the Board was delighted to pay a 1.5p dividend to shareholders on 13 March 2023. The graph below shows the total returns to shareholders from the launch of the Fund to March 2023.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

CHAIRMAN'S REPORT (CONTINUED)

For the year ended 31 December 2022



The Board and the Manager continue to offer their support to, as well as challenge where necessary, the management of the investee companies to achieve the best performance possible for their businesses and to maximise returns to the Fund. We also continue to source and evaluate opportunities to realise the Fund's investment objective of achieving long term capital growth and an income stream for shareholders.

I would like to thank the Fund's shareholders for their continued support, as well as my fellow Directors and the Manager.

Mel Carvill
Chairman

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2022

Published Net Asset Value ("NAV") as at 31 December 2022 was 107.84p per share (31 December 2021: 116.36p per share).

Net Asset Value ("NAV") per the Statement of Financial Position as at 31 December 2022 was 107.84p per share (31 December 2021: 117.23p per share).

Current share price: 105 - 115p

Performance overview

Ravenscroft Specialist Fund Management Limited (the "Manager") is pleased to report on the 2022 financial year for Financial Services Opportunities Investment Fund Limited (the "Fund").

It has been a year of further consolidation and integration within the Fund's two cornerstone investments, Oak Group Limited ("Oak Group") and PraxisIFM Group Limited ("Praxis"). Both companies have been focusing on growing their service offering and streamlining their cost base with a view to becoming more profitable and securing their positions as prominent service providers within the market.

In July 2022, the Fund completed a tender offer, reducing the number of shares in issue by 3.4m and returning £3.97m to shareholders, following the completion of the sale by Praxis of its Fund Services division and the subsequent tender offer to return £40m to its investors.

On 2 March 2023, the Board declared a dividend of 1.5p per share which was paid on 13 March 2023.

As at 31 December 2022, the published NAV of the Fund was £55.1m which equated to a reduction of 13.76% during the period and is 7.84% above the Fund's launch price. When total dividends paid to date are included, this equates to a total increase in the NAV of 18.68% on its launch value.

Portfolio review

Oak Group

Oak Group is a private client, corporate services and fund administration business formed through the consolidation of four carefully selected businesses, which together bring a collective 60 years of operations. The Group has operations in Guernsey, Jersey, the Isle of Man and Mauritius and is also able to provide corporate and fund services in Luxembourg through its joint venture arrangement with Fiducenter S.A. Oak Group employs approximately 200 staff across its operations.

Oak Group is one year into an ambitious three-year programme of integration and growth which seeks to achieve a cultural, operational and commercial transformation of the business.

During the year, Oak Group commenced the implementation of a group-wide tech-based administration system. The project will be completed later in 2023, at which point all offices will operate from a single technology platform using a single administration software solution.

This is a key element in allowing the modernisation and digitisation of Oak Group's processes to unlock operating model efficiencies and ready the business to scale quickly through organic and inorganic growth.

The business has taken steps towards streamlining its operating model. The Maltese back office has been fully wound down and roles and responsibilities transferred to Mauritius. The Mauritius subsidiary will shortly move into new, modern premises with space for up to 80 staff as the island becomes the focus of the Group's back office operations.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2022

Portfolio review (continued)

Oak Group (continued)

As part of its growth strategy, Oak Group implemented a digital marketing strategy, which has seen the business refresh its brand and hugely increase its online presence on channels such as LinkedIn and Google.

New senior hires into the Guernsey and Jersey fund businesses, including the new Managing Director of Oak Funds, James Tracey, have helped drive a steady stream of new business enquiries and new client conversions. The Jersey funds division continues to be a market leader in the establishment and administration of Jersey Private Investment Fund structures. During the year this division also secured one of Oak Group's largest single mandates won since its inception, with a value of c.£300k per annum, which started delivering revenue during the latter part of 2022.

The Group finished its financial year to 31 March 2022 with audited revenues of £20.3m and the Group is confident of continued organic growth. Progress against budget for the first ten months of Oak Group's current financial year has largely been positive with the Group on budget for underlying EBITDA up to 31 December 2022. The Group has slightly dropped below in January 2023 due to some delays in onboarding new clients but expects to come in around 7% behind its budget for the year.

Oak Group comprised 67.70% of the Fund's published NAV as at 31 December 2022.

Praxis

Praxis is an independent financial services group, headquartered in the Channel Islands, which provides global professional administration services across the Private Wealth, Corporate Services and Pensions Administration sectors.

Over the reporting period, Praxis' share price on The International Stock Exchange fell from a bid price of £1.45 as at 31 December 2021 to £1.10 as at 31 December 2022.

As previously reported, the Fund received £8.64m in cash from Praxis in March 2022 through its tender offer for shares following of the sale of Praxis' fund services division. This reduced the Fund's interest in Praxis from 16.1% to 14.39%.

Praxis is also embarking on a three year plan to grow its core services, increase efficiency and align the quality and interests of its people with the company's stakeholders. A key focus for 2022 was to redefine the group's operating model and structure, reducing the cost base to an appropriate level for the size of the business.

The company is also looking to implement systems and processes to increase efficiency and enhance levels of client service. Praxis recently went through a rebranding exercise to boost brand recognition and present itself as a leader in the private wealth and corporate services sectors.

After a challenging couple of years, the business is now showing positive signs of growth with increasing revenue and profit margins. It delivered £23.6m of revenue for the 6 months to 30 June 2022 and £2.8m of underlying EBITDA, an increase on the approximate run rate for the prior 6 months (revenue of £22.9m and underlying EBITDA of £2.25m).

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2022

Portfolio review (continued)

Praxis (continued)

On 28 September 2022, the Board declared an interim dividend of 1.25p per share and announced its intention to adopt a progressive dividend strategy, whereby the dividend will grow in line with the company's adjusted EBITDA. Going forward, the interim dividend will be set at 50% of the total dividend paid for the previous financial year.

It is likely to take some time before the real impact of the business' new strategy shows through in any meaningful financial way but the Manager is encouraged by the early signs, which are promising.

The Fund's 14.39% interest in Praxis comprised 24.69% of the Fund's published NAV as at 31 December 2022.

Enhance Group Limited ("Enhance")

Enhance has had a challenging last couple of years, with COVID restrictions limiting its ability to develop and convert its new business pipeline and therefore impacting revenue generation. However, Manager is pleased to report that the business delivered a strong financial performance over 2022, generating £3.04m of revenue in 2022, up 15.4% on the prior year and EBITDA of £353k.

Portfolio revenues were down as a result of the subdued global markets. This was more than offset, however, by new business wins and increased consultancy work as clients seek to commence or restart projects delayed by the pandemic. The business has bolstered its client relationship team and this is helping to convert more of the new business pipeline.

The Manager is confident that management can build on its performance in 2023 and deliver further growth in the business.

As at 31 December 2022, the Fund held 38% of the ordinary shares in issue in Enhance, along with £514k in preference shares. Enhance comprised 3.74% of the Fund's published NAV as at 31 December 2022.

Next Generation Holdings Limited ("NextGen") and Next Gen Worldwide Limited ("NGW")

The Fund has a 50% holding in NextGen, a joint venture with the former CEO of a multinational insurance company, which is in turn, the majority stakeholder in NGW. NGW is the sole owner of Ambon Insurance Brokers Limited, formerly AFL Insurance Brokers Limited ("Ambon"), a UK-based Lloyds broker in run-off.

As highlighted previously, the Group is continuing with the orderly break-up of assets whilst overseeing the solvent wind-down of Ambon itself and the receipt of deferred considerations due on its previous asset sales.

It continues to explore all possible avenues with regards to the overstatement of historical profits in Ambon by the previous owners. The court case is expected to reach a conclusion this year with the trial scheduled to take place in June 2023.

NextGen and NGW comprised 2.13% of the Fund's published NAV as at 31 December 2022

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

For the year ended 31 December 2022

Portfolio review (continued)

CORVID Holdings Ltd ("CORVID")

CORVID wholly owns a subsidiary business, Corvid Protect Holdings Limited ("Protect").

Ultra Electronics Holdings plc ("Ultra"), the parent company and main customer of Protect, was acquired by a wholly owned indirect subsidiary of Cobham Group Holdings Limited ("Cobham") on 28 July 2022 by way of a court sanctioned scheme of arrangement. The shares of Ultra were de-listed from the London Stock Exchange on 2 August 2022.

The Manager maintains communication with CORVID's management, with a view to receiving further detail about the future vision for Protect following the acquisition by Cobham soon.

The Fund's 5% holding in CORVID comprised 0.14% of the Fund's published NAV as at 31 December 2022.

Future Opportunities

The Manager continues to evaluate potential opportunities, both for the Fund and via its investee companies.

Environmental, Social and Corporate Governance ("ESG")

The Manager incorporates ESG issues into its investment analysis and seeks appropriate Disclosures on ESG issues by the entities into which the Company invests. The Manager, as a member of the Ravenscroft Group, became a signatory to the UN Principles for Responsible Investment on 3 July 2020. The six principles are voluntary and aspirational and offer a menu of possible actions for incorporating ESG matters into investment practice with the aim of contributing to the development of a more sustainable global financial system. Details of Ravenscroft Group's commitment to responsible investing can be found on its website: <https://www.ravenscroftgroup.com/>.

Conclusion

The Manager is encouraged by the progress made by Oak Group and Praxis over the past year, after the challenges posed by the last couple of years. It is pleasing to see that new business take-on and demand for services is increasing again.

With a number of the portfolio companies going through a period of consolidation and transformation, the Manager looks forward to seeing these new strategies come to fruition and the benefits that they will likely bring.

Together with the Board, the Manager remains committed to ensuring the active management of the investment portfolio and continues to work with the principals of the respective businesses and their management teams so as to deliver the best possible return on investment for the Fund and its shareholders.

Ravenscroft Specialist Fund Management Limited

26 June 2023

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2022

The Directors of Financial Services Opportunities Investment Fund Limited (the "Company") are pleased to present herewith their annual report and audited financial statements (the "Financial Statements") for the year ended 31 December 2022.

The Company

The Company is a Guernsey registered closed-ended investment company which was incorporated under the Companies (Guernsey) Law, 2008 on 30 August 2016 with registration number 62421. On 7 October 2016 the Company was admitted to The International Stock Exchange ("TISE").

Results and Dividends

The Statement of Comprehensive Income for the year ended 31 December 2022 is set out on page 17. The loss and total comprehensive loss for the year ended 31 December 2022 amounted to £4,528,643 (31 December 2021: profit and total comprehensive income £2,367,598). No dividends were declared by the Board of Directors during the year (31 December 2021: no dividends).

On 2 March 2023, the Board of Directors announced that the Company will pay a dividend to Ordinary Shareholders at 1.5 pence per share with a payment date of 13 March 2023.

Directors

The Directors, all of whom are non-executive Directors, are listed on page 1.

Directors' Interests

The shareholdings of the Directors in the Company at 31 December 2022 were as follows:

Name	31 December 2022		31 December 2021	
	Number of Shares	Percentage	Number of Shares	Percentage
Mel Carvill (Chairman)	1,118,906	2.13%	1,160,000	2.13%
Peter Gillson	562,500	1.10%	600,000	1.10%
Fintan Kennedy	42,187	0.08%	45,000	0.08%

At the date of this report, Mel Carvill and Peter Gillson held 70,000 shares (31 December 2021: 70,000 shares), and 25,000 shares (31 December 2021: 25,000 shares), respectively in the ultimate parent company of the Investment Manager.

Going Concern

The Board of Directors have assessed the financial position of the Company as at 31 December 2022 and the factors that may impact its performance (including the potential impact on markets and supply chains of geo-political risks such as the current crisis in Ukraine and continuing macro-economic factors and inflation) in the forthcoming year. The Directors note that the Company's portfolio has not been materially adversely affected in terms of value or cashflows by the current crisis in Ukraine.

The Company participated in the tender offer by PraxisIFM in February 2022, tendering 5,762,332 shares for a total amount of £8,643,499 and reducing its shareholding in PraxisIFM to 12,369,522 shares. The Company then used £2,500,000 of the proceeds received from Praxis IFM to repay its revolving credit facility with Investec in full in May 2022. The Board of Directors has reviewed cashflow forecasts for the next twelve months and, after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months after the signing date of the Financial Statements. Accordingly, the Directors continue to adopt the going concern basis in preparing these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2022

Directors' Responsibilities Statement

The Companies (Guernsey) Law, 2008 requires Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for the keeping of proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies (Guernsey) Law, 2008 and the principal documents. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

Disclosure of information to the auditor

The Directors make the following statement:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that all steps have been taken by the Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Corporate Governance

The Finance Sector Code of Corporate Governance (the "Code") was issued by the Guernsey Financial Services Commission, published in September 2011 and updated in November 2021. The Directors have considered the effectiveness of their corporate governance practices with regard to the principles set out in the Code. The Directors are satisfied with their degree of compliance with the principles set out in the Code in the context of the nature, scale and complexity of the business.

Anti-Bribery and Corruption

The Company adheres to the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003. In consideration of the UK Bribery Act 2010 which came into force on 1 July 2011, the Board expects all the Company's business activities, whether undertaken directly by the Directors themselves or by third parties on the Company's behalf, to be transparent, ethical and beyond reproach.

On discovery of any activity or transaction that breaches the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003 or the UK Bribery Act 2010, such discovery would be reported to the relevant authorities in accordance with prescribed procedures. The Company is committed to regularly reviewing its policies and procedures to uphold good business practice.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2022

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") became effective on 1 January 2013. The legislation is aimed at determining the ownership of assets of US persons in foreign accounts and improving US tax compliance with respect to those assets. On 13 December 2013, the States of Guernsey entered into an intergovernmental agreement ("IGA") with US Treasury, in order to facilitate the requirements under FATCA. The Company registered with the Internal Revenue Service ("IRS") during 2016 as a Foreign Financial Institution ("FFI") and received a Global Intermediary Identification Number. The Company complies with these regulations and reports as necessary.

Common Reporting Standard

The Common Reporting Standard ("CRS"), formally the Standard for Automatic Exchange of Financial Account Information, became effective on 1 January 2016, and is an information standard for the automatic exchange of information developed by the Organisation for Economic Co-operation and Development ("OECD"). CRS is a measure to counter tax evasion and it builds upon other information sharing legislation, such as FATCA, the UK-Guernsey IGA for the Automatic Exchange of Information and the European Union Savings Directive. The first reporting under CRS for Guernsey was made during 2017. The Company complies with these regulations and reports as necessary.

Alternative Investment Fund Managers Directive

The Alternative Investment Fund Manager Directive ("AIFMD"), which was implemented by EU Member States in 2013, covers the management, administration and marketing of alternative investment funds ("AIFs"). Its focus is on regulating alternative investment fund managers ("AIFMs") established in the EU and prohibits such managers from managing any AIFs or marketing shares in such funds to investors in the EU unless an AIFMD authorisation is granted to the AIFM. The Company is registered as a non-EU AIF whose AIFM is the Company itself (i.e. self-managed) for the purpose of the Directive.

