

**Alternative Investment Fund Managers Directive Fund 3.2.2R  
Disclosures**

**GCP Asset Backed Income Fund Limited  
(the "Company")**

*The Company is an alternative investment fund for the purposes of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers (the "AIFMD").*

*This document contains the information required to be made available to investors in the Company before they invest, pursuant to Article 23 of the AIFMD and UK implementing measures (the Alternative Investment Fund Managers Regulations No. 1773/2013, and consequential amendments to the FCA Handbook).*

*This document contains solely that information that the Manager is required to make available to investors pursuant to the AIFMD and should not be relied upon as the basis for any investment decision.*

*In this document references to the "Manager" are to Gravis Capital Management Ltd; references to the Group are to the Company and any wholly-owned subsidiaries, references to the Board and/or Directors are to the independent board of Directors of the Company; and references to Shareholders and Shares are to shareholders and ordinary shares ("Ordinary Shares") and/or C shares ("C Shares") in the Company, as the context requires.*

DISCLOSURE REQUIREMENT	LOCATION OR DISCLOSURE OF REQUIREMENT
<p>a) a description of the investment strategy and objectives of the Company;</p>	<p>The Company seeks to meet its investment objective through a diversified portfolio of investments which are secured against, or comprise, contracted, predictable medium to long term cash flows and/or physical assets. The Company's investments will predominantly be in the form of medium to long term fixed or floating rate loans which are secured against cash flows and/or physical assets which are predominantly UK based.</p> <p>The Company's investments will typically be unquoted and will include, but not be limited to, senior loans, subordinated loans, mezzanine loans, bridge loans and other debt instruments. The Company may also make limited investments in equities, equity-related derivative instruments such as warrants, controlling equity positions (directly or indirectly) and/or directly in physical assets.</p> <p>The Company will at all times invest and manage its assets in a manner which is consistent with the objective of spreading investment risk.</p> <p><b>Hedging and derivatives</b></p> <p>The Company may invest through derivatives for investment purposes and efficient portfolio management. In particular, the Company may engage in interest rate hedging or otherwise seek to mitigate the risk of interest rate changes as part of the Company's efficient portfolio management.</p> <p>Investments will be denominated primarily in Sterling. However, the Company may make limited investments denominated in currencies other than Sterling including U.S. Dollars, Euros and Australian Dollars. In the event of the Company making such investments, the Investment Manager will use its judgement, in light of the Company's investment policy, in deciding whether or not to effect any currency hedging in relation to any such investments. In addition, the Company may do so where the Manager considers such hedging to be in the interests of efficient portfolio management and may utilise derivative instruments to seek to achieve this. The Company will not engage in currency trading for speculative purposes.</p>

	<p>Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the remainder of the Company's investment portfolio.</p> <p><b>Structure of investments</b></p> <p>The Company currently anticipates that it will make investments directly or indirectly through one or more underlying special purpose vehicles which will typically be wholly owned by the Company and over which the Company will exercise control as regards investment decisions. The Company may from time to time invest through vehicles which are not wholly owned by it. In such circumstances the Company will seek to secure controlling rights over such vehicles through shareholder agreements or other legal arrangements.</p>
(b) if the Company is a feeder fund, information on where the master fund is established;	N/A
(c) if the Company is a fund of funds, information on where the underlying funds are established;	N/A
(d) a description of the types of assets in which the Company may invest;	<p>The Company's investments will predominantly be in the form of medium to long term fixed or floating rate loans and secured against cash flows and/or physical assets which are predominantly UK based.</p> <p>The Company's investments will typically be unquoted and will include, but not be limited to, senior loans, subordinated loans, mezzanine loans, bridge loans and other debt instruments. The Company may also make limited investments in equities and equity-related derivative instruments such as warrants.</p>
(e) the investment techniques that the Company, or the Manager on behalf of the Company, may employ and all associated risks;	<p><b>Investment process</b></p> <p><u>Sourcing Investments</u> – The senior management of the Manager have significant experience of working within the credit markets, particularly with regard to identifying, structuring and executing bespoke asset backed loans for borrowers, and have extensive relationships with borrowers, equity investors and senior and subordinated lenders as a consequence. The Manager also seeks to identify investment opportunities in sectors and asset classes with established operational histories which may not be considered by institutional lenders to represent mainstream lending opportunities, with the early identification of such investments potentially providing benefits for early entrants, including the Company. Investments are typically structured and originated by the Manager although the Company may from time to time acquire loans from third parties.</p>

