

THE TRUST'S INVESTMENT POLICY

AS AT 30 JUNE 2011

INVESTMENT POLICY

The principal policy of the Trust is to invest in a portfolio of unlisted companies that are expected to grow organically or by acquisition. Any material change to the Trust's Investment Policy will be made only with the approval of shareholders in a general meeting.

The Trust's maximum exposure to unlisted investments is 100% of gross assets. At the time of acquisition no single investment will exceed a maximum of 15% of gross assets. The Trust may invest in assets other than companies, so long as the Manager believes that its expertise in private equity investment can be profitably applied. The Trust may invest in unlisted funds, whether managed by HgCapital or not, up to a maximum at the time of acquisition of 15% of gross assets. The Trust may invest in other listed investment companies, including investment trusts, up to a maximum at the time of acquisition of 15% of gross assets.

The Trust may invest its liquid funds in government or corporate securities, or in bank deposits, in each case with an investment grade rating, or in managed funds that hold investments of a similar quality.

Range and diversification

The Trust invests primarily in companies whose operations are headquartered or substantially based in or which serve markets in Europe. The Trust invests in companies operating in a range of countries, but there is no policy of making allocations to specific countries or markets. The Trust invests across a range of sectors, but there is no policy of making allocations to sectors.

Gearing

Underlying investments or funds are typically leveraged to enhance value creation, but it is impractical to set a maximum for such gearing. The Trust may over-commit to invest in underlying assets in order to maintain the proportion of gross assets that are invested at any time. The Trust has the power to borrow and to charge its assets as security.

The Articles currently restrict the Trust's ability to borrow no more than, broadly, twice the aggregate of the Trust's paid up share capital and reserves (without shareholder approval).

Hedging

The Trust may use derivatives to hedge its exposure to interest rates, currencies, equity markets or specific investments for the purposes of efficient portfolio management.