Investments Objectives and Strategy

The Company has an investment objective of achieving long term capital growth and delivering an income stream to shareholders with the aim of spreading risk by investing in a diversified portfolio of investments principally in financial services businesses, which will in the main be based in offshore financial centres.

The Company may invest in unquoted stocks and private companies.

Businesses in which the Company is expected to invest are likely to have one or more of the following attributes:

- i. potential to increase the scale of its operations;
- ii. a need to replace a retiring owner-manager or early-stage investors;
- iii. a need to change strategy and invest to make it an attractive sale or flotation prospect; or
- iv. a need to make a strategic acquisition or some other transformation to make it an attractive sale or flotation prospect.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2022

Investments Objectives and Strategy (continued)

Up to 15% of the NAV can be invested into businesses which, while not strictly falling within the definition of financial services business, are related to the sector and appear to the Investment Manager to fit well within the proposed portfolio of the Company.

Investment Restrictions

The Company will seek to invest (or commit to invest) in accordance with guidelines determined by the Board and notified to the Investment Manager from time to time.

The Company intends that no more than 60% of the Company's NAV may be committed to any single investment, and no more than 60% of the Company's NAV in investments considered by the Board to be "special situations" (such as in companies that are already listed) in each case at the time of investment (or commitment). These limits will not apply if at any stage the Company has fewer than three investments.

UK Criminal Finances Act

The UK Criminal Finances Act (the "CFA") came into force on 30 September 2017 and holds relevant corporate bodies liable where they fail to prevent those who act for, or on their behalf, from criminally facilitating tax evasion, whether in the UK or in a foreign country.

The Directors are aware of the requirements of and the penalties under the CFA and are fully committed to complying with all legislation and appropriate guidelines designed to prevent tax evasion and the facilitation of tax evasion in the jurisdictions in which the Company, its service providers, counterparties and business partners operate. Accordingly, the Directors have assessed the nature and extent of the Company's exposure to the risk of those acting on the Company's behalf facilitating tax evasion offences and have ensured that reasonable, risk-based prevention procedures are in place and have been adopted by the Company to mitigate any identified risks.

The Board takes a zero-tolerance approach towards tax evasion or the facilitation of tax evasion and any involvement of the Company in any form of tax evasion or the facilitation of tax evasion is absolutely prohibited.

Independent Auditor

The independent auditor, Grant Thornton Limited, has expressed its willingness to continue in office and a resolution for its re-appointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Mel Carvill

Director

26 June 2023

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

Opinion

We have audited the financial statements of Financial Services Opportunities Investment Fund Limited (the "Company"), which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies. The financial statements framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as issued by the International Standards Board (IASB).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of the Company's loss for the year then ended;
- are in accordance with IFRS as issued by the IASB; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>Fair value of investments at fair value through profit or loss</p> <p>We identified the carrying value of investments at fair value through profit or loss as one of the most significant assessed risks of material misstatement due to fraud.</p> <p>The Company's financial assets consist of an investment portfolio of companies that are principally financial services businesses. The portfolio is valued at £54,220,262 (2021: £66,188,758). These financial assets are defined as Level 2 and Level 3 financial instruments under IFRS 13 fair value hierarchy.</p> <p>The Company exercises considerable judgement in valuing its Level 3 investments, as the selection of the appropriate valuation techniques involves making significant assumptions and the inputs used are not based solely on observable data.</p> <p>The valuation technique is selected on an investment by investment basis so as to provide the most reliable representation of fair value. The bases of valuation that have been adopted include quoted market bid price, comparable earnings multiple, net realisable assets, recent offer price and purchase cost.</p> <p>Given the extent of judgement involved in valuing these financial instruments, we considered this to be a key audit matter.</p> <p><i>Refer to the Chairman's Report on pages 2 and 3; Accounting policies in page 22, and Note 7, Fair value, to the Financial Statements.</i></p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> ○ Updated our understanding of management's processes, policies, methodologies and controls in relation to the valuation of investments and confirmed our understanding by performing test of design and implementation of relevant controls around the valuation process specifically as they relate to accounting estimates; ○ Obtained the valuations workings and had discussions with the Investment Manager to understand the valuation methods, inputs and assumptions that the Company used to value its Level 3 investments and assessed whether these are based on acceptable valuation framework and consistent with IFRS; ○ Reviewed the key assumptions used in the valuation and corroborated them through other information (i.e. financial information of investee companies and similar companies in the same industry, external sources of information); and ○ Reviewed the sufficiency of disclosures in the financial statements relating to the accounting estimates involving the valuation of investments of the Company. <p>Our results</p> <p>Based on the audit work performed, we have not identified any matters to report to those charged with governance in relation to the fair value measurement of financial assets at fair value through profit or loss.</p>

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED (CONTINUED)

Other information in the Annual Report

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited financial statements, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as issued by the IASB, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cyril Swale.

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Company's Financial Statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Grant Thornton Limited

Chartered Accountants
St Peter Port
Guernsey

26 June 2023

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

		31 December 2022	31 December 2021
	<i>Notes</i>	£	£
Income			
Net (losses)/gains on financial assets at fair value through profit or loss	7	(7,725,003)	2,483,181
Investment income		4,582,888	1,097,201
Loan interest income		17,642	140,710
Bank interest income		944	-
Total (loss)/income		<u>(3,123,529)</u>	<u>3,721,092</u>
Expenses			
Investment management fees	4	(845,949)	(963,102)
Expected credit losses on financial assets	6	(227,952)	-
Administration fees	4	(67,081)	(64,697)
Other administration services	4	(6,161)	(6,530)
Directors' fees	4	(96,726)	(93,636)
Legal and professional fees		(17,227)	(11,075)
Share-based payment write-back	15,16	-	58,193
Revolving credit facility interest expense	13	(39,322)	(179,826)
Other expenses	10	(104,696)	(92,821)
Total expenses		<u>(1,405,114)</u>	<u>(1,353,494)</u>
(Loss)/profit and total comprehensive (loss)/profit for the year		<u>(4,528,643)</u>	<u>2,367,598</u>
(Loss)/earnings per share – basic	19	<u>(8.56)p</u>	<u>4.35p</u>
(Loss)/earnings per share – diluted	19	<u>(8.56)p</u>	<u>4.13p</u>

All items in the above statement derive from continuing operations.

There were no items of other comprehensive loss in the year and accordingly, the loss for the year constitutes total comprehensive loss.

The accompanying Notes on pages 21 to 48 form an integral part of these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Notes</i>	31 December 2022	31 December 2021
		£	£
Non-current assets			
Financial assets at fair value through profit or loss	5,7	54,220,262	66,188,758
Loans due from associate and joint venture	6,17	14,291	35,000
Current assets			
Cash and cash equivalents		725,767	119,427
Loans due from associate and joint venture	6,17	143,021	383,948
Trade and other receivables	11	481,338	452,017
Prepayments		10,590	6,221
Total assets		55,595,269	67,185,371
Current liabilities			
Trade and other payables	12	496,212	793,936
Revolving credit facility – Investec CI	13	-	2,500,000
Total liabilities		496,212	3,293,936
Net assets		55,099,057	63,891,435
Equity			
Share capital	14	50,921,298	55,185,033
Reserves	16	4,177,759	8,706,402
Total equity		55,099,057	63,891,435
Number of shares in issue	14	51,093,750	54,500,000
NAV per share		107.84p	117.23p

The Financial Statements on pages 17 to 48 were approved and authorised for issue by the Board of Directors on 26 June 2023.

Mel Carvill
Director

The accompanying Notes on pages 21 to 48 form an integral part of these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	<i>Notes</i>	Share capital £	Reserves £	Total £
At 1 January 2022		55,185,033	8,706,402	63,891,435
Settlement of share options	15	(289,323)	-	(289,323)
Loss and total comprehensive loss for the year		-	(4,528,643)	(4,528,643)
Redemption of shares	14	(3,974,412)	-	(3,974,412)
At 31 December 2022		50,921,298	4,177,759	55,099,057

	<i>Notes</i>	Share capital £	Reserves £	Total £
At 1 January 2021		54,604,160	6,396,997	61,001,157
Exercise of share options	15	580,873	-	580,873
Profit and total comprehensive income for the year		-	2,367,598	2,367,598
Charge to equity for equity-settled share-based payments	15,16	-	(58,193)	(58,193)
At 31 December 2021		55,185,033	8,706,402	63,891,435

The accompanying Notes on pages 21 to 48 form an integral part of these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Notes	31 December 2022 £	31 December 2021 £
Cash flows from operating activities			
(Loss)/profit and total comprehensive (loss)/profit for the year		(4,528,643)	2,367,598
Adjusted for:			
Net losses/(gains) on financial assets at fair value through profit or loss	7	7,725,003	(2,483,181)
Investment income		(4,582,888)	(1,097,201)
Loan interest income		(17,642)	(140,710)
Expected credit losses on financial assets	6	227,952	-
Share-based payment write-back	15,16	-	(58,193)
Loan interest	13	39,322	179,826
(Increase)/decrease in trade and other receivables (excluding investment transactions and loan interest receivable)		(4,368)	6,885
(Decrease)/increase in trade and other payables (excluding investment transactions, loan interest payable and dividends payable)		(292,039)	510,165
		<u>(1,433,303)</u>	<u>(714,811)</u>
Investment income received		4,569,997	1,030,813
Loan interest income received		1,212	5,637
Purchases of financial assets	7	-	(64,498)
Proceeds from sale of investments	7	4,243,493	-
Repayments of loans and interest due from associates	6	33,684	1,384,837
Net cash inflow from operating activities		7,415,083	1,641,978
Cash outflow from financing activities			
Share options exercised	15	-	580,873
Settlement of share options	15	(289,323)	-
Redemption of shares		(3,974,413)	-
Dividend paid		-	(539,191)
Loan interest paid		(45,007)	(173,673)
Repayments on revolving credit facility	13	(2,500,000)	(2,000,000)
Net cash outflow from financing activities		(6,808,743)	(2,131,991)
Net increase/(decrease) in cash and cash equivalents		606,340	(490,013)
Cash and cash equivalents at the start of the year		119,427	609,440
Cash and cash equivalents at the end of the year		725,767	119,427

The accompanying Notes on pages 21 to 48 form an integral part of these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. The Company

Financial Services Opportunities Investment Fund Limited (the “Company”) is licensed by the Guernsey Financial Services Commission as a registered closed-ended investment company which was incorporated under The Companies (Guernsey), Law 2008 on 30 August 2016 with registration number 62421. The Company is listed on The International Stock Exchange (“TISE”).

The principal objective of the Company is to attain long term capital growth and deliver an income stream to shareholders with the aim of spreading risk by investing in a diversified portfolio of investments principally in financial services businesses and has an indefinite life.

2. Significant Accounting Policies

Basis of Preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and comply with the Companies (Guernsey) Law, 2008.

The preparation of Financial Statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and judgements are discussed in Note 3. The principal accounting policies adopted are set out below.

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of financial assets measured at fair value through profit or loss.

In accordance with the investment entities exemption contained in IFRS 10, “Consolidated Financial Statements”, the Board has determined that the Company satisfies the criteria to be regarded as an investment entity and that the Company provides investment-related services. As a result, the Company is required to only prepare individual financial statements under IFRS and measures its investments in any subsidiaries, associates or joint ventures at fair value. This determination involves a degree of judgement (see Note 3 for further details).

Going Concern

The Board of Directors have assessed the financial position of the Company as at 31 December 2022, and the factors that may impact its performance (including the potential impact on markets and supply chains of geo-political risks such as the current crisis in Ukraine and continuing macro-economic factors and inflation) in the forthcoming year. The Directors note that the Company’s portfolio has not been materially adversely affected in terms of value or cashflows by the current crisis in Ukraine.

The Company participated in the tender offer by PraxisIFM in February 2022, tendering 5,762,332 shares for a total amount of £8,643,498 and reducing its shareholding in PraxisIFM to 12,369,522 shares. The Company then used £2,500,000 of the proceeds received from Praxis IFM to repay its revolving credit facility with Investec in full in May 2022.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

2. Significant Accounting Policies (continued)

Going Concern (continued)

The Board of Directors has reviewed cashflow forecasts for the next twelve months and, after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months after the signing date of the Financial Statements. Accordingly, the Directors continue to adopt the going concern basis in preparing these Financial Statements.

New Accounting Standards and interpretations applicable to future reporting periods

At the date of approval of these Financial Statements, the following standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective:

- IAS 1 (amended), 'Presentation of Financial Statements' (amendments regarding the classification of liabilities, effective for periods commencing on or after 1 January 2023).
- IAS 8 'Accounting Policies, Changes in accounting Estimates and Errors' (amendments regarding the definition of accounting estimates).

Accounting Standards and interpretations adopted during the year

- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' (effective for periods commencing on or after 1 January 2022) – The changes in Onerous Contracts — Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'.
- Annual Improvements to IFRS Standards 2018-2020 (effective for periods commencing on or after 1 January 2022). In regard to IFRS 9, the amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The Directors expect that the adoption of these amended standards in a future period will not have a material impact on the Financial Statements of the Company.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. The Directors do not expect these standards to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Functional and presentation currency

Items included in the Financial Statements are measured in the currency of the primary economic environment in which the Company operates ("the functional currency"). The functional currency of the Company as determined in accordance with IFRS is Pound Sterling (£) because this is the currency that best reflects the economic substance of the underlying events and circumstances of the Company. Pound Sterling has also been selected as the currency in which the Company measures its performance and the Company's presentation currency.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

2. Significant Accounting Policies (continued)

Financial Instruments

Classification

Under IFRS 9, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost; or
- fair value through profit or loss (“FVTPL”); or
- fair value through other comprehensive income (“FVOCI”).

This classification is determined by both:

- the entity’s business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company’s cash and cash equivalents, loans due from associate and joint venture and trade and other receivables are classified as financial assets at amortised cost.

Financial assets at fair value through profit or loss

Financial assets that are held within a business model where the assets are managed and their performance evaluated on a fair value basis in accordance with the Company’s investment strategy are classified as financial assets at fair value through profit or loss. Accordingly, the Company’s investments, in accordance with the investment entity exemption of IFRS 10 “Consolidated Financial Statements” and the requirements, and including its subsidiaries, associates and joint ventures, are classified as financial assets at fair value through profit or loss and accounted for under IFRS 9.

Financial liabilities at amortised cost

This category comprises trade and other payables and loan payables.

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets at fair value through profit or loss are measured initially at fair value, being the transaction price, on the trade date. Transaction costs on financial assets at fair value through profit or loss are expensed immediately. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Subsequent measurement

Financial assets at amortised cost

After initial recognition, financial assets which are not measured at fair value are measured at amortised cost using the effective interest rate method. The amortised cost of a financial asset is the amount at which the financial asset is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any allowance for expected credit losses (“ECLs”).

Under IFRS 9, the Company has elected to apply the simplified approach in relation to its trade and other receivables, under which the Company is required to recognise lifetime ECLs. Practical expedients are available to measure lifetime ECLs incorporating forward-looking information, but there is no need to monitor significant increases in credit risk.

Discounting is omitted when the effect of discounting is immaterial.