	<p><u>Preliminary Review</u> – The Manager focuses on identifying opportunities to make asset backed finance investments with certain target characteristics including the following:</p> <ul style="list-style-type: none"> <li>• structured using the Manager’s lending discipline with a focus on bespoke lending opportunities originated through and created by the Manager with control and visibility over cash flows and/or assets;</li> <li>• favourable security packages, typically with first or second liens on contracted cash flows and/or physical assets with appropriate debt service reserve accounts and other cash waterfall protection mechanisms, which seek to provide the Company with tight control of cash flows and assets;</li> <li>• strong operating track record with reputable, experienced and financially robust equity sponsors, operators and/or developers as appropriate;</li> <li>• capital structures with sufficient equity to take the first loss position in the event of any cash flow interruption;</li> <li>• attractive risk adjusted running yields including floating rate or indexed loans providing protection against rising interest rates and/or inflation; and</li> <li>• lender protection through covenants, representations and warranties.</li> </ul> <p><u>Due diligence procedures</u> – The Manager evaluates all risks associated with the Group’s portfolio of investments it believes are material to making an investment decision and assesses how those risks are mitigated. Where appropriate, it complements its analysis through the use of professional third party advisers, including technical built asset consultants, financial and legal advisers and valuation and insurance experts. These advisers are engaged to conduct due diligence that is intended to provide an additional and independent review of the key aspects and risks in relation to an investment, providing comfort as to the level of risk mitigation and the ongoing performance of the investment.</p> <p>The Company may provide finance in respect of investments relating to assets under development or construction. In such circumstances, the Manager will conduct due diligence in respect of the development documents (including construction contracts and associated protections), planning permissions, loan-to-value and interest cover ratios of the development asset, and the reputation, track record and financial strength of the relevant development, building contractor and consultants.</p> <p><u>Investment approval</u> – Save as provided below, each investment proposal is presented to the investment committee of the Manager for their approval. In reviewing each potential investment, the investment committee considers a range of factors including a detailed analysis of the investment opportunity, the capital structure and currency of the borrower, track record, market reputation, historical information/reporting, deal modelling, credit and risk analysis, site visits (as appropriate) and any macro analysis that might be necessary to fully understand the investment and the overall mix and sector exposure of the Group’s portfolio.</p> <p>Prior to an investment being made, the Manager instructs the Valuation Agent to undertake a fair market valuation of each investment proposal prior to presenting it to the investment committee of the Manager for its approval.</p> <p>In the event that the Manager or any partners, directors, officers or employees of the Manager are directly or indirectly interested in any entity or asset in relation to any investment proposal (for example by way of ownership of a potential borrower or ownership of a service provider to a potential borrower), the potential investment is presented to the Board or a committee of the Board for its approval and as is the case with all potential investments the Company undertakes a fair market valuation of the investment.</p> <p><u>Investment monitoring</u> – The Manager continually monitors the progress of the Group’s investments. This includes regular technical reporting in respect of each of the assets against which the Company lends. Where the Company is a subordinated lender, the Manager seeks to ensure that reports are received as frequently as these are delivered to the relevant senior lender. The Manager seeks ad hoc additional reporting and updates where there has been a material event which, in the opinion of the Manager, may impair the value of the relevant investment.</p> <p>The Manager updates the Board on the progress of the Group’s investments on a</p>
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quarterly basis with additional updates where significant events have occurred.

**Key risks**

The key risks relating to the Company are:

- The Company may not meet its investment objective and there is no guarantee that the Company's targeted dividend, as may be from time to time, will be met or that any dividend growth will be achieved.
- The Manager's due diligence process may not reveal all facts that may be relevant in connection with an investment leading to a risk that the return received on investments will be lower than envisaged and that the principal may not be repaid in full, or at all.
- The Group has no employees and accordingly its performance is reliant on the ability and services of third party service providers.
- The success of the Company will depend on the Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. There can be no assurance that the Manager will be able to do so or that the Company will be able to invest on attractive terms or generate returns for Shareholders, or indeed avoid investment losses.
- Up to 20 per cent. of the gross assets of the Group may be invested in a single investment or investments with a single counterparty and there are no restrictions on the Group's exposure to one particular sector. Concentration of the Group's portfolio of investments in any one holding or with any single counterparty or in any particular sector may result in greater volatility in the Group's investments and consequently the Company's net asset value ("**NAV**" or "**Net Asset Value**").
- Non-performing loans may require a substantial amount of negotiations and/or restructuring which may result in further substantial, irrecoverable costs being incurred by the Group and/or substantial write down of the principal of such loan.
- The Group has made subordinated and mezzanine loans which are subordinate to the borrower's current senior debt. Where an event of default has occurred, these senior lenders (or any future senior lenders) will have a priority claim on cashflow generated by the borrower and/or have the right to take control of the borrower and ultimately to sell it. In such circumstances, the borrower may be unable to satisfy part, or all, of its payment obligations in respect of the Group's interest in the relevant subordinated debt investment.
- Borrowers to whom the Group provides finance may be exposed to credit risk from a wide range of counterparties. A counterparty default may impact on the ability of the borrower to service its debts including any investment made by the Group.
- The Group's investment portfolio includes investments which are dependent on the performance of sub-contractors or third party servicers under a contractual relationship. If a sub-contractor or servicer fails to perform its role competently it may result in the borrower suffering financial loss thereby impairing its ability to service its debts, including any investment by the Group.
- If a borrower to whom the Group has provided finance is required to replace a key sub-contractor or servicer due to the insolvency of that sub-contractor or servicer or for any other reason there can be no certainty that an adequate replacement can be found nor at what cost. Any resulting increase in the costs of the borrower may adversely affect its ability to service its debts, including any investment by the Group.
- The Group makes asset backed finance investments predominantly in the form of medium to long term loans. As it is not typically a shareholder in the

	<p>borrower, the Group does not normally have control over decisions made at that level. This may result in decisions being made by the borrower that are not in the interests of the Company.</p> <ul style="list-style-type: none"> <li>• The Group's investments include those which rely on detailed financial models based on certain assumptions, estimates and projections of each such investment's future cashflows (which primarily consist of interest and principal receipts). There can be no assurance that the assumptions, estimates and projections used turn out to be accurate and hence that an investment's actual cash flows will equal or exceed those that are expected or that the targeted return on such investment will be achieved.</li> <li>• The Group's investment portfolio includes investments based on estimates or projections of future rates of inflation. If actual inflation rates differ from the expectations, then the net cash flow of a borrower may be lower than anticipated which may adversely affect such borrower's ability to service its debts.</li> <li>• The Group's investment portfolio includes investments which are secured against assets which are under development or construction and which are not yet cash generative. Should there be any delay in completion of the construction phase in relation to any such asset or any "overrun" in the costs of construction, there is a risk that the borrower to whom the Group has provided finance may be unable to service its debts as expected.</li> <li>• Development or construction assets, including property, carry a higher degree of risk than is associated with operating assets and may be subject to delays, disruptions, vacancies and regulatory changes outside the borrowers' control and which would adversely affect the level of income obtained and the value of the property or assets.</li> <li>• The Group's investment portfolio includes loans relating to property, including development property. Rental receipts from the subject properties form the primary source of interest payment by the borrower and may be adversely impacted by the performance of the underlying real estate market, the location and condition of the property, the supply and demand for competing properties, government regulations, property taxes and other factors which are beyond the control of the Company.</li> <li>• The Group and its investments are subject to a significant period of uncertainty in the period leading up to the eventual exit of the UK from the EU ("<b>Brexit</b>") including, <i>inter alia</i>, uncertainty in relation to any potential regulatory or tax change. In addition, the macroeconomic effect of an eventual Brexit on the value of investments in the asset backed lending market, and, by extension, the value of the investments in the Group's investment portfolio is unknown.</li> <li>• Whilst the Group's investments are predominantly and will be predominantly in the form of loans whose revenue streams are secured against contracted, predictable cash flows and/or physical assets, the value of any collateral for such loans may be uncertain, have little or no market value and the process for securing such collateral may be lengthy and expensive.</li> <li>• If the market value of any investments secured against physical assets for which the Group has provided finance is found to be materially lower than assumed or projected, this may adversely impact the Group's ability to recover the value of its investments in the event of a borrower default. If the Group's investments do not benefit from the expected collateral or security arrangements this may affect the performance of the Company, the NAV, the Company's earnings and returns to Shareholders.</li> <li>• The Group, its operations, its investments and any sub-contractors to which it or its investment may be exposed from time to time are subject to laws and regulations enacted by national and local governments and government policy. Any change in the laws, regulations and/or government policy affecting the</li> </ul>
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	<p>Group or its investments may have a material adverse effect on the ability of the Group to successfully pursue its investment policy and meet its objective and on the value of the Company and the Shares.</p> <ul style="list-style-type: none"> <li>• The Group’s investment portfolio includes loans relating to social infrastructure including social housing, care homes and private student residential accommodation which may be under development or construction or operational. The performance of the Company may be adversely impacted by changes to the social housing regulatory regime and where such assets are operational, any material failure of registered providers to fulfil their obligations as regards day-to-day management of properties, the collection of rental income and compliance with relevant law and regulation, as applies to them from time to time. Investments in care homes and student accommodation assets are exposed to the risk of increased supply of competitive accommodation and where such assets become operational, the failure to maintain or collect rents, increasing operating costs and deterioration in the quality of properties against which loans are made.</li> <li>• The Company may make investments in asset classes which are relatively new or in projects which utilise relatively new or developing business models. Unforeseen issues may arise in respect of such investments (including changes in regulation) giving rise to additional costs for the relevant borrowers or which may otherwise adversely impact their financial performance and the value of any associated collateral. This may affect the performance of the Company, the NAV, the Company’s earnings and returns to Shareholders.</li> <li>• Changes in the Group’s tax status or tax treatment may adversely affect the Group and if the Company becomes subject to the UK offshore fund rules there may be adverse tax consequences for certain UK resident Shareholders.</li> </ul> <p><u>For further information please refer to the Company’s latest published documents: <a href="https://www.graviscapital.com/funds/gcp-asset-backed/literature">https://www.graviscapital.com/funds/gcp-asset-backed/literature</a></u></p>
(f) any applicable investment restrictions;	<p><b>Investment restrictions</b></p> <p>The Company will observe the following investment restrictions:</p> <ul style="list-style-type: none"> <li>• any single investment, or any investments with a single counterparty, will be limited to 20 per cent. of the gross assets of the Company;</li> <li>• investments in equity and equity-related derivative instruments including controlling equity positions and any direct investments in physical assets will be limited to 10 per cent. of the gross assets of the Company;</li> <li>• no more than 20 per cent. of the gross assets of the Company will be invested in projects and assets outside the UK; and</li> <li>• the Company will not invest in other listed closed-ended funds.</li> </ul> <p>The limits set out above shall all apply as at the time of investment, as appropriate.</p>
(g) the circumstances in which the Company may use leverage;	<p>The Company may, from time to time, use borrowings for investment purposes, to manage its working capital requirements or in order to fund the market purchase of its own Shares.</p>
(h) the types and sources of leverage permitted and the associated risks;	<p>The Group may use borrowings for investment purposes, to facilitate share buy-backs and to manage working capital requirements.</p> <p>While the use of borrowings should enhance the total return on the shares where the return on the Company’s investment portfolio exceeds the cost of borrowing, it will have the opposite effect where the return on the investment portfolio is lower than the cost of borrowing. The use of borrowings may increase the volatility of the Net Asset</p>