Financial assets at fair value through profit or loss

Investments at fair value through profit or loss are initially recognised at cost, which is deemed to be the fair value of the investment at the point of acquisition. Transaction costs are expensed in the Statement of Comprehensive Income as incurred. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm’s length transaction at the measurement date. Gains and losses arising from changes in the fair value of the ‘investments at fair value through profit or loss’ category are presented in the Statement of Comprehensive Income in the period in which they arise. Investment income from investments at fair value through profit or loss is recognised in the Statement of Comprehensive Income when the Company’s right to receive payment is established.

The fair value measurement is based on the presumption that the transaction to sell the asset takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset is measured using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations, without any deduction for transaction costs.

If there is no quoted price in an active market, the Company uses valuation techniques, in accordance with International Private Equity and Venture Capital (“IPEV”) guidelines, that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. Please refer to Note 7 for further details.

The valuation methods/techniques used by the Company in valuing the investments involve critical judgements to be made and therefore the actual value of the investment could differ significantly from the value disclosed in these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash at bank with a maturity of less than three months at the date of inception.

Trade and other receivables

Trade and other receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other payables

Trade and other payables are not interest-bearing and are stated at their nominal value.

Shares

The Company has no planned end date and Shareholders will not be entitled to require the Company to redeem their shares at any time. Shares are classified as equity.

Reserves

Reserves comprises the Company's retained earnings and share based payment reserve. Retained earnings consists of accumulated operating profits and losses. The share-based payment reserve consists of accumulated revaluations of the share options granted to the Investment Manager.

Income

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents. Dividend income is recognised when the right to receive payment is established.

Expenses

Expenses are recognised in the Statement of Comprehensive Income on an accrual basis.

Share-based payments (equity-settled)

In lieu of the payment of performance fees, the Company grants options for shares in the Company to the Investment Manager, for the Investment Manager itself and for onward transfer to members of the investment management team. All assets and services received in exchange for the grant of any share-based payment are measured at their fair values. Fair value is measured by use of the Black Scholes model (see Note 15). All share-based payments are recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

2. Significant Accounting Policies (continued)

Share-based payments (equity-settled) (continued)

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium. At 31 December 2022, all share options were cancelled or had lapsed.

Dividends

Interim dividends paid to Shareholders are recorded through the Statement of Changes in Shareholders' Equity when they are declared to Shareholders. Final dividends are recorded through the Statement of Changes in Shareholders' Equity when they are approved by Shareholders. The payment of any dividend by the Company is subject to the satisfaction of a solvency test as required by the Companies (Guernsey) Law, 2008.

Segmental reporting

The Board has considered the requirements of IFRS 8 – "Operating Segments". The Company has entered into an investment management agreement with the Investment Manager. Subject to its terms and conditions, the investment management agreement requires the Investment Manager to manage the Company's investment portfolio in accordance with the Company's investment guidelines in effect from time to time. However, the Board retains full responsibility to ensure that the Investment Manager adheres to its mandate. Moreover, the Board is fully responsible for the appointment and/or removal of the Investment Manager. Accordingly, the Board is deemed to be the "Chief Operating Decision Maker" of the Company.

In the Board's opinion, the Company is engaged in a single segment of business, being investment principally in financial services businesses, that business being conducted from Guernsey.

As at 31 December 2022, the geographical concentration of the Company's investment portfolio is as follows:

	31 December 2022	31 December 2021
	£	£
Guernsey	50,985,896	62,863,036
Jersey	2,060,713	1,932,659
UK	1,173,653	1,393,063
	<u>54,220,262</u>	<u>66,188,758</u>

3. Critical accounting estimates and judgments

Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

3. Critical accounting estimates and judgments (continued)

Critical accounting estimates and assumptions (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below:

Assessment as an investment entity

Entities that meet the definition of an investment entity in accordance with IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company provides investment management services and has a number of investors who pool their funds to gain access to these services and investment opportunities that they might not have had access to individually. The Company, being listed on TISE, obtains funding from a diverse group of external shareholders, to whom it has committed that its business purpose is to invest funds solely for the returns from capital appreciation and investment income.

As at 31 December 2022, the Company holds five investments (31 December 2021: five), one of which is classified as a subsidiary (31 December 2021: one), one as an associate (31 December 2021: one) and one as a joint venture (31 December 2021: one). The fair value method is used to represent and evaluate the performance of all of these investments, including the subsidiary, in its internal reporting to the Board, and to make investment decisions. These investments will be sold if other investments with better risk/reward profiles are identified, or if a very attractive offer to purchase an investment is made to the Company resulting in the opportunity to make a return to shareholders, which the Directors consider demonstrates a clear exit strategy.

The subsidiary does not provide investment-related services.

The Board has concluded the Company has all of the characteristics set out above and thus meets the definition of an investment entity. As a result the Company is not permitted to consolidate the subsidiary, which is measured at fair value through profit or loss. The Company has concluded that the subsidiary meets the definition of an unconsolidated subsidiary under IFRS 12 and has made the necessary disclosures (see Note 18).

Fair value measurement

When the fair values of financial assets recorded in the Financial Statements cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. When valuing the underlying investee companies, the Investment Manager reviews information provided by the underlying investee companies and other business partners and applies IPEV methodologies (see Note 7) to estimate a fair value as at the date of the Financial Statements. The Board reviews and considers the fair value arrived at by the Investment Manager before incorporating into the fair value of the investment adopted by the Company.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

3. Critical accounting estimates and judgments (continued)

Fair value measurement (continued)

The variety of valuation bases adopted, quality of management information provided by the underlying investee companies and the lack of liquid markets for the investments mean that there are inherent difficulties in determining the fair value of these investments that cannot be eliminated. Therefore, the amounts realised on the disposal of investments may differ from the fair values reflected in these Financial Statements and the differences may be significant.

Share based payments

The valuations of the share options granted to the Investment Manager and members of the investment management team are determined by means of valuation models and are dependent on estimates and assumptions relating to the inputs to those models. As at 31 December 2022, all share options had been cancelled, or had lapsed, and there were no new share options issued during the year. Details of the inputs used can be found in Note 15.

4. Material Agreements

Investment Management fees

As a result of a Ravenscroft Group restructure, with effect from 1 June 2020, Ravenscroft Specialist Fund Management Limited ("RSFML") was appointed as the Investment Manager, replacing Ravenscroft (CI) Limited ("RL"). The existing Investment Management Agreement was novated from RL to RSFML, with no changes to the fees charged, the services provided or the team providing the services as a result of this change. The Investment Manager is entitled to an amount equal to an annualised 1.5% of the Adjusted Closing NAV (excluding cash and near cash investments). The management fee is calculated on a quarterly basis after calculation of the Adjusted Closing NAV.

There is no performance fee. Instead, the Company grants options over shares to the Investment Manager, for itself and for onward transfer to members of the management team. As at 31 December 2022, all options had lapsed or cancelled. No new options were granted during the year. Further details on the options are disclosed in Note 15.

The Company also pays the Investment Manager a deal fee equal to 1% of the total amount paid by the Company for any completed investments, within three months after the date of completion of that investment, except in relation to investments where the total amount payable is determined later than three months after completion, in which case the deal fee element referable to any deferred part of the consideration shall be payable within three months of the date of payment of that deferred consideration, but the deal fee element relating to that part of the consideration payable on completion of the investment is payable within three months after the date of completion.

During the year, the Investment Manager earned a management fee of £845,949 (31 December 2021: £963,102), of which £416,999 (31 December 2021: £726,290) was outstanding at the end of the year. The Investment Manager earned deal fees of £Nil (31 December 2021: £Nil), of which £Nil (31 December 2021: £Nil) was outstanding at the end of the year. The Investment Management agreement can be terminated by either party giving not less than 18 months' written notice.

During the year, associated entities within the wider Ravenscroft Group also earned the following fees: £18,250 in respect of a trading account fee (31 December 2021: £26,067), of which £3,559 (31 December 2021: £6,800) was outstanding at the year end, and £10,000 in respect of a market maker retainer fee (31 December 2021: £10,000). These expenses have been included in Other expenses in the Statement of Comprehensive Income.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

4. Material Agreements (continued)

Administration fees

Sanne Fund Services (Guernsey) Limited was appointed as the Administrator with effect from 27 September 2016. The Administrator charges an annual fee of 0.10% of the NAV of the Company subject to a minimum fee of £68,065 plus disbursements, effective from 1 May 2022 (effective from 1 May 2021: £65,071).

During the year, the Administrator earned a fee for administration services of £67,081 (31 December 2021: £64,697), of which £34,312 (31 December 2021: £16,134) was outstanding at the year end.

The Administrator earns a fee of £5,115 per annum for assisting with reporting under Article 24 of the AIFM Directive, where such Annex IV Reporting is required by the Company. The Administrator also earns an annual fee of £500 for the ongoing provision of an employee to act as the Responsible Officer. Fees are charged on a time spent basis for any additional reporting under FATCA and CRS.

During the year, the Administrator earned a total fee for other administration services of £6,161 (31 December 2021: £6,530), of which £Nil (31 December 2021: £Nil) was outstanding at the year end.

In addition, in its role as listing sponsor to the Company, the Administrator has also earned a fee of £8,379 for acting as listing sponsor (31 December 2021: £5,320).

On 4 August 2022, the entire share capital of Sanne Group Plc, the ultimate parent company of Sanne Fund Services (Guernsey) Limited, the Administrator, was acquired by Apex Acquisition Company Limited, a wholly owned subsidiary of Apex Group Limited.

Management and Administration fees - summary

The amounts charged and outstanding for the above-mentioned fees during the year ended 31 December 2022 and 31 December 2021 are as follows:

	Charge for the year		Outstanding at year end	
	1 January 2022 to 31 December 2022 £	1 January 2021 to 31 December 2021 £	31 December 2022 £	31 December 2021 £
Investment management fees	845,949	963,102	416,999	726,290
Administration fee	67,081	64,697	34,312	16,134
Other administration services	6,161	6,530	-	-
Total	919,191	1,034,329	451,311	742,424

Directors' fees

Mel Carvill is entitled to a fee for his services as Chairman of the Board of Directors of £37,616 per annum, effective from 1 January 2022 (31 December 2021: £36,414). The remaining Directors are entitled to a fee for their services as Directors of £29,555 each per annum, effective from 1 January 2022 (31 December 2021: £28,611). The total remuneration paid to the Directors for the year was £96,726 (31 December 2021: £93,636) of which £Nil (31 December 2021: £Nil) was outstanding at the end of the year. The annual increase in fees for the year ended 31 December 2022 was calculated using the Guernsey RPIX rate as at 30 September 2021.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

5. Financial risk management and financial instruments

The Company's investing activities may expose it to a variety of financial risks including market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. Risk management procedures are in place to minimise the Company's exposure to these financial risks. Below is a non-exhaustive summary of the risks that the Company is exposed to as a result of its use of financial instruments:

Market risk

The Company's activities expose it primarily to the market risks of changes in market prices and interest rates.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Investment Manager moderates this risk through a careful selection of investments and other financial instruments within specified limits. The Company's overall market positions are monitored on an ongoing basis by the Investment Manager and are reviewed on a quarterly basis by the Board of Directors.

The maximum exposure to price risk is the carrying amount of the assets as set out below:

	31 December 2022	31 December 2021
	£	£
Financial assets at fair value through profit or loss	<u>54,220,262</u>	<u>66,188,758</u>

Details of the sensitivity of the Company's financial assets at fair value through profit or loss to price risk are disclosed in Note 7.

Currency risk

The Company has no direct foreign currency risk, since all assets and transactions to date have been denominated in Pound Sterling, the Company's functional and presentation currency.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to cash flow interest rate risk in respect of its holdings of cash and cash equivalents.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

5. Financial risk management and financial instruments (continued)

Market risk (continued)

Interest rate risk (continued)

The table below summarises the Company's financial instruments and their exposure to interest rate risk:

	Floating rate	Fixed rate	Non-interest bearing	Total
	£	£	£	£
31 December 2022				
Assets				
Cash and cash equivalents	725,767	-	-	725,767
Investments at fair value through profit or loss	-	1,687,560	52,532,702	54,220,262
Loans due from associate and joint venture	-	143,021	14,291	157,312
Trade and other receivables	-	-	481,338	481,338
Total financial assets	725,767	1,830,581	53,028,331	55,584,679
Liabilities				
Trade and other payables	-	-	496,212	496,212
Total financial liabilities	-	-	496,212	496,212
Total interest sensitivity gap	725,767	1,830,581	52,532,119	55,088,467

	Floating rate	Fixed rate	Non-interest bearing	Total
	£	£	£	£
31 December 2021				
Assets				
Cash and cash equivalents	119,427	-	-	119,427
Investments at fair value through profit or loss*	-	1,687,560	64,501,198	66,188,758
Loans due from associate and joint venture	-	383,948	35,000	418,948
Trade and other receivables	-	-	452,017	452,017
Total financial assets	119,427	2,071,508	64,988,215	67,179,150
Liabilities				
Trade and other payables	2,500,000	-	793,936	3,293,936
Total financial liabilities	2,500,000	-	793,936	3,293,936
Total interest sensitivity gap	(2,380,573)	2,071,508	64,194,279	63,885,214

*The allocation between fixed rate and non-interest bearing has been prospectively updated for Investments at fair value through profit or loss—this has no impact on the Financial Statements for 31 December 2021 or 31 December 2022.

At 31 December 2022, the Bank of England base rate was 3.5% (2021: 0.25%). At 31 December 2022, should interest rates have decreased by 3.5%, with all other variables remaining constant, the increase in net assets for the year would be £25,402 (2021: increase by 0.25%, £5,951). Should interest rates have increased by 0.75%, the decrease in net assets would be £5,443 (2021: decrease by 0.5%, £11,903). The possible increase in interest rates of 0.75% is regarded as reasonable in light of the current significant inflationary pressures in the UK economy.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

5. Financial risk management and financial instruments (continued)

Market risk (continued)

Interest rate risk (continued)

The Investment Manager monitors the Company's overall interest rate exposure on a regular basis by reference to prevailing interest rates and the level of the Company's cash and bank loan balances.

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company and will be unable to pay amounts in full when due, resulting in financial loss to the Company. The investments of the Company are recommended by the Investment Manager in accordance with the criteria set out in the Company's Prospectus. Impairment provisions are provided for losses that have been anticipated by the end of the reporting period, if any.

The following table shows the Company's maximum exposure to credit risk:

	31 December 2022	31 December 2021
	£	£
Cash and cash equivalents	725,767	119,427
Loans due from associate and joint venture	157,312	418,948
Trade and other receivables	481,338	452,017
Total	1,364,417	990,392

Amounts in the above table are based on the carrying value of all accounts. The carrying amounts of these assets are considered to represent their fair value. At 31 December 2022, loan interest receivable from Next Generation Holdings Limited of £369,041 was past due (31 December 2021: £352,611).

The Investment Manager monitors the Company's credit position regularly, and the Board of Directors reviews it on a quarterly basis. The carrying amount of financial assets recorded in these Financial Statements best represents the Company's maximum exposure to credit risk.