	<p>Value per ordinary share and/or the Net Asset Value per C Share (as applicable) together, the <b>Net Asset Value per Share</b>.</p> <p>To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with its gearing policy, borrowing limits or loan covenants, the Company may have to sell investments in order to reduce borrowings. Such investments may be difficult to realise and therefore the market price which is achievable may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.</p> <p>Any amounts that are secured by the Company under a bank facility will rank ahead of Shareholders' entitlements and accordingly, should the Group's investments not grow at a rate sufficient to cover the costs of establishing and operating the Group, on a liquidation of the Company, Shareholders may not recover all or any of their initial investment.</p> <p>The Company pays interest on its borrowings. As such, the Group is exposed to interest rate risk due to fluctuations in the prevailing market rates to the extent that it has borrowed funds outstanding.</p> <p>Changes in interest rates may adversely affect the value or profitability of the assets of the Group by affecting the spread between the income on its investments and the expense of any interest-bearing liabilities. Moreover, changes in interest rates may affect the valuation of the Company's investments and the market value of the Shares. Interest rates are sensitive to many factors including governmental, monetary, regulatory and tax policies, as well as domestic and international economic and political considerations which are all beyond the control of the Company.</p> <p>Interest rate hedging may be carried out by the Group to seek to provide protection against increasing interest rates as and when any floating rate liabilities are entered into by the Group or against falling interest rates in relation to assets that do not have a minimum fixed rate of return acceptable to the Company in line with its dividend policy.</p> <p>There can be no assurance that any hedging can be performed effectively; hedging may also be costly and may reduce the Company's earnings and returns to Shareholders. Furthermore, hedging arrangements may result in counterparty risk and losses in the event of the default or bankruptcy of a counterparty.</p>
<p>(i) any restrictions on the use of leverage and any collateral and asset reuse arrangements; and</p>	<p>The Company may, from time to time, use borrowings for investments purposes, to manage its working capital requirements or in order to fund the market purchase of its own Shares.</p> <p>Gearing, represented by borrowings will not exceed 25 per cent. of Net Asset Value, calculated at the time of borrowing.</p>
<p>(j) the maximum level of leverage which the Manager is entitled to employ on behalf of the Company;</p>	<p>Gearing, represented by borrowings, will not exceed 25 per cent of NAV calculated at the time of borrowing.</p> <p>The AIFMD prescribes two methods of measuring and expressing leverage (as opposed to gearing) and requires disclosure of the maximum amount of 'leverage' the Company might be subject to. The definition of leverage is wider than that of gearing as measured in accordance with AIC guidelines and includes exposures that are not considered to be gearing.</p> <p>For the purposes of this disclosure leverage is any method by which a fund's exposure is increased. A fund's exposure may be increased by using derivatives, by reinvesting cash borrowings, through positions within repurchase or reverse repurchase agreements, through securities lending or securities borrowing arrangements, or by any other means (such increase referred to herein as the "Incremental Exposure"). The AIFMD prescribes two methodologies for calculating overall exposure of a fund: the "commitment methodology" and the "gross methodology". These methodologies are briefly summarised below:</p>

	<ul style="list-style-type: none"> <li>the commitment methodology takes account of the hedging and netting arrangements employed by a fund at any given time (purchased and sold derivative positions will be netted where both relate to the same underlying asset). This calculation of exposure includes all Incremental Exposure as well as a fund's own physical holdings; and cash;</li> <li>the gross methodology does not take account of the netting or hedging arrangements employed by a company. This calculation of exposure includes all Incremental Exposure as well as the Company's own physical holdings. Cash is excluded.</li> </ul> <p>The AIFMD requires that each leverage ratio be expressed as the ratio between a fund's total exposure (including any Incremental Exposure) and its net asset value. Using the methodologies prescribed under the AIFMD and implementing legislation, the Company has set a maximum level of leverage, taking into account atypical and volatile market conditions. Leverage will not exceed the ratio of 1.33 using the commitment methodology and 1.33 using the gross methodology.</p>
(2) a description of the procedures by which the Company may change its investment strategy or investment policy, or both;	<p>No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution. Any change to the investment policy which does not amount to a material change to the investment policy may be made by the Company without the approval of Shareholders.</p>
(3) a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, the applicable law and the existence or absence of any legal instruments providing for the recognition and enforcement of judgments in the territory where the Company is established;	<p>The Company is a company limited by shares, incorporated in Jersey. While investors acquire an interest in the Company on subscribing for or purchasing shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, shareholders have no direct legal or beneficial interest in those investments. The liability of shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them.</p> <p>Shareholders' rights in respect of their investment in the Company are governed by the Company's Articles of Association and the Companies (Jersey) Law, 1991 (as amended) (the "<b>Companies Law</b>"). Under Jersey law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such shareholder should consult its own legal advisers.</p> <p>As noted above, shareholders' rights are governed principally by the articles of association of the Company and the Companies Law. By subscribing for shares, investors agree to be bound by the Company's articles of association which are governed by, and construed in accordance with, the laws of Jersey. The Company holds a certificate granted under the Collective Investment Funds (Jersey) Law 1988.</p> <p>Pursuant to the Judgments (Reciprocal Enforcement) (Jersey) Law 1960 and the rules under that law, if a final and conclusive judgment under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty) were obtained in certain courts in England and Wales, Scotland, Northern Ireland, the Isle of Man or Guernsey in respect of the Company (where the Company had submitted to such jurisdiction), such judgment would, on application to the Royal Court in Jersey, be registered and would thereafter be enforceable.</p> <p>Although there is no similar enactment relating to judgments obtained in other countries, the practice of the Royal Court is such that where a final and conclusive judgment under which a debt or definite sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty or multiple damages) were obtained in the courts of any territory having</p>



	<p>jurisdiction against the Company, (a) the Royal Court would typically, on application properly made to it, recognise such judgment and give a judgment for liquidated damages in the amount of that judgment without reconsidering its merits; and (b) such judgment of the Royal Court would thereafter be enforceable. This practice would, however, not apply where the foreign country did not have jurisdiction to give that judgment, where it was obtained by fraud, where its enforcement or recognition would be contrary to public policy or where the proceedings in which the judgment was obtained were opposed to natural justice.</p> <p>Where a matter comes before the courts of an EU member state (other than Denmark), the parties' choice of law to govern their contractual obligations is generally subject to the provisions of Regulation (EC) 593/2008 ("<b>Rome I</b>"). Under Rome I, the court may not give effect to a choice of law applicable to a contract in certain circumstances, including: where there are mandatory rules of the member state's own law which are applicable regardless of the law chosen by the parties, where the application of the parties' choice of law is incompatible with the public policy of the member state and where it is bound in relation to particular proceedings, types of contract or issues to apply the law of a different jurisdiction. Further, where all elements relevant to the situation at the time of choice are connected with or located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement.</p> <p>Rome I does not apply to certain matters, including questions governed by the law of companies (such as creation, legal capacity, internal organisation, insolvency and personal liability of officers and members for the obligations of the company) and the power of an agent to bind a principal or of an organ of a company to bind the company to a third party.</p> <p>With regard to any non-contractual obligations, EU member state courts (other than Denmark) will generally apply the provisions of Regulation 2007/864 ("<b>Rome II</b>") to determine the applicable law. The parties are able to choose the law applicable to non-contractual obligations subject to certain restrictions. Absent a choice, the general rule under Rome II is that the law applicable to non-contractual obligations is the law of the country in which the damage occurs or is likely to occur. Rome II does not apply to certain matters, including questions arising out of the law of companies (such as creation, legal capacity, internal organisation, insolvency, personal liability of officers and members for the obligations of the company and personal liability of auditors to a company or to its members in the statutory audits of accounting documents).</p> <p>Where a matter comes before a non EU court, it will apply its own conflict of laws rules to determine the law applicable to contractual or non-contractual obligations.</p>
<p>(4) the identity of the AIFM, the Company's depositary, the auditor and any other service providers and a description of their duties and the investors' rights;</p>	<p><b>Manager:</b> Gravis Capital Management Ltd 24 Savile Row London W1S 2ES</p> <p>The Company has appointed Gravis Capital Management Ltd to act as the Company's alternative investment fund manager for the purposes of AIFMD pursuant to the investment management Agreement between the Company and the Manager dated 29 September 2015 (the "<b>Investment Management Agreement</b>"). Pursuant to that agreement, the Manager is responsible for providing discretionary portfolio management and risk management services to the Company, subject to the overall control and supervision of the Board.</p> <p>The Manager may, at the absolute discretion of the independent Board, provide the Company with transaction advisory, distribution and documentation services in connection with corporate actions from time to time.</p> <p>The Manager is authorised and regulated by the Financial Conduct Authority.</p>