In accordance with IFRS 9, the Company has assessed the loan receivable from Next Generation Holdings Limited for expected credit losses ("ECL") at the reporting date. The Board has concluded that any ECL relating to the Next Generation Holdings Limited loan would be immaterial to the Financial Statements owing to the low credit risk of the relevant counterparty and its historical payment history, and that no credit losses are expected over the term of the loan.

The credit risk of the Company's cash and cash equivalents is limited as all cash is placed with reputable banking institutions with a sound credit rating. At 31 December 2022, the Company's cash and cash equivalents are held with Royal Bank of Scotland International Limited. The credit ratings for these institutions are as follows:

Bank	Fitch long-term rating	Balance held
		£
Royal Bank of Scotland International	A	573,199
Investec Bank (Channel Islands) Limited	BBB+	245
Other*	N/A	152,233
		725,767

*Proceeds of sales of investments held temporarily in a broking account. The related credit risk is limited, as these funds are held with various financial institutions with high credit ratings assigned by credit rating agencies.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

5. Financial risk management and financial instruments (continued)

Liquidity risk

The Company is exposed to liquidity risk, which is the risk that the Company will encounter in realising assets or otherwise raising funds to meet financial commitments. The Company is closed-ended and therefore is not exposed to the risk of Shareholder redemptions. In order to mitigate liquidity risk, borrowings may not exceed 25% of the last announced NAV at the time of drawdown of any such borrowings. The Company has one investment which, although traded on TISE, does not have an active market, and all other investments are private companies which are traded in an environment where deal timescales can take place over several months.

As a result, the Company may not be able to quickly liquidate some of its investments at an amount close to their fair value in order to meet liquidity requirements. The Board monitors this risk by reviewing future cash flow projections of the Company to ensure that future liabilities can be met as and when they fall due.

The table below analyses the Company's financial assets and financial liabilities into relevant maturity groups based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At 31 December 2022	Less than 1 year	1 to 5 years	Total
	£	£	£
Financial assets			
Cash and cash equivalents	725,767	-	725,767
Investments	-	54,220,262	54,220,262
Loans due from associate and joint venture	143,021	14,291	157,312
Trade and other receivables	481,338	-	481,338
Total financial assets	1,350,126	54,234,553	55,584,679
Financial liabilities			
Trade and other payables	496,212	-	496,212
Total financial liabilities	496,212	-	496,212
At 31 December 2021	Less than 1 year	1 to 5 years	Total
	£	£	£
Financial assets			
Cash and cash equivalents	119,427	-	119,427
Investments	-	66,188,758	66,188,758
Loans due from associate and joint venture	383,948	35,000	418,948
Trade and other receivables	452,017	-	452,017
Total financial assets	955,392	66,223,758	67,179,150
Financial liabilities			
Trade and other payables	3,293,936	-	3,293,936
Total financial liabilities	3,293,936	-	3,293,936

The carrying amounts of financial assets and liabilities recorded at amortised cost in these Financial Statements approximate their fair values.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

5. Financial risk management and financial instruments (continued)

Capital risk management

The Company's capital is represented by its share capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns to Shareholders and to maintain a strong capital base to support the development of the investment activities of the Company.

The Board of Directors has reviewed cashflow forecasts for the next twelve months and has concluded that the Company has adequate financial resources to continue in operational existence for the foreseeable future, and to meet its capital management objectives.

The Company is not subject to externally imposed capital requirement, other than as required under the Companies (Guernsey), Law 2008.

6. Loans advanced at amortised cost

	31 December 2022	31 December 2021
	£	£
Loans held at amortised cost		
Opening loan balance	418,948	1,803,785
Principal repayments	(33,684)	(1,384,837)
Closing loan balance	385,264	418,948
Expected credit loss provision ("ECL")	(227,952)	-
Closing loan balance at amortised cost, net of ECL	157,312	418,948

Loans to Next Generation Holdings Limited

At 31 December 2022, the Company had extended a loan, before expected credit losses, of £35,000 (31 December 2021: £35,000) and a secured loan, before expected credit losses, of £350,264 (31 December 2021: £350,264) to Next Generation Holdings Limited, joint venture of the Company. The terms of the secured loan are interest payable quarterly at a rate of 8% per annum for a term up to three years and the security is a Guernsey law governed security interest agreement pursuant to which Next Generation Holdings Limited (UK registered company) grants a security interest over shares held by it as shareholder in Next Generation Holdings Limited (Guernsey registered company) in favour of the lender. There were no repayments of loans during the year (2021: the borrower repaid £1,338,133 of the secured loan, resulting in a balance outstanding at the end of the year of £350,264 and no repayments were made on the extended loan).

Loans to Enhance Group Limited

The Company had an extended unsecured loan to Enhance Group Limited, associate of the Company. The terms of the unsecured loan were interest payable monthly at a rate of 9.5% per annum, with the loan due to be repaid on or before 1 August 2022. As at 31 December 2022, Enhance Group Limited had made repayments totalling £33,684 (2021: £46,704), resulting in a balance outstanding at the end of the year of £Nil (31 December 2021: £33,684). No loan interest was outstanding at 31 December 2022 (31 December 2021: £Nil).

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

6. Loans advanced at amortised cost (continued)

Expected credit losses on loans advanced at amortised cost

During the year ended 31 December 2022, on the implementation of IFRS 9, the Company recognised an ECL on its loan portfolio of £227,952 in the Statement of Comprehensive Income (31 December 2021: no ECL). The expected credit losses for the year of £20,709 and £207,242 (2021: Nil) relate to the extended loan with Next Generation Holdings and the secured loan with Next Generation Holdings respectively.

As detailed in the Investment Manager's Report, the Fund has a 50% holding in NextGen, a joint venture with the former CEO of a multinational insurance company, which is in turn, the majority stakeholder in NGW. NGW is the sole owner of Ambon Insurance Brokers Limited, formerly AFL Insurance Brokers Limited ("Ambon"), a UK-based Lloyds broker in run-off. The Next Generation Group is continuing with the orderly break-up of assets whilst overseeing the solvent wind-down of Ambon itself and the receipt of deferred considerations due on its previous asset sales. It continues to explore all possible avenues with regards to the overstatement of historical profits in Ambon by the previous owners. The court case is expected to reach a conclusion this year with the trial scheduled to take place in June 2023.

7. Fair value

Financial assets at fair value through profit or loss

	31 December 2022	31 December 2021
	£	£
Fair value brought forward	66,188,758	63,641,079
Purchases at cost	-	64,498
Sales	(4,243,493)	-
Realised losses on investments	(1,075,526)	-
Unrealised (losses)/gains on financial assets at fair value through profit or loss	(6,649,477)	2,483,181
Fair value carried forward	54,220,262	66,188,758
Closing book cost	47,871,003	53,190,022
Closing revaluation of investments	6,349,259	12,998,736
	54,220,262	66,188,758

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

7. Fair value (continued)

Financial assets at fair value through profit or loss (continued)

The Company uses valuation techniques, in accordance with International Private Equity and Venture Capital (“IPEV”) Valuation Guidelines and methodologies to estimate a fair value that is in adherence with the requirements of IFRS 13 as at the valuation date. IFRS 13 requires that a fair value hierarchy be established that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows:

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgement. Observable data is considered to be market data that is readily available, regularly distributed or updated, reliable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

There are no level 1 financial instruments in the Company’s portfolio.

Level 2 financial instruments are valued based on quoted bid price, dealer quotations or alternative pricing sources supported by observable inputs. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Investment Manager will assess at each valuation date whether a discount should be applied to the quoted market price and provide evidence to the Board (using all observable inputs available) to substantiate their suggestion. If applicable, an appropriate discount rate (calculated in reference to industry norms and all observable inputs available) will be suggested by the Investment Manager for approval by the Board.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

7. Fair value (continued)

Financial assets at fair value through profit or loss (continued)

Level 3 investments are initially valued at the purchase price of the recent investment, excluding transaction costs. During the initial 12-month period following each investment, an assessment will be made at each valuation date whether any changes or events subsequent to the investment would imply a change in the investment's fair value from the original investment price. In the absence of such changes or events, investments will continue to be valued at the initial cost of the investment itself, excluding transaction costs, or, where there has been subsequent investment, the price at which a significant amount of new investment into the investee company was made. Once maintainable earnings can be identified, the preferred method of valuation is the earnings multiple valuation technique, where a multiple that is an appropriate and reasonable indicator of value (given the industry, geographic location, size, risk profile and earnings growth prospects of the investee company) is applied to the maintainable earnings of the investment.

Occasionally other methods as deemed suitable may be used, such as revenue or gross profit multiples, net assets, break-up value, price of recent investment or discounted cash flows. The techniques used in determining the fair value of the Company's investments will be selected on an investment-by-investment basis so as to maximise the use of market-based observable inputs.

The investment in PraxisIFM is valued at its quoted bid price on TISE. As PraxisIFM shares are not considered to be traded in an active market, this investment is included in Level 2 of the fair value hierarchy.

There are no available market prices for the investments in Oak Group, NextGen, Enhance and CORVID, which are valued using appropriate valuation techniques. These investments are included in Level 3 of the fair value hierarchy.

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities measured at fair value at 31 December 2022:

At 31 December 2022	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit or loss	-	13,606,474	40,613,788	54,220,262
Total	-	13,606,474	40,613,788	54,220,262

At 31 December 2021	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit or loss	-	26,291,188	39,897,570	66,188,758
Total	-	26,291,188	39,897,570	66,188,758

There have been no transfers between levels of the fair value hierarchy during the year (31 December 2021: Nil). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

7. Fair value (continued)

Financial assets at fair value through profit or loss (continued)

Movements in the Company's Level 3 financial instruments during the year were as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Opening balance	39,897,570	41,882,854
Purchases	-	64,498
Net gains/(losses) on financial assets during the year	716,218	(2,049,782)
Closing balance	40,613,788	39,897,570

The Company's policy is to value its Level 3 investments in accordance with the most appropriate valuation methodology for each investment, as determined by the Directors.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

7. Fair value (continued)

Valuation models at 31 December 2022

Level	Valuation Technique	Description	Fair Value (£)	Unobservable Inputs	Sensitivity to changes unobservable inputs	Impact on fair value of changes in unobservable inputs (£)
Level 2	Quoted market bid price	Praxis IFM Group Limited	13,606,474	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Oak Group Limited	37,304,422	Earnings multiple	The estimate of fair value would increase/decrease if the earnings multiple was higher/lower	A 5% increase/decrease in the multiple applied would have resulted in an increase/decrease in fair value of £1,955,705
Level 3	Net realisable assets	Next Generation Holdings Limited	-	Net realisable assets value	The estimate of fair value would increase/decrease if the net realisable asset value was higher/lower	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Enhance Group Limited A ordinary shares Enhance Group Limited C ordinary shares	1,546,806	Earnings multiple	The estimate of fair value would increase/decrease if the earnings multiple was higher/lower	A 5% increase/decrease in the multiple applied would have resulted in an increase/decrease in fair value of £581,053
Level 3	Investment Manager's valuation based on recent offer price	Corvid Holdings Limited B shares	75,000	Recent offer price	The estimate of fair value would increase/decrease if the offer price was higher/lower	A 5% increase/decrease in the offer price would have resulted in an increase/decrease in fair value of £3,750
Level 3	Investment Manager's valuation based on purchase cost	Enhance Group Limited D preference shares Next Gen Worldwide Limited preference shares	1,687,560	N/A	N/A	N/A
Total			54,220,262			

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

7. Fair value (continued)

Valuation models at 31 December 2021

Level	Valuation Technique	Description	Fair Value (£)	Unobservable Inputs	Sensitivity to changes unobservable inputs	Impact on fair value of changes in unobservable inputs (£)
Level 2	Quoted market bid price	Praxis IFM Group Limited	26,291,188	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Oak Group Limited	36,182,201	Earnings multiple	The estimate of fair value would increase/decrease if the earnings multiple was higher/lower	A 5% increase/decrease in the multiple applied would have resulted in an increase/decrease in fair value of £1,925,128
Level 3	Net realisable assets	Next Generation Holdings Limited	389,647	Net realisable assets value	The estimate of fair value would increase/decrease if the net realisable asset value was higher/lower	A 5% increase/decrease in the net realisable asset value would have resulted in an increase/decrease in fair value of £19,482
Level 3	Investment Manager's valuation based on recent transaction supported by analysis	Enhance Group Limited A ordinary shares Enhance Group Limited C ordinary shares	1,418,752	Recent transaction price	The estimate of fair value would increase/decrease if the transaction price was higher/lower	A 5% increase/decrease in the transaction price would have resulted in an increase/decrease in fair value of £70,937
Level 3	Investment Manager's valuation based on revenue multiple and net realisable assets	Corvid Holdings Limited B shares	219,410	Revenue multiple	The estimate of fair value would increase/decrease if the revenue multiple of 0.75 was higher/lower	A shift of +/- 0.5 in absolute value of the weighted average input would have resulted in an increase/decrease in fair value of £67,475
Level 3	Investment Manager's valuation based on purchase cost	Enhance Group Limited D preference shares Next Gen Worldwide Limited preference shares	1,687,560	N/A	N/A	N/A
Total			66,188,758			

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

7. Fair value (continued)

Price sensitivity of investments not valued using unobservable inputs

A 5% increase/decrease in the valuation of the investment valued at quoted market bid price would result in an increase/decrease in fair value of £680,324 (31 December 2021: £1,314,559).

A 5% increase/decrease in the valuation of the investments valued at their purchase cost would result in an increase/decrease in fair value of £84,378 (31 December 2021: £84,378).

Other financial assets and liabilities

All of the Company's other financial assets and liabilities are measured at amortised cost. The carrying value of these assets and liabilities is considered to be a reasonable approximation of their fair value.

	31 December 2022		31 December 2021	
	Carrying value	Fair value	Carrying value	Fair value
	£	£	£	£
Assets				
Cash and cash equivalents	725,767	725,767	119,427	119,427
Loans due from associate and joint venture	157,312	157,312	418,948	418,948
Trade and other receivables	481,338	481,338	452,017	452,017
Total	1,364,417	1,364,417	990,392	990,392
Liabilities				
Trade and other payables	496,212	496,212	793,936	793,936
Total	496,212	496,212	793,936	793,936

Cash and cash equivalents include deposits held with banks.

8. Dividends

The Directors intend that returns should be generated for Shareholders primarily through capital appreciation of their investment. The Directors intend to operate a distribution policy for the Company commensurate with and appropriate to the make-up of its investment portfolio and investment policy from time to time.

No dividends were declared by the Board of Directors during the year (31 December 2021: no dividends).

On 2 March 2023, the Board of Directors announced that the Company will pay a dividend to Ordinary Shareholders at 1.5 pence per share with a payment date of 13 March 2023.