**Administrator and Secretary:**

Apex Financial Services (Alternative Funds) Limited  
12 Castle Street  
St Helier  
Jersey  
JE2 3RT

Apex Financial Services (Alternative Funds) Limited (the "**Administrator**") has been appointed as administrator and secretary to the Company pursuant to the administration agreement. In such capacity, the Administrator provides day-to-day administration of the Company, and is also responsible for the Company's general administrative and secretarial functions, such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records.

**Registrar:**

Link Market Services (Jersey) Limited  
The Registry  
34 Beckenham Road  
Beckenham Kent  
BR3 4TU

Link Market Services (Jersey) Limited (the "**Registrar**") has been appointed as registrar to the Company pursuant to the registrar agreement. In such capacity, the Registrar will be responsible for the transfer and settlement of Shares held in certificated and uncertificated form.

**Depository:**

Apex Financial Services (Corporate) Limited  
12 Castle Street  
St Helier  
Jersey  
JE2 3RT

Apex Financial Services (Corporate) Limited is the custodian and depository, for the purposes of AIFMD, of the Company (the "**Depository**") pursuant to the depository agreement.

**Auditor:**

PricewaterhouseCoopers CI LLP  
37 Esplanade  
St Helier  
Jersey  
JE1 4XA

PricewaterhouseCoopers CI LLP has been appointed as the Company's auditor (the "**Auditor**"). The Auditor's principal responsibilities are to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. The annual report and accounts are prepared according to accounting standards laid out under IFRS.

**Valuation Agent:**

Mazars LLP  
Tower Bridge House  
Katherine's Way  
London  
E1W 1DD

Mazars LLP (the "**Valuation Agent**") has been appointed as valuation agent to the Company pursuant to the valuation agent engagement letter. In such capacity, the Valuation Agent is responsible for carrying out the fair market valuation of the Company's investments on a quarterly basis in accordance with IFRS.

	<p><b>Investors' Rights</b></p> <p>The Company is reliant on the performance of third party service providers, including the Manager, the secretary, the Administrator, the Depositary, the Auditor, the receiving agent and the Registrar.</p> <p>Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.</p> <p>In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.</p> <p>The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.</p> <p>Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against the Manager to the Financial Ombudsman Service ("<b>FOS</b>") (further details of which are available at <a href="http://www.financialombudsman.org.uk">www.financialombudsman.org.uk</a>. Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("<b>FSCS</b>") if they have claims against an FCA authorised service provider (including the Manager) which is in default. There are limits on the amount of compensation. Further information about the FSCS is at <a href="http://www.fscs.org.uk">www.fscs.org.uk</a>. To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.</p>
<p>(5) a description of how the Manager complies with the requirements referred to in IPRU-INV 11.3.11G (Professional negligence) relating to professional liability risk;</p>	<p>The Manager will, subject to such insurance being available in the market at commercial rates, maintain professional indemnity insurance to cover each and every professional liability which may arise under the Investment Management Agreement, with a limit of indemnity of not less than £5 million in aggregate. The current level of such indemnity insurance is £10 million. Any excess will be covered by the Manager maintaining sufficient own funds for this purpose, as well as other regulatory requirements. If professional indemnity insurance is not available the Manager will maintain own funds at a level adequate for its risk profile.</p> <p>This professional indemnity insurance will be maintained for a period expiring not less than six years after the winding up of the Company or the termination of the Investment Management Agreement, whichever is the earlier.</p>
<p>(6) a description of:</p> <p>(a) any management function delegated by the Manager;</p>	<p>The Manager has not delegated any significant function and is responsible for the discretionary portfolio management and exercising the risk management function in respect of the Company, subject to the overall supervision and direction of the Board.</p>
<p>(b) any safe-keeping function delegated by the depositary;</p>	<p>N/A</p>
<p>(c) the identity of each delegate appointed in</p>	<p>N/A</p>