9. Taxation

With effect from 20 December 2019, the Company was granted tax exempt status. The income of the Company is exempt from tax for the year ended 31 December 2022. During the year the Company has incurred withholding tax of £Nil (31 December 2021: £Nil) on dividend income.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

10. Other expenses

	31 December 2022	31 December 2021
	£	£
Audit fees	(38,658)	(29,300)
Directors' and officers' insurance fees	(9,930)	(8,479)
Listing and sponsor's fees	(8,379)	(8,820)
Regulatory fees	(8,930)	(9,207)
Other expenses	(38,799)	(37,015)
	(104,696)	(92,821)

11. Trade and other receivables

	31 December 2022	31 December 2021
	£	£
Current		
Dividends receivable	112,297	99,406
Loan interest receivable	369,041	352,611
	481,338	452,017

12. Trade and other payables

	31 December 2022	31 December 2021
	£	£
Current		
Investment Management fee	416,999	726,290
Other payables	79,213	67,646
	496,212	793,936

13. Revolving credit facility

	31 December 2022	31 December 2021
	£	£
Revolving credit facility – Investec CI	-	2,500,000
	-	2,500,000

A revolving credit facility ("RCF") with Investec Bank (Channel Islands) Limited ("Investec") was arranged in November 2019 for an amount up to £1,000,000, subsequently extended to £4,500,000, which was drawn down in full. The purpose of the RCF was to provide working capital in respect of financing current and future commitments and investments.

The RCF consisted of four tranches. The first and second tranches totalling £2,500,000, repayable on or before 9 December 2022 were repaid on 4 May 2022. The third and fourth tranches totalling £2,000,000 were repaid during the prior year.

Interest on the RCF was charged at base rate plus a margin ranging between 3.75% and 5.00%, payable quarterly.

During the year ended 31 December 2022, the Company was charged an amount of £39,322 (31 December 2021: £179,826), in respect of interest on the RCF, of which £Nil (31 December 2021: £5,685) was outstanding at the end of the year.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

14. Share capital

The Company's shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised as a deduction in equity and are charged to the share capital account, including the initial set up costs.

The authorised share capital of the Company is represented by an unlimited number of shares of nil par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the Shareholders' meeting.

	Year ended 31 December 2022		Year ended 31 December 2021	
	Number	£	Number	£
Total share capital at the beginning and end of the year	51,093,750	50,921,298	54,500,000	55,185,033

On 11 May 2022, the Board of the Fund announced in its results for the year ended 31 December 2021 that the Fund intended to distribute c.£4 million to shareholders by way of a tender offer. Shareholders were given the opportunity to tender 1 Ordinary Share for every 16 Ordinary Shares held at a tender price of 116.68p. The maximum number of 3,406,250 Ordinary Shares were duly acquired, resulting in a payment to participating shareholders of £3.97m. The Ordinary Shares purchased by the company pursuant to the Tender Offer were cancelled upon settlement on 15 July 2022 and the Fund now has 51,093,750 Ordinary Shares in issue.

15. Share-based payments

The following options for shares of the Company were granted to RL, in its capacity as investment manager to the Company to 1 June 2020, excluding options which have lapsed. Following the change in the investment manager on 1 June 2020 from RL to RSFML, the share options granted to RL were novated to RSFML on 19 January 2021. The options were exercisable at a price in accordance with the agreements on the date of grant.

During the year, the remaining options in Tranches 1b, 2b, 3b, totalling 2,893,225 shares, were net settled by the Company at a value of 10p per option, and the options in Tranches 4a and 4b were cancelled (31 December 2021: the options in Tranches 1a and 2a expired and lapsed with no value and the dates of expiry of the options in tranches 1b, 2b and 3b were extended to 22 March 2022. 580,873 share options in Tranche 1b were exercised at a price of £1 per share during the year). No new share options were issued during the period (31 December 2021: Nil).

As a result of the cancellations mentioned above, as at 31 December 2022, there were no share options in issue. As at 31 December 2021, 3,982,929 share options were in issue, of which 2,893,225 were exercisable and in the money, with an estimated fair value of £284,234.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

15. Share-based payments (continued)

As at 31 December 2021

Options granted solely to the Investment Manager

	Date of grant	Vesting date	Date of expiry	Remaining contractual life (days)	Number of share options	Estimated fair value £	Expensed / (written back) through Profit or Loss during the year £
Tranche 1a	07/10/2016	08/10/2018	08/10/2021	-	-	-	(10,588)
Tranche 2a	16/12/2016	17/12/2018	17/12/2021	-	-	-	(4,351)
Tranche 3a	06/02/2017	07/02/2021	07/02/2022	38	119,117	810	21
Tranche 4a	11/04/2018	12/04/2020	12/04/2023	467	323,529	7,021	-

Options granted to the Investment Manager, transferrable to members of the Investment Management team

Tranche 1b	07/10/2016	08/10/2018	22/03/2022	81	1,748,538	130,265	(43,275)
Tranche 2b	16/12/2016	17/12/2018	22/03/2022	81	994,599	76,485	-
Tranche 3b	06/02/2017	07/02/2019	22/03/2022	81	150,088	11,482	-
Tranche 4b	11/04/2018	12/04/2020	12/04/2023	467	647,058	58,171	-
					3,982,929	284,234	(58,193)

The fair values of the options are estimated using a Black Scholes simulation model using the following inputs:

	Tranche 1a	Tranche 2a	Tranche 3a	Tranche 4a	Tranche 1b	Tranche 2b	Tranche 3b	Tranche 4b
Exercise price	£1.50	£1.50	£1.50	£1.50	£1.00	£1.00	£1.00	£1.18
Share price at grant date	£1.00	£1.00	£1.00	£1.18	£1.00	£1.00	£1.00	£1.18
Expected volatility	12.65%	12.65%	12.65%	11.53%	12.65%	12.65%	12.65%	11.53%
Expected dividend yield	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Discount rate	0.52%	0.66%	0.85%	1.14%	0.52%	0.66%	0.64%	1.14%

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

16. Reserves

	Year ended 31 December 2022		
	Retained	Share-based	Total
	earnings	payment	reserves
	£	£	£
Balance at the beginning of the year	8,422,168	284,234	8,706,402
Loss and total comprehensive loss for the year	(4,528,643)	-	(4,528,643)
Settlement of share options	284,234	(284,234)	-
Dividend declared	-	-	-
Total	4,177,759	-	4,177,759

	Year ended 31 December 2021		
	Retained	Share-based	Total
	earnings	payment	reserves
	£	£	£
Balance at the beginning of the year	6,054,570	342,427	6,396,997
Profit and total comprehensive income for the year	2,367,598	-	2,367,598
Charge to equity for equity-settled share-based payments	-	(58,193)	(58,193)
Dividend declared	-	-	-
Total	8,422,168	284,234	8,706,402

Retained earnings represents the balance of accumulated profit and total comprehensive income less dividends declared.

Share-based payment reserve represents the balance of accumulated amounts credited to equity in respect of equity-settled share-based payments.

17. Related party transactions

Transactions with related parties

The Directors, the Investment Manager and the Administrator are considered to be related parties of the Company. Ravenscroft Holdings Limited ("RHL") is also considered to be a related party, as it is the ultimate parent Company of the Investment Manager, and certain Directors of the Company are shareholders in RHL. For details of the agreements with the Directors, the Investment Manager and the Administrator and the fees payable to them during the year see Note 4.

Shares held by related parties

The shareholdings of the Directors in the Company at 31 December 2022 were as follows:

Name	31 December 2022		31 December 2021	
	Number of Shares	Percentage	Number of Shares	Percentage
Mel Carvill (Chairman)	1,118,906	2.13%	1,160,000	2.13%
Peter Gillson	562,500	1.10%	600,000	1.10%
Fintan Kennedy	42,187	0.08%	45,000	0.08%

As at the date of this report, Mel Carvill and Peter Gillson hold 70,000 shares and 25,000 shares respectively in the parent company of the Investment Manager.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

17. Related party transactions (continued)

Shares held by related parties (continued)

As at 31 December 2022, companies and key individuals classified as related parties of the Company due to their connection with the Investment Manager and its wider group held 11,534,101 (31 December 2021: 11,394,223) shares in the Company and options for Nil (31 December 2021: 3,982,929) shares in the Company (see Note 14).

Loans held with related parties

At 31 December 2022, the Company had extended a loan of £14,291 and a secured loan of £143,021 (31 December 2021: £350,264) to Next Generation Holdings Limited, joint venture of the Company. The terms of the secured loan are interest payable quarterly at a rate of 8% per annum for a term up to three years and the security is a Guernsey law governed security interest agreement pursuant to which Next Generation Holdings Limited (UK registered company) grants a security interest over shares held by it as shareholder in Next Generation Holdings Limited (Guernsey registered company) in favour of the lender. There were no repayments of loans during the year however expected credit losses of £227,952 (2021: Nil) have been recognised in the statement of comprehensive income (see Note 6 for further details) (2021: the borrower repaid £1,338,133 of the secured loan, resulting in a balance outstanding at the end of the year of £350,264 and no repayments were made on the extended loan).

The Company had an extended unsecured loan to Enhance Group Limited, associate of the Company. The terms of the unsecured loan were interest payable monthly at a rate of 9.5% per annum, with the loan due to be repaid on or before 1 August 2022. As at 31 December 2022, Enhance Group Limited had made repayments totalling £33,684 (2021: £46,704), resulting in a balance outstanding at the end of the year of £Nil (31 December 2021: £33,684). No loan interest was outstanding at 31 December 2022 (31 December 2021: £Nil).

During the year, the Company received dividend and interest income from its investee companies as follows:

	31 December 2022	31 December 2021
	£	£
Enhance Group Limited	32,046	36,472
Oak Group Limited	-	1,000,000
Praxis IFM	4,539,163	-
Next Generation Holdings Limited	29,321	201,439

18. Investment in unconsolidated subsidiaries, associates and joint ventures

	Date of acquisition	Domicile	Ownership
Enhance Group Limited	28 November 2016	Jersey	38%
Next Generation Holdings Limited	28 April 2017	Guernsey	50%
Oak Group Limited	7 September 2018	Guernsey	75%

There are no significant restrictions on the ability of an unconsolidated subsidiary to transfer funds to the Company in the form of cash dividends, nor any current commitments or intentions to provide financial or other support to an unconsolidated subsidiary.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

19. (Loss)/earnings per share

	Year ended 31 December 2022	
	Basic	Diluted
Loss for the year	(4,528,643)	(4,528,643)
Weighted average number of shares	52,922,860	52,922,860
Loss per share	(8.56)p	(8.56)p

	Year ended 31 December 2021	
	Basic	Diluted
Earnings for the year	2,367,598	2,367,598
Weighted average number of shares	54,431,568	57,393,225
Earnings per share	4.35p	4.13p

Basic and diluted loss per share are arrived at by dividing the loss for the financial year by, respectively, the weighted average number of shares in issue and the weighted average number of shares plus the potential shares in issue. The reconciliation of the weighted average number of shares used for the purposes of diluted loss per share to the weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	31 December 2022 Number of Shares	31 December 2021 Number of Shares
Weighted average number of shares used in basic earnings/loss per share	52,922,860	54,431,568
Weighted average number of potential shares deemed to be issued	-	2,961,657
Weighted average number of shares used in diluted earnings/loss per share	52,922,860	57,393,225

The dilution arises from the potential exercise of share options granted to the Investment Manager and the members of the investment management team (see Note 15). As at 31 December 2022, there were no shares with a dilutive effect. As at 31 December 2021, only the exercisable share options granted to the members of the investment management team had a dilutive effect, as the price of the Company's shares at 31 December 2021 exceeded the exercise price.

20. Commitments

At the end of the reporting period no commitments existed.

21. Controlling Party

The Directors consider that the Company has no ultimate controlling party.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

22. Events after the end of the reporting period

On 13 February 2023, the Company changed its registered address from Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR to 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

On 13 March 2023, the Company paid a dividend to Ordinary Shareholders at a rate of 1.5 pence per share totalling £766,406.

There were no other events after the end of the reporting period that require disclosure in these Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

PORTFOLIO STATEMENT (unaudited)

As at 31 December 2022

	Holding	Market Value	Percentage of Net Asset Value
		£	%
Listed Investments			
Praxis IFM Group Limited	12,369,522	13,606,474	24.69
Unlisted Investments			
Oak Group Limited	284,377	37,304,422	67.70
Next Generation Holdings Limited	1,203	-	-
Next Gen Worldwide Limited	194,959	1,173,653	2.13
Enhance Group Limited	503	2,060,713	3.74
Corvid Holdings Limited	10	75,000	0.14
		40,613,788	73.72
Total Investments		54,220,262	98.41
Other net assets		878,795	1.59
Net assets attributable to holders of Ordinary Shares		55,099,057	100.00

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INTERIM REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

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**FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED
MANAGEMENT AND ADMINISTRATION**

DIRECTORS

Mel Carvill (Non-executive Chairman)
Fintan Kennedy (Non-executive Director)
Peter Gillson (Non-executive Director)

The address of the Directors is the registered office of the Company.

REGISTERED OFFICE

1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

ADMINISTRATOR, REGISTRAR, LISTING SPONSOR AND SECRETARY

Sanne Fund Services (Guernsey) Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

INVESTMENT MANAGER

Ravenscroft Specialist Fund Management Limited
P.O. Box 222
20 New Street
St Peter Port
Guernsey
GY1 4JG

INDEPENDENT AUDITOR

Grant Thornton Limited
St James Place
St James Street
St Peter Port
Guernsey
GY1 2NZ

REGISTERED NUMBER: 62421

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT OBJECTIVES AND STRATEGY

Financial Services Opportunities Investment Fund Limited (the "Company") has an investment objective of achieving long term capital growth and delivering an income stream to shareholders with the aim of spreading risk by investing in a diversified portfolio of investments principally in financial services businesses, which will in the main be based in offshore financial centres.

The Company may invest in unquoted stocks and private companies.

Businesses in which the Company is expected to invest are likely to have one or more of the following attributes:

- i. potential to increase the scale of its operations;
- ii. a need to replace a retiring owner-manager, or early stage, investors;
- iii. a need to change strategy and invest to make it an attractive sale or flotation prospect;
- iv. a need to make a strategic acquisition or some other transformation to make it an attractive sale or flotation prospect.

Up to 15% of the Net Asset Value of the Company (the "NAV") can be invested into businesses which, while not strictly falling within the definition of financial services business, are related to the sector and appear to the Investment Manager to fit well within the proposed portfolio of the Company.

Investment Restrictions

The Company will seek to invest (or commit to invest) in accordance with guidelines determined by the Board and notified to the Investment Manager from time to time.

The Company intends that no more than 60 % of the Company's NAV may be committed to any single investment, and no more than 60 % of the Company's NAV committed to investments considered by the Board to be "special situations" (such as in companies that are already listed) in each case at the time of investment (or commitment).

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT

For the period from 1 January 2023 to 30 June 2023

Published Net Asset Value ("NAV") as at 30 June 2023 was 107.12p per share (31 December 2022: 107.84p per share).

Net Asset Value ("NAV") per the Statement of Financial Position as at 30 June 2023 was 107.12p per share (31 December 2022: 107.84p per share).

Current share price spread: **105p – 115p**

Performance overview

Ravenscroft Specialist Fund Management Limited (the "Manager") presents its report on the first six months of the 2023 financial year for Financial Services Opportunities Investment Fund Limited (the "Fund").

As at 30 June 2023, the published NAV of the Fund had reduced by 0.7% during the period and increased by 7.12% since launch. The total return to shareholders since launch is 19.9% when buy-backs and dividends are factored in.

Portfolio review

Oak Group Limited ("Oak Group")

Oak Group is a purpose-led, private client, corporate services and fund administration business formed in 2018 through the consolidation of four carefully selected businesses, bringing together a collective 60 years of experience between them. With over 200 employees, the group is headquartered in Oak House in Guernsey and has operations in Jersey, the Isle of Man, and Mauritius. It is also able to provide corporate and fund services in Luxembourg through its joint venture arrangement with Fiducenter S.A.

The business is currently mid-way through an ambitious three-year programme, which will achieve a cultural, operational and commercial transformation of the business. Key to this is the implementation of a group-wide administration system which is well underway and is the largest project ever undertaken by Oak Group. Once complete in early 2024, the business will boast a single, modern and robust operating platform with standardised, optimised operating processes.

Following a rigorous selection process, we are delighted to report that Kim Sgarlata has been appointed as Chief Executive Officer of Oak Group with effect from 1 September 2023. Kim has over 20 years of experience in financial services. She held the positions of Global Head of Strategic Programme Development and Global Head of Wholesale Transformation at HSBC from 2020 and 2021 respectively. Before that, she worked for over 9 years at Capco, a global management consultancy, where she was partner for nearly 8 years. Kim is a successful client relationship manager with demonstrated leadership skills and extensive experience in change delivery. As a career management consultant practitioner, Kim has defined business models and strategies, executed change programs and motivated teams to achieve common goals.

At HSBC, Kim drove the transformation of the Commercial Bank, covering trade finance, payments, treasury, lending, client services, channels and the underlying technology and data to support all functions. This resulted in significant benefits delivered including new business launches, increased margin related to cost reductions implemented, increased client retention, capital saves, operational risk reduction and regulatory compliance.

Kim is also particularly skilled in transitioning teams to agile ways of operating and embedding ESG-linked behavioural changes when mandated and has substantial experience in managing large teams and investment budgets to strategically transform large financial institutions.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT

For the period from 1 January 2023 to 30 June 2023

Portfolio review (continued)

Oak Group Limited ("Oak Group") (continued)

We are excited to hear Kim's thoughts on the business, opportunities and plans for the future once she has settled into the role. The Board and the Manager believe that there is still potential in the finance sector which Oak can be positioned to take advantage of. With this in mind, the Fund is proposing a series of corporate transactions designed, amongst other things, to fund Oak, under new brand Opera, to pursue a strategy to become a leading global financial services business. Further details are set out below under *Future Opportunities*.

Oak Group finished its financial year to 31 March 2023 with audited revenues of £21.3m, representing a 5% annual increase. The group is broadly on track to deliver budget after the first four months of its 2023/24 financial year. Delays in onboarding new clients have caused a slight drag but management is confident that this will be recovered over the remainder of the year.

Oak Group comprised 68.16% of the Fund's published NAV as at 30 June 2023.

Praxis Group Limited ("Praxis Group")

Praxis Group (formerly PraxisIFM) is an independent financial services group, headquartered in the Channel Islands, which provides global professional administration services across Private Wealth and Corporate and Pensions.

In its annual report and financial statements for the financial year ended 31 December 2022, Praxis Group reported revenue of £47.3m, an increase of 4.2%, and underlying EBITDA of £5.2m. Net debt had reduced to £0.7m from £4.7m at the end of the prior year. This improved performance has resulted from initiatives to improve the group's service offerings, benefits from operational efficiencies and reductions in its cost base. Praxis Group has also established a London-based business development team to help accelerate its growth through the year.

In May 2023, the company issued £15m 8.25% fixed rate unsecured bonds due 16 May 2028. The proceeds of the bond issue were used to fully repay the group's outstanding bank debt and to fund strategic and operational projects. Praxis Group subsequently completed the purchase of the entire issued share capital of Olympic Holdings Limited, the parent company of specialist superyacht ownership and operational services business Sarnia Yachts in July 2023.

A dividend of 1.25p per share was paid at the start of August in line with the new dividend policy implemented last year. Praxis' share price on The International Stock Exchange has remained at a bid price of £1.10 since the year end.

The Manager has been encouraged by the progress made by Praxis Group over the past twelve months and is confident that it can continue to build on this over the course of the year.

The Fund's 14.39% interest in PraxisIFM comprised 24.86% of the Fund's published NAV as at 30 June 2023.

Enhance Group Limited ("Enhance")

Following a period of underperformance that culminated in a trading loss in 2021, management implemented a turnaround plan and invested heavily in the company's systems capability. It is pleasing to see it is now reaping the benefits of this approach and delivering sustainable profits. For the year ended 31 December 2022, the company delivered revenue of £3.04m and EBITDA of £353k. Management is forecasting a pleasing increase of 20% in revenue for 2023 to £3.6m.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT

For the period from 1 January 2023 to 30 June 2023

Portfolio review (continued)

Enhance Group Limited ("Enhance") (continued)

This revenue increase is expected to result in an increased EBITDA growth of 11% compared to the 2022 number. The overall margin is likely to slip however by nearly 1%. This slippage is due to cost inflationary pressures. In addition, like many Channel Island based businesses, attracting and retaining quality staff is very challenging in the current macro-economic climate and has unavoidably resulted in higher than expected costs. Management is aware of the importance of maintaining and indeed increasing margins and are confident that its Mosaic platform will enable them to grow and allow margin expansion to be delivered in the years to come.

The business has experienced some delays in onboarding new clients, a common difficulty faced across the financial services sector, but it expects to catch up and recover this shortfall by the end of the year. This will give the business a welcome boost in the new year.

The Monitoring service remains the key driver for the business and has brought in a number of large client wins, which have off-set onboarding delays.

Management is confident that the business will deliver another robust performance in 2023, in line with budget for the year and at least matching the 15-20% group revenue growth they have delivered in recent years. Management are also confident that this level of growth is comfortably sustainable for at least the next 5 years, with potential to considerably overshoot.

Enhance comprised 3.77% of the Fund's published NAV as at 30 June 2023.

Next Generation Holdings Limited ("NextGen") and Next Gen Worldwide Limited ("NGW")

The Fund has a 50% holding in NextGen, a joint venture with the former CEO of a multinational insurance company, which is in turn, the majority stakeholder in NGW. NGW is the sole owner of Ambon Insurance Brokers Limited, formerly AFL Insurance Brokers Limited ("Ambon"), a UK-based Lloyds broker in run-off.

As highlighted previously, the group is continuing the orderly break-up of assets whilst overseeing the wind-down of Ambon itself and the settlement of deferred considerations due on its previous book sales.

The court hearing relating to the claim for the overstatement of historical profits, and alleged client account fraud in Ambon took place in June 2023 and judgement was made in Next Gen and Ambon's favour in respect of all claims against the previous owners. Action is now being taken to enforce the judgement and obtain payment of the damages awarded to NextGen and Ambon.

NextGen and NGW comprised 2.14% of the Fund's published NAV as at 30 June 2023.

CORVID Holdings Ltd ("CORVID")

CORVID wholly owns a subsidiary business, Corvid Protect Holdings Limited ("Protect").

Ultra Electronics Holdings plc ("Ultra"), the parent company and main customer of Protect, was acquired by a wholly owned indirect subsidiary of Cobham Group Holdings Limited ("Cobham") on 28 July 2022 by way of a court sanctioned scheme of arrangement. The shares of Ultra were de-listed from the London Stock Exchange on 2 August 2022.

The Manager maintains communication with CORVID's management, with a view to receiving further detail about the future vision for Protect following the acquisition by Cobham soon.

The Fund's 5% holding in CORVID comprised 0.14% of the Fund's published NAV as at 30 June 2023.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

INVESTMENT MANAGER'S REPORT

For the period from 1 January 2023 to 30 June 2023

Future Opportunities

The Fund announced on 16 October 2023 that it is proposing a series of corporate actions ultimately designed to achieve greater returns for shareholders and offer a partial exit opportunity for those who do not wish to remain fully invested. The Fund's portfolio is currently heavily weighted in Oak Group. The Board and the Manager believe that Oak Group provides an excellent platform from which to grow the business, both organically and inorganically, and ultimately create a leading, global, financial services business. However, it currently lacks the funding to do so. If the proposals are successful, Opera Limited ("Opera"), a newly formed subsidiary of the Fund will hold the Fund's shares in Oak Group. As Opera is enlarged through acquisitions and integrations, it is anticipated that it will benefit from synergies across the group, thereby enabling it to compete more effectively on a global scale. The Board and the Manager believe that this strategy will enhance value for shareholders in the long term.

Shareholders will be given an opportunity and incentive to remain invested in the Company or an option to obtain a partial or potentially full cash exit depending on the appetite of other shareholders for the same. The share offer and tender offer will close at 1pm on 13 November 2023, with shareholders being asked to approve certain resolutions to enable the proposals to proceed at an extraordinary general meeting to be held at 1pm on 15 November 2023.

If the proposals are approved by shareholders and the corporate actions subsequently completed, it is intended that the Fund will delist from TISE and that the Board and the Manager will work to realise the non-core assets of the Fund's portfolio before commencing an orderly wind up and distributing shares in Opera to its shareholders.

Environmental, Social and Corporate Governance ("ESG")

The Manager incorporates ESG issues into its investment analysis and seeks appropriate Disclosures on ESG issues by the entities into which the Company invests. The Manager, as a member of the Ravenscroft Group, became a signatory to the UN Principles for Responsible Investment on 3 July 2020. The six principles are voluntary and aspirational and offer a menu of possible actions for incorporating ESG matters into investment practice with the aim of contributing to the development of a more sustainable global financial system. Details of Ravenscroft Group's commitment to responsible investing can be found on its website: <https://www.ravenscroftgroup.com/>.

Conclusion

Together with the Board, the Manager remains committed to ensuring the active management of the investment portfolio and continues to work with the principals of the respective businesses and their management teams so as to deliver the best possible return on investment for the Fund and its shareholders.

Ravenscroft Specialist Fund Management Limited

13 October 2023

**REPORT ON THE REVIEW OF INTERIM FINANCIAL INFORMATION TO THE
SHAREHOLDERS OF FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND
LIMITED**

Introduction

We have reviewed the interim report and unaudited condensed financial statements of Financial Services Opportunities Investment Fund Limited (“the Company”) for the six-month period ended 30 June 2023, which comprise the unaudited condensed statement of comprehensive income, unaudited condensed statement of financial position, unaudited condensed statement of changes in equity, unaudited condensed statement of cash flows and notes to the unaudited condensed financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

Directors’ responsibility for the interim report and unaudited condensed financial statements

The directors are responsible for the preparation of the interim report and unaudited condensed financial statements and for being satisfied that they give a true and fair view.

Accountants’ responsibility

Our responsibility is to express a conclusion on the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with the IFRS.

Scope of the assurance review

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, applying analytical procedures, and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared, in all material respects:

- so as to give a true and fair view of the state of the Company’s affairs as at 30 June 2023, and of its profit for the year then ended;
- in accordance with IFRS as adopted by the EU; and
- in accordance with the requirements of the Companies (Guernsey) Law 2008.

Use of our report

This report is made solely to the Company’s shareholders, as a body, in accordance with the terms of our engagement letter dated 29 August 2023. Our review work has been undertaken so that we might state to the Company’s shareholders those matters we have agreed to state to them in a reviewer’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s shareholders as a body, for our review work, for this report, or for the conclusions we have formed.

Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey, Channel Islands

13 October 2023

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2023 to 30 June 2023

		1 January 2023 to 30 June 2023 (unaudited) £	1 January 2022 to 30 June 2022 (unaudited) £
	<i>Notes</i>		
Income			
Net gains/(losses) on financial assets at fair value through profit or loss ¹	5	-	(4,286,897)
Dividend income ¹		1,177,471	4,415,296
Loan interest income		14,046	3,566
Interest income		5,965	-
Total income		<u>1,197,482</u>	<u>131,965</u>
Expenses			
Investment management fees	3	407,738	428,950
Administration fees	3	34,720	32,268
Other administration services	3	2,536	2,558
Directors' fees	3	52,232	48,363
Legal and professional fees		257,400	250
Revolving credit facility interest	10	-	39,322
Other expenses		44,788	53,433
Total expenses		<u>799,414</u>	<u>605,144</u>
Profit/(loss) and total comprehensive income/(loss) for the period		<u>398,068</u>	<u>(473,179)</u>
Earnings/(loss) per share – basic and diluted	16	0.78p	(0.87)p

All items in the above statement derive from continuing operations.

The accompanying Notes on pages 12 to 27 form an integral part of these Unaudited Condensed Financial Statements.

¹ Restated – refer to Note 2 for further details.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	<i>Notes</i>	30 June 2023 (unaudited) £	31 December 2022 (audited) £
Non-current assets			
Financial assets at fair value through profit or loss	5	54,220,262	54,220,262
Loans due from associate and joint venture	14	14,291	14,291
Current assets			
Cash and cash equivalents		625,031	725,767
Loans due from associate and joint venture	14	143,021	143,021
Trade and other receivables	8	649,793	481,338
Prepayments		5,263	10,590
Total assets		<u>55,657,661</u>	<u>55,595,269</u>
Current liabilities			
Trade and other payables	9	728,542	496,212
Provision – legal and professional fees	11	198,400	-
Total liabilities		<u>926,942</u>	<u>496,212</u>
Net assets		<u>54,730,719</u>	<u>55,099,057</u>
Equity			
Share capital	12	50,921,298	50,921,298
Reserves		3,809,421	4,177,759
Total equity		<u>54,730,719</u>	<u>55,099,057</u>
Number of shares in issue	12	<u>51,093,750</u>	<u>51,093,750</u>
NAV per share	17	<u>107.12p</u>	<u>107.84p</u>

The Unaudited Condensed Financial Statements on pages 8 to 27 were approved by the Board of Directors and authorised for issue on 13 October 2023.