accordance with FUND 3.10 (Delegation); and	
(d) any conflicts of interest that may arise from such delegations;	N/A
(7) a description of the Company's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing any hard-to-value assets, in line with FUND 3.9 (Valuation);	<p><b>Asset Valuation:</b> The Valuation Agent is responsible for carrying out the fair market valuation of the Company's investments on a quarterly basis in accordance with IFRS.</p> <p>The valuation principles used by the Valuation Agent are based on a discounted cash flow methodology. A fair value for each asset acquired by the Group is calculated by applying an asset-and-date-specific discount rate (determined by the Valuation Agent) to the individual cash flows expected to arise from each such asset.</p> <p>Where investments of the Company are inflation-linked or LIBOR-based, the individual cash flows expected to arise will be based on forecast inflation or LIBOR rates as at the date of valuation as indicated on Bloomberg or an alternative source as agreed at the time.</p> <p>The asset-and-date-specific discount rate used for valuing each investment is based on appropriate long term quoted Sterling interest rate swap rates and a risk premium. The Valuation Agent determines the asset specific risk premium that it believes the market would reasonably apply on a long term investment basis to each investment's projected cash flows taking, <i>inter alia</i>, the following into account:</p> <ul style="list-style-type: none"> <li>• the performance of the underlying assets, taking into account the nature of the loan and its parameters, and including any actual or potential event in relation to each underlying asset that may be expected to have a material impact on the ability of the borrower to meet its obligations to its lenders, such as operating performance failures, or the credit impairment of the obligor;</li> <li>• general credit market activity and investor sentiment, which the Valuation Agent assesses by taking into account its knowledge of such markets gained from discussions with market participants and from publicly-available information on relevant transactions and publicly-traded securities; and</li> <li>• changes to the economic, legal, taxation or regulatory environment relevant to each asset.</li> </ul> <p>The Valuation Agent exercises its due judgement in assessing the likelihood of any interruptions to the debt payments due to the Company in light of the operational performance of each underlying asset.</p> <p><b>Calculation of NAV:</b> The NAV (and NAV per Ordinary Share and NAV per C Share (until such time as any C Share in issue from time to time are converted into Ordinary Shares) is calculated quarterly by the Administrator following the Valuation Agent carrying out the fair market valuation of the Company's investments. Calculations are made in accordance with IFRS or as otherwise determined by the Board.</p> <p>Details of each quarterly valuation, and of any suspension in the making of such valuations, are announced by the Company through a regulatory information service and will be made available on the Company's website as soon as practicable after the end of the relevant quarter.</p> <p>The calculation of the NAV will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure of the Administrator) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced</p>

	<p>through a regulatory information service as soon as practicable after any such suspension occurs.</p>
<p>(8) a description of the Company's liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors;</p>	<p>The Company is a closed-ended investment company which was incorporated in Jersey on 7 September 2015 under the provisions of the Companies Law with registered number 119412 and the name Project Finance Investments Limited (subsequently changed to GCP Asset Backed Income Fund Limited on 13 October 2016). Shareholders have no right to redeem their Shares. Any repurchase of Shares shall be at the discretion of the Directors.</p> <p>Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily debt) of the Company as they fall due.</p> <p>In managing the Company's assets, therefore, the Manager seeks to ensure that the Company holds at all times a sufficient portfolio of liquid assets to enable it to discharge its payment obligations.</p>
<p>(9) a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors;</p>	<p>Given that many of the fees, charges and expenses are either irregular or calculated using formulae that contain variable components, the maximum amount of fees, charges and expenses that shareholders will bear in relation to their investment cannot be disclosed in advance.</p> <p>The Manager is entitled to receive from the Company; (i) an investment management fee which is calculated and paid quarterly in arrears at an annual rate of 0.9 per cent. per annum of the prevailing NAV (net of cash holdings); and (ii) a £25,000 per annum fee in relation to the Manager's services provided in its role as the Company's AIFM. In addition, the Manager, at its discretion, is entitled to an arrangement fee of up to one per cent. of the cost of each investment made by the Company. The Manager expects any such fee to be paid by the borrowers, and not the Company. To the extent any arrangement fee negotiated by the Manager with a borrower exceeds one per cent. the benefit of any such excess shall be paid to the Company.</p> <p>For the financial period ended 31 December 2019 the Company expensed £3,715,000 in respect of investment management and advisory fees, £158,000 in relation to the issuance of ordinary shares and £26,000 in respect of AIFM services provided by the Manager.</p> <p>Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee equal to: (i) 0.125 per cent. of the prevailing NAV up to £150 million; (ii) 0.11 per cent. per annum of the prevailing NAV in excess of £150 million but not exceeding £300 million; and (iii) 0.10 per cent. per annum of the prevailing NAV in excess of £300 million, subject to a minimum fee of £125,000 per annum. This fee is calculated and payable quarterly in arrears. The Administrator is also entitled to an annual fee for Jersey regulatory and compliance support of £10,000 per annum. This fee is calculated and payable quarterly in arrears.</p> <p>Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £2.00 per Shareholder account per annum, subject to a minimum fee of £10,000 per annum. Under the Registrar Agreement, the Registrar is also entitled to activity fees and fees in relation to electronic communications.</p> <p>Under the terms of the Depositary Agreement, the Depositary is entitled to receive a fee equal to 0.03 per cent. per annum of NAV subject to a minimum annual fee of £30,000. Such fees are payable quarterly in arrears.</p> <p>Under the terms of the Valuation Agent engagement letter, the Valuation Agent is entitled to on each investment an initial fee of an amount equal to the greater of 0.08 per cent. of the nominal value of the investment made and £5,000 subject to a maximum amount of £30,000. In addition, the Valuation Agent shall receive an annual fee of 0.04 per cent. of the aggregate nominal value of the investments held by the Company up to an aggregate nominal value of £250 million and to the extent that the</p>