Mel Carvill

Director

The accompanying Notes on pages 12 to 27 form an integral part of these Unaudited Condensed Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2023 to 30 June 2023

	<i>Notes</i>	Share capital £	Reserves £	Total £
(Unaudited)				
At 1 January 2023		50,921,298	4,177,759	55,099,057
Profit and total comprehensive loss for the period		-	398,068	398,068
Dividend paid		-	(766,406)	(766,406)
At 30 June 2023		50,921,298	3,809,421	54,730,719

	<i>Notes</i>	Share capital £	Reserves £	Total £
(Unaudited)				
At 1 January 2022		55,185,033	8,706,402	63,891,435
Settlement of share options	13	(289,323)	-	(289,323)
Loss and total comprehensive loss for the period		-	(473,179)	(473,179)
At 30 June 2022		54,895,710	8,233,223	63,128,933

The accompanying Notes on pages 12 to 27 form an integral part of these Unaudited Condensed Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

For the period from 1 January 2023 to 30 June 2023

	Notes	1 January 2023 to 30 June 2023 (unaudited) £	1 January 2022 to 30 June 2022 (unaudited) £
Cash flows from operating activities			
Profit/(loss) for the period		398,068	(473,179)
Adjusted for:			
Net gains on financial assets at fair value through profit or loss ¹	5	-	4,286,897
Dividend income ¹		(1,177,471)	(4,415,296)
Loan interest income		(14,046)	(3,566)
Loan interest expense	10	-	39,322
Decrease/(increase) in prepayments		5,327	(581)
Increase in provisions		198,400	-
Increase/(decrease) in trade and other payables (excluding investment transactions, loan interest and dividend payable)		232,330	(316,931)
		<u>(357,392)</u>	<u>(883,334)</u>
Dividend income received ¹		1,023,062	4,415,381
Loan interest received		-	1,109
Repayments of loans due from associate		-	25,064
Proceeds from sales of investments ¹		-	4,243,493
Net cash inflow from operating activities		665,670	7,801,713
Cash flows used in financing activities			
Settlement of share options	13	-	(289,323)
Repayments on revolving credit facility	10	-	(2,500,000)
Loan interest paid		-	(45,007)
Dividend paid	6	(766,406)	-
Net cash outflow from financing activities		(766,406)	(2,834,330)
Net (decrease)/increase in cash and cash equivalents		(100,736)	4,967,383
Cash and cash equivalents at the start of the period		725,767	119,427
Cash and cash equivalents at the end of the period		625,031	5,086,810

The accompanying Notes on pages 12 to 27 form an integral part of these Unaudited Condensed Financial Statements.

¹ Restated – refer to Note 2 for further details.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

1. General Information

Financial Services Opportunities Investment Fund Limited (the “Company”) is authorised by the Guernsey Financial Services Commission as a registered closed-ended investment company which was incorporated under The Companies (Guernsey), Law 2008 on 30 August 2016 with registration number 62421. The Company is listed on The International Stock Exchange (“TISE”).

The principal objective of the Company is to attain long term capital growth and deliver an income stream to shareholders with the aim of spreading risk by investing in a diversified portfolio of investments principally in financial services businesses. The Company has an indefinite life.

2. Significant Accounting Policies

Statement of compliance

The Unaudited Condensed Interim Financial Statements (the “Financial Statements”), which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) and comply with The Companies (Guernsey) Law, 2008.

Basis of preparation

These Financial Statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’, the Listing Rules of The International Stock Exchange (“TISE”) and applicable legal and regulatory requirements. These Financial Statements have been condensed and as a result do not include all of the information and disclosures required in Annual Financial Statements, they therefore should be read in conjunction with the Company’s last Annual Audited Financial Statements for the year ended 31 December 2022.

The accounting policies applied in these Financial Statements are consistent with those applied in the last Annual Audited Financial Statements for the year ended 31 December 2022, which were prepared in accordance with IFRS, as adopted by the EU.

Going Concern

The Directors have assessed the financial position of the Company as at 30 June 2023 and the factors that may impact its performance (including the potential impact on markets and supply chains of geo-political risks such as the current crisis in Ukraine and continuing macro-economic factors and inflation) in the forthcoming year. The Directors note that the Company’s portfolio has not been materially adversely affected in terms of value or cashflows by the current crisis in Ukraine.

Having considered the Company’s objectives and available resources along with its projected income and expenditure, the Directors are satisfied that the Company has adequate resources to meet its liabilities as they fall due and continue in operational existence for the next 12 months after the signing of these financial statements.

These Financial Statements were authorised for issue by the Company’s Board of Directors on 13 October 2023.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

2. Significant Accounting Policies (continued)

Significant judgements and estimates

There have been no changes to the significant accounting judgements, estimates and assumptions from those applied in the Company's Audited Annual Financial Statements for the year ended 31 December 2022.

Standards and amendments in issue but not yet effective

The following relevant amended standards, which have not been applied in these Financial Statements, were in issue at the reporting date but not yet effective:

- IAS 1 (amended), 'Presentation of Financial Statements' (effective for accounting periods commencing on or after 1 January 2024);
- IAS 7 (amended), 'Statement of Cash Flows' (effective for accounting periods commencing on or after 1 January 2024); and
- IFRS 7 (amended), 'Financial Instruments: Disclosures' (amendments regarding, effective for accounting periods commencing on or after 1 January 2024).

The amendments to IAS 1 were published in October 2022 and relate to the classification of debt covenants. The amendments to IAS 7 and IFRS 7 were published in May 2023 and relate to supplier finance arrangements.

The changes arising from the amendments to these standards are either presentational and/or minor in nature. It is therefore anticipated that the adoption of these amended standards will have no material impact on the Financial Statements of the Company.

In addition, the International Sustainability Standards Board (ISSB) published the following Sustainability Disclosure Standards in June 2023:

- IFRS S1, 'General Requirements for Disclosure of Sustainability-related Financial Information' (effective for accounting periods commencing on or after 1 January 2024); and
- IFRS S2, 'Climate-related Disclosures' (effective for accounting periods commencing on or after 1 January 2024)

IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities. The purpose of both standards is to provide information that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Directors considered all relevant new standards, amendments and interpretation to existing standards effective for the half-yearly report for the six months ended 30 June 2023. Their adoption has not yet led to any changes in the Company's accounting policies and they had no material impact on the financial statements of the Company.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

2. Significant Accounting Policies (continued)

Amended accounting standards effective and adopted

The following relevant IFRSs are effective and have been adopted in the period:

- IAS 1 (amended), 'Presentation of Financial Statements' (effective for accounting periods commencing on or after 1 January 2023); and
- IAS 8 (amended), 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for accounting periods commencing on or after 1 January 2023).

The amendments to IAS 1 were published in January 2020 and February 2021 and relate to the classification of liabilities and disclosure of accounting policies respectively. The amendments to IAS 8 were published in February 2021 and clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

The changes arising from the amendments to these IFRSs are either presentational and/or minor in nature. The adoption of these amended standards has had no material impact on the Financial Statements of the Company.

There are no relevant new or amended standards applied for the first time which have had a material impact on these Financial Statements.

Restatement of comparative period information

The comparative period, 30 June 2022, has been restated in relation to the presentation of the dividend income and net gain/(loss) on investments. This restatement relates to the Praxis dividend received 29 March 2022 and the recognition of income, which has been reclassification from gains on investments to dividend income.

The net impact of the restatements to the Statement of Comprehensive income and Statement of Cash Flows at 30 June 2022 is £Nil. In accordance with IAS 8, a reconciliation of the impact of these restatements on the primary statements can be summarised as follows:

Statement of Comprehensive Income

1 January 2022 to 30 June 2022	30 June 2022		30 June 2022
Income	Previously reported	Adjustment	Restated
	£	£	£
Net gains/(losses) on financial assets at fair value through profit or loss	113,108	(4,400,005)	(4,286,897)
Dividend income	15,291	4,400,005	4,415,296
Loan interest income	3,566	-	3,566
Total income	131,965	-	131,965

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

2. Significant Accounting Policies (continued)

Restatement of comparative period information (continued)

Statement of Cash flows

1 January 2022 to 30 June 2022	30 June 2022 Previously reported	Adjustment	30 June 2022 Restated
Cash flows from operating activities	£	£	£
Loss for the period	(473,179)	-	(473,179)
Adjusted for:			
Net gains on financial assets at fair value through profit or loss	(113,108)	4,400,005	4,286,897
Dividend income	(15,291)	(4,400,005)	(4,415,296)
Loan interest income	(3,566)	-	(3,566)
Loan interest expense	39,322	-	39,322
Increase in prepayments	(581)	-	(581)
Decrease in trade and other payables (excluding investment transactions, loan interest and dividend payable)	(316,931)	-	(316,931)
	(883,334)	-	(883,334)
Dividend income received	15,376	4,400,005	4,415,381
Loan interest received	1,109	-	1,109
Repayments of loans due from associate	25,064	-	25,064
Proceeds from sales of investments	8,643,498	(4,400,005)	4,243,493
Net cash inflow from operating activities	7,801,713	-	7,801,713

Segmental reporting

The Board has considered the requirements of IFRS 8 – “Operating Segments”. The Company has entered into an investment management agreement with the Investment Manager. Subject to its terms and conditions, the investment management agreement requires the Investment Manager to manage the Company’s investment portfolio in accordance with the Company’s investment guidelines in effect from time to time. However, the Board retains full responsibility to ensure that the Investment Manager adheres to its mandate. Moreover, the Board is fully responsible for the appointment and/or removal of the Investment Manager. Accordingly, the Board is deemed to be the “Chief Operating Decision Maker” of the Company.

In the Board’s opinion, the Company is engaged in a single segment of business, being investment principally in offshore financial services businesses, that business being conducted from Guernsey.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

3. Material Agreements

Management fees

Ravenscroft Specialist Fund Management Limited (the “Investment Manager”) is entitled to an amount equal to an annualised 1.5% of the Adjusted Closing NAV (excluding cash and near cash investments). The management fee is calculated on a quarterly basis after calculation of the Adjusted Closing NAV.

There is no performance fee. Instead, the Company grants options over shares to the Investment Manager, for itself and for onward transfer to members of the management team. As at 31 December 2022 and 30 June 2023, all options had lapsed or been cancelled. No new options were granted during the period.

The Company also pays the Investment Manager a deal fee equal to 1% of the total amount paid by the Company for any completed investments, within three months after the date of completion of that investment, except in relation to investments where the total amount payable is determined later than three months after completion, in which case the deal fee element referable to any deferred part of the consideration shall be payable within three months of the date of payment of that deferred consideration, but the deal fee element relating to that part of the consideration payable on completion of the investment is payable within three months after the date of completion.

During the period, the Investment Manager earned a management fee of £407,738 (30 June 2022: £428,950), of which £612,406 (31 December 2022: £416,999) was outstanding at the end of the period. The Investment Manager earned no deal fees in the period (30 June 2022: £Nil), with £Nil (31 December 2022: £Nil) still outstanding at the end of the period.

The Investment Management agreement can be terminated by either party giving not less than 18 months’ written notice.

Administration fees

Sanne Fund Services (Guernsey) Limited was appointed as the Administrator with effect from 27 September 2016. The Administrator earns an annual fee of 0.10% of the NAV of the Company subject to a minimum fee of £73,851 plus disbursements, effective from 1 May 2023 (effective from 1 May 2022: £68,065).

The Administrator earns a fee for assisting with reporting under Article 24 of the AIFM Directive of £5,000 per annum, where such Annex IV Reporting is required by the Company. The Administrator also earns an annual fee of £500 for the ongoing provision of an employee to act as the Responsible Officer. Fees are earned on a time spent basis for any additional reporting under FATCA and CRS.

During the period, the Administrator earned a total fee for other administration services of £2,536 (30 June 2022: £2,558), of which £Nil (31 December 2022: £Nil) was outstanding at the period end.

In addition, in its role as listing sponsor to the Company, the Administrator has also earned a fee of £1,364 for acting as listing sponsor (30 June 2022: £1,240).

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

3. Material Agreements (continued)

The amounts earned for the above-mentioned fees during the period ended 30 June 2023 and outstanding at 30 June 2023 are as follows:

	Charge for the period		Outstanding at period/year end	
	1 January 2023 to 30 June 2023	1 January 2022 to 30 June 2022	30 June 2023	31 December 2022
	£ (unaudited)	£ (unaudited)	£ (unaudited)	£ (audited)
Investment management fees	407,738	428,950	612,406	416,999
Administration fee	34,720	32,268	17,936	34,312
Administrator's other fees	2,536	2,558	-	-
Total	444,994	463,776	630,342	451,311

Directors' fees

Mel Carvill is entitled to a fee for his services as Chairman of the Board of Directors of £40,625 per annum, effective from 1 January 2023 (31 December 2022: £37,616). The remaining Directors are entitled to a fee for their services as Directors of £31,919 each per annum, effective from 1 January 2023 (31 December 2022: £29,555). The total remuneration paid to the Directors for the period was £52,232 (30 June 2022: £48,363) of which £Nil (31 December 2022: £Nil) was outstanding at the end of the period.

4. Loans advanced at amortised cost

	30 June 2023	31 December 2022
	£	£
Loans held at amortised cost		
Opening loan balance	385,264	418,948
Principal repayments	-	(33,684)
Closing loan balance	385,264	385,264
Expected credit loss provision ("ECL")	(227,952)	(227,952)
Closing loan balance at amortised cost, net of ECL	157,312	157,312

During the year ended 31 December 2022, in accordance with IFRS 9, the Company recognised an ECL provision on its loan portfolio of £227,952 in the Statement of Comprehensive Income. The expected credit losses of £20,709 and £207,242 relate to the extended loan with Next Generation Holdings and the secured loan with Next Generation Holdings respectively.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

5. Fair value

Financial assets at fair value through profit or loss

	30 June 2023 (unaudited) £	31 December 2022 (audited) £	30 June 2022 (unaudited) £
Fair value brought forward	54,220,262	66,188,758	66,188,758
Sales ¹	-	(4,243,493)	(4,243,493)
Realised gains/(losses) on investments ¹	-	(1,075,526)	(1,075,526)
Unrealised gains/(losses) on financial assets at fair value through profit or loss ¹	-	(6,649,477)	(3,211,371)
Fair value carried forward	54,220,262	54,220,262	57,658,368
Closing book cost	47,871,003	47,871,003	47,871,005
Closing revaluation of investments	6,349,259	6,349,259	9,787,363
	54,220,262	54,220,262	57,658,368
<i>Net (losses)/gains on financial assets at fair value through profit or loss</i>			
Realised gains/(losses) on sales ¹	-	(1,075,526)	(1,075,526)
Movement in net unrealised gains/(losses) during the period/year	-	(6,649,477)	(3,211,371)
Net gains/(losses) on financial assets at fair value through profit or loss ¹	-	(7,725,003)	(4,286,897)

The Company uses valuation techniques, in accordance with International Private Equity and Venture Capital (“IPEV”) Valuation Guidelines and methodologies to estimate a fair value that is in adherence with the requirements of IFRS 13 as at the valuation date. IFRS 13 requires that a fair value hierarchy be established that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows:

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

¹ Restated – refer to Note 2 for further information.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

5. Fair value (continued)

Financial assets at fair value through profit or loss (continued)

– Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement. Observable data is considered to be market data that is readily available, regularly distributed or updated, reliable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Level 2 financial instruments are valued based on quoted bid price, dealer quotations or alternative pricing sources supported by observable inputs. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Investment Manager will assess at each valuation date whether a discount should be applied to the quoted market price and provide evidence to the Board (using all observable inputs available) to substantiate their suggestion. If applicable, an appropriate discount rate (calculated in reference to industry norms and all observable inputs available) will be suggested by the Investment Manager for approval by the Board.

Level 3 investments are initially valued at the purchase price of the recent investment, excluding transaction costs. During the initial 12 month period following each investment, an assessment will be made at each valuation date whether any changes or events subsequent to the investment would imply a change in the investment's fair value from the original investment price. In the absence of such changes or events, investments will continue to be valued at the initial cost of the investment itself, excluding transaction costs, or, where there has been subsequent investment, the price at which a significant amount of new investment into the investee company was made. Once maintainable earnings can be identified, the preferred method of valuation is the earnings multiple valuation technique, where a multiple that is an appropriate and reasonable indicator of value (given the industry, geographic location, size, risk profile and earnings growth prospects of the investee company) is applied to the maintainable earnings of the investment.

Occasionally other methods as deemed suitable may be used, such as revenue or gross profit multiples, net assets, break-up value or discounted cash flows. The techniques used in determining the fair value of the Company's investments will be selected on an investment-by-investment basis so as to maximise the use of market-based observable inputs.

The investment in PraxisIFM is valued at its quoted bid price on TISE. As PraxisIFM shares are not considered to be traded in an active market, this investment is included in Level 2 of the fair value hierarchy.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

5. Fair value (continued)

There are no available market prices for the investments in Oak Group, NextGen, Enhance and CORVID, which are valued using appropriate valuation techniques. These investments are included in Level 3 of the fair value hierarchy.

The following table analyses within the fair value hierarchy the Group's financial assets and liabilities measured at fair value at 30 June 2023 and 31 December 2022:

At 30 June 2023 (unaudited)	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit or loss	-	13,606,474	40,613,788	54,220,262
Total	-	13,606,474	40,613,788	54,220,262
At 31 December 2022 (audited)	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit or loss	-	13,606,474	40,613,788	54,220,262
Total	-	13,606,474	40,613,788	54,220,262

There have been no transfers between levels of the fair value hierarchy during the period (31 December 2022: no transfers). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

5. Fair value (continued)

Financial assets at fair value through profit or loss (continued)

Valuation models at 30 June 2023

Level	Valuation Technique	Description	Fair Value (£)	Unobservable Inputs	Sensitivity to changes unobservable inputs	Impact on fair value of changes in unobservable inputs (£)
Level 2	Quoted market bid price	Praxis IFM Group Limited	13,606,474	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Oak Group Limited	37,304,422	Earnings multiple	The estimate of fair value would increase/decrease if the earnings multiple was higher/lower	A 5% increase/decrease in the multiple applied would have resulted in an increase/decrease in fair value of £1,955,705
Level 3	Net realisable assets	Next Generation Holdings Limited	-	Net realisable assets value	The estimate of fair value would increase/decrease if the net realisable asset value was higher/lower	N/A
Level 3	Investment Manager's valuation based on comparable revenue multiple	Enhance Group Limited A ordinary shares Enhance Group Limited C ordinary shares	1,546,806	Revenue multiple	The estimate of fair value would increase/decrease if the revenue multiple was higher/lower	A shift of +/- 0.5 in absolute value of the weighted average input would have resulted in an increase/decrease in fair value of £581,053
Level 3	Investment Manager's valuation based on recent offer price	Corvid Holdings Limited B shares	75,000	Recent offer price	The estimate of fair value would increase/decrease if the offer price was higher/lower	A 5% increase/decrease in the offer price would have resulted in an increase/decrease in fair value of £3,750
Level 3	Investment Manager's valuation based on purchase cost	Enhance Group Limited D preference shares Next Gen Worldwide Limited preference shares	1,687,560	N/A	N/A	N/A
Total			54,220,262			

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

5. Fair value (continued)

Valuation models at 31 December 2022

Level	Valuation Technique	Description	Fair Value (£)	Unobservable Inputs	Sensitivity to changes unobservable inputs	Impact on fair value of changes in unobservable inputs (£)
Level 2	Quoted market bid price	Praxis IFM Group Limited	13,606,474	N/A	N/A	N/A
Level 3	Investment Manager's valuation based on comparable earnings multiple	Oak Group Limited	37,304,422	Earnings multiple	The estimate of fair value would increase/decrease if the earnings multiple was higher/lower	A 5% increase/decrease in the multiple applied would have resulted in an increase/decrease in fair value of £1,955,705
Level 3	Net realisable assets	Next Generation Holdings Limited	-	Net realisable assets value	The estimate of fair value would increase/decrease if the net realisable asset value was higher/lower	N/A
Level 3	Investment Manager's valuation based on comparable revenue multiple	Enhance Group Limited A ordinary shares Enhance Group Limited C ordinary shares	1,546,806	Revenue multiple*	The estimate of fair value would increase/decrease if the revenue multiple was higher/lower*	A shift of +/- 0.5 in absolute value of the weighted average input would have resulted in an increase/decrease in fair value of £581,053*
Level 3	Investment Manager's valuation based on recent offer price	Corvid Holdings Limited B shares	75,000	Recent offer price	The estimate of fair value would increase/decrease if the offer price was higher/lower	A 5% increase/decrease in the offer price would have resulted in an increase/decrease in fair value of £3,750
Level 3	Investment Manager's valuation based on purchase cost	Enhance Group Limited D preference shares Next Gen Worldwide Limited preference shares	1,687,560	N/A	N/A	N/A
Total			54,220,262			

*Descriptions within the 31 December 2022 Annual Financial Statements were incorrectly presented – note, no change in valuation methodology for the period ended 30 June 2023.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

5. Fair value (continued)

Price sensitivity of investments not valued using unobservable inputs

A 5% increase/decrease in the valuation of the investment valued at quoted market bid price would result in an increase/decrease in fair value of £680,324 (31 December 2022: £680,324).

A 5% increase/decrease in the valuation of the investments valued at their purchase cost would result in an increase/decrease in fair value of £84,378 (31 December 2022: £84,378).

Movements in the Company's Level 3 financial instruments during the period/year were as follows:

	30 June 2023	31 December 2022
	(unaudited)	(audited)
	£	£
Opening balance	40,613,788	39,897,570
Purchases	-	-
Net unrealised gains in the period/year	-	716,218
Closing balance	40,613,788	40,613,788

The Company's policy is to value its Level 3 investments in accordance with the most appropriate valuation methodology for each investment, as determined by the Directors.

Other financial assets and liabilities

All of the Company's other financial assets and liabilities are measured at amortised cost. The carrying value of these assets and liabilities is considered to be a reasonable approximation of their fair value.

	30 June 2023		31 December 2022	
	(unaudited)		(audited)	
	Carrying value	Fair value	Carrying value	Fair value
	£	£	£	£
Assets				
Cash and cash equivalents	625,031	625,031	725,767	725,767
Loans due from associate and joint venture	157,312	157,312	157,312	157,312
Trade and other receivables	649,793	649,793	481,338	481,338
Total	1,432,136	1,432,136	1,364,417	1,364,417
Liabilities				
Trade and other payables	728,542	728,542	496,212	496,212
Provisions	198,400	198,400	-	-
Total	926,942	926,942	496,212	496,212

Cash and cash equivalents include deposits held with banks.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

6. Dividends

The Directors intend that returns should be generated for Shareholders primarily through capital appreciation of their investment. The Directors intend to operate a distribution policy for the Company commensurate with and appropriate to the make-up of its investment portfolio and investment policy from time to time.

On 13 March 2023, the Company paid a dividend to Ordinary Shareholders at 1.5 pence per share totalling £766,406 (31 December 2022: no dividends).

7. Taxation

With effect from 20 December 2019, the Company was granted tax exempt status. The income of the Company is exempt from tax for the year ending 31 December 2023.

8. Trade and other receivables

	30 June 2023 (unaudited)	31 December 2022 (audited)
Current	£	£
Loan interest receivable	383,088	369,041
Dividends receivable	266,705	112,297
	649,793	481,338

9. Trade and other payables

	30 June 2023 (unaudited)	31 December 2022 (audited)
Current	£	£
Investment Management fee	612,406	416,999
Other payables	116,136	79,213
	728,542	496,212

10. Revolving credit facility

A revolving credit facility ("RCF") with Investec Bank (Channel Islands) Limited ("Investec") was arranged in November 2019 for an amount up to £1,000,000, subsequently extended to £4,500,000, which was drawn down in full. The purpose of the RCF was to provide working capital in respect of financing current and future commitments and investments.

The RCF consisted of four tranches. The first and second tranches totalling £2,500,000, repayable on or before 9 December 2022 were repaid on 4 May 2022. The third and fourth tranches totalling £2,000,000 were repaid during 2021.

Interest on the RCF was charged at base rate plus a margin ranging between 3.75% and 5.00%, payable quarterly. Following the final repayment of the loans in May 2022, no interest arose on the RCF during the period (30 June 2022: £39,322).

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

11. Provisions

	30 June 2023 (unaudited)	31 December 2022 (audited)
	£	£
Current		
Legal and professional fees	198,400	-
	<u>198,400</u>	<u>-</u>

The Fund announced on 16 October 2023 that it is proposing a series of corporate actions ultimately designed to achieve greater returns for shareholders and offer a partial exit opportunity for those who do not wish to remain fully invested. The provision of legal and professional fees relates to these corporate actions and the payment of these costs is expected by the end of the year (for further information see page 6).

12. Share capital

The Company's shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised as a deduction in equity and are charged to the share capital account, including the initial set up costs.

The authorised share capital of the Company is represented by an unlimited number of shares of nil par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the Shareholders' meeting.

	30 June 2023 (unaudited)		31 December 2022 (audited)	
	Number	£	Number	£
Share capital	51,093,750	50,921,298	51,093,750	50,921,298

13. Share-based payments

As at 30 June 2023, all share options had lapsed or been cancelled therefore, there were no share options in issue (31 December 2022: no share options in issue).

During the year ended 31 December 2022, the remaining options in Tranches 1b, 2b, 3b, totalling 2,893,225 shares, were net settled by the Company at a value of 10p per option, and the options in Tranches 4a and 4b were cancelled.

14. Related party transactions

Transactions with related parties

The Directors, the Investment Manager and the Administrator are considered to be related parties of the Company. Ravenscroft Holdings Limited ("RHL") is also considered to be a related party, as it is the ultimate parent Company of the Investment Manager, and certain Directors of the Company are shareholders in RHL. For details of the agreements with the Directors, the Investment Manager and the Administrator and the fees payable to them during the year see Note 3.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

14. Related party transactions (continued)

Shares held by related parties

The shareholdings of the Directors in the Company at 30 June 2023 were as follows:

Name	30 June 2023		31 December 2022	
	Number of Shares	Percentage	Number of Shares	Percentage
Mel Carvill (Chairman)	1,118,906	2.13%	1,118,906	2.13%
Peter Gillson	562,500	1.10%	562,500	1.10%
Fintan Kennedy	42,187	0.08%	42,187	0.08%

As at the date of this report, Mel Carvill and Peter Gillson hold 70,000 shares and 25,000 shares respectively in the parent company of the Investment Manager.

As at 30 June 2023, companies and key individuals classified as related parties of the Company due to their connection with the Investment Manager and its wider group held 11,557,176 (31 December 2022: 11,534,101) shares in the Company and options for Nil (31 December 2022: Nil) shares in the Company.

Loans held with related parties

At 30 June 2023, the Company had extended a loan of £14,291 (31 December 2022: £14,291) and a secured loan of £143,021 (31 December 2022: £143,021) to Next Generation Holdings Limited, joint venture of the Company. The terms of the secured loan are interest payable quarterly at a rate of 8% per annum for a term up to three years and the security is a Guernsey law governed security interest agreement pursuant to which Next Generation Holdings Limited (UK registered company) grants a security interest over shares held by it as shareholder in Next Generation Holdings Limited (Guernsey registered company) in favour of the lender.

At 30 June 2023, expected credit losses of £227,952 were recognised and there were no repayments of loans during the period (2022: expected credit losses of £227,952 and no repayments) (see Note 4 for further details).

During the period, the Company recognised dividend and interest income on the statement of comprehensive income, from its investee companies, as follows:

	30 June 2023	31 December 2022
	£	£
Enhance Group Limited	15,291	32,046
Oak Group Limited	1,000,000	-
Praxis IFM	139,157	4,539,163
Next Generation Holdings Limited	37,069	29,321
Total	<u>1,191,517</u>	<u>4,600,530</u>

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

For the period from 1 January 2023 to 30 June 2023

15. Investment in unconsolidated subsidiaries, associates and joint ventures

		30 June 2023	
	Date of acquisition	Domicile	Ownership
Enhance Group Limited	28 November 2016	Jersey	38%
Next Generation Holdings Limited	28 April 2017	Guernsey	50%
Oak Group Limited	7 September 2018	Guernsey	74%

There are no significant restrictions on the ability of an unconsolidated subsidiary to transfer funds to the Company in the form of cash dividends, nor any current commitments or intentions to provide financial or other support to an unconsolidated subsidiary.

16. Basic and diluted earnings/(loss) per share

	30 June 2023 (unaudited)	30 June 2022 (unaudited)
Profit/(loss) for the period	£398,068	£(473,179)
Weighted average number of shares	51,093,750	54,500,000
Basic and diluted earnings/(loss) per share	0.78p	(0.87)p

Basic and diluted earnings per share are arrived at by dividing the profit/(loss) for the financial period by, respectively, the weighted average number of shares in issue and the weighted number of shares and potential shares in issue.

17. Net asset value per ordinary share

The net asset value per ordinary share of 107.12p (31 December 2022: 107.84p) is calculated based on the net assets attributable to ordinary shareholders of £54,730,719 and on 51,093,750 ordinary shares in issue at 30 June 2023 (31 December 2022: net assets attributable to ordinary shareholders of £55,099,057 and 51,093,750 ordinary shares in issue).

18. Controlling Parties

The Directors consider that the Company has no ultimate controlling party.

19. Events after the end of the reporting period

Next Generation Holdings Limited

The court hearing relating to the claim for the overstatement of historical profits, and alleged client account fraud in Ambon took place in June 2023 and, on 27 September 2023, judgment was made in Next Gen and Ambon's favour in respect of all claims against the previous owners. Action is now being taken to enforce the judgement and obtain payment of the damages awarded to NextGen and Ambon.

Corporate Actions

The Fund announced on 16 October 2023 that it is proposing a series of corporate actions ultimately designed to achieve greater returns for shareholders and offer a partial exit opportunity for those who do not wish to remain fully invested. For further information see page 6.

There were no other events after the end of the reporting period that require disclosure in these Interim Condensed Financial Statements.

FINANCIAL SERVICES OPPORTUNITIES INVESTMENT FUND LIMITED

PORTFOLIO STATEMENT (unaudited)

As at 30 June 2023

	Holding	Market Value	Percentage of Net Asset Value
		£	%
Listed Investments			
Praxis IFM Group Limited	12,369,522	13,606,474	24.86
Unlisted Investments			
Oak Group Limited	284,377	37,304,422	68.16
Next Generation Holdings Limited	1,203	-	-
Next Gen Worldwide Limited	194,959	1,173,653	2.14
Enhance Group Limited	503	2,060,713	3.77
Corvid Holdings Limited	10	75,000	0.14
		<hr/>	<hr/>
		40,613,788	74.21
Total Investments		<hr/>	<hr/>
		54,220,262	99.07
Other net assets		510,457	0.93
Net assets attributable to holders of Ordinary Shares		<hr/>	<hr/>
		54,730,719	100.00