	<p>aggregate nominal value of the investments held by the Company is more than £250 million an additional 0.03 per cent. of the aggregate nominal value of the investments above £250 million.</p> <p>The fees and expenses for the Company in respect of the period ended 31 December 2019 (including the ongoing expenses of the Company) can be found in the Company's Annual Report and Financial Statements:  <a href="https://www.graviscapital.com/funds/gcp-asset-backed/literature">https://www.graviscapital.com/funds/gcp-asset-backed/literature</a></p>
(10) a description of how the Manager ensures a fair treatment of investors;	<p>As a company listed on the premium listing segment of the UK Listing Authority's Official List, the Company is required under the Premium Listing Principles to treat all Shareholders of a given class equally.</p> <p>In addition, as directors of a company incorporated in Jersey, the Directors have certain fiduciary duties with which they must comply. These include a duty upon each director to act in a way he considers, in good fair, would be most likely to promote the success of the Company for the benefit of its members as a whole. No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors.</p>
(11) whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of:	N/A
(a) that preferential treatment;	N/A
(b) the type of investors who obtain such preferential treatment; and	N/A
(c) where relevant, their legal or economic links with the Company or Manager;	N/A
(12) the procedure and conditions for the issue and sale of units or shares;	<p><b>Purchases and sales of shares by investors</b></p> <p>The Company's shares are admitted to trading on the premium segment of the London Stock Exchange's main market. Accordingly, the Company's shares may be purchased and sold on the London Stock Exchange.</p> <p>New shares may be issued at the Board's discretion providing relevant shareholder issuance authorities are in place. Shareholders do not have the right to redeem their shares. While the Company will typically have shareholder authority to buy back shares any such buy back is at the absolute discretion of the Board and no expectation or reliance should be placed on the Board exercising such discretion.</p>
(13) the latest net asset value of the	<p>Net asset value announcements can be found on the Company's website:  <a href="https://www.graviscapital.com/funds/gcp-asset-backed/press-rns">https://www.graviscapital.com/funds/gcp-asset-backed/press-rns</a></p>

Company or the latest market price of the unit or share of the Company, in line with FUND 3.9 (Valuation);	
(14) the latest annual report, in line with FUND 3.3 (Annual report of an AIF);	Annual and half-yearly reports will be found on the Company's website: <a href="https://www.graviscapital.com/funds/gcp-asset-backed/literature">https://www.graviscapital.com/funds/gcp-asset-backed/literature</a>  The annual financial statements can be found on the Company's website: <a href="https://www.graviscapital.com/funds/gcp-asset-backed/literature">https://www.graviscapital.com/funds/gcp-asset-backed/literature</a>
(15) where available, the historical performance of the Company;	Please see the annual and half-yearly reports on the Company's website: and the Company's Investor factsheets: <a href="https://www.graviscapital.com/funds/gcp-asset-backed/literature">https://www.graviscapital.com/funds/gcp-asset-backed/literature</a>
(16) (a) the identity of the prime brokerage firm;	N/A
(b) a description of any material arrangements of the Company with its prime brokerage firm and the way any conflicts of interest are managed;	N/A
(c) the provision in the contract with the depositary on the possibility of transfer and reuse of Company assets; and	N/A
(d) information about any transfer of liability to the prime brokerage firm that may exist; and	N/A
(17) a description of how and when the information required under FUND 3.2.5 R and FUND 3.2.6 R will be disclosed.	In order to meet the requirements of FUND 3.2.5 R, the Manager is required to disclose periodically to investors:  (1) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature;  (2) any new arrangements for managing the liquidity of the Company; and  (3) the current risk profile of the Company and the risk management systems employed by the Manager to manage those risks.  The Manager will also disclose on a regular basis any changes to:

	<p>(a) the maximum level of leverage that the Manager may employ on behalf of the Company; and</p> <p>(b) any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and</p> <p>(c) the total amount of leverage employed the Company.</p> <p>Information on changes to the maximum level of leverage and any right of re-use of collateral or any guarantee under the leveraging arrangements shall be provided without undue delay.</p> <p>Information on the total amount of leverage employed by the Company shall be disclosed as part of the Company's periodic reporting to investors, as required as an issuer of listed securities on the premium segment of the Official List and at least at the same time as the annual report is made available to investors.</p> <p>To meet the requirements of FUND 3.2.6 R, this information will be provided to investors by way of an update to this document or in such other manner the Company or the Manager deem appropriate.</p> <p>Without limitation to the generality of the foregoing, any of the information specified above may be disclosed:</p> <ul style="list-style-type: none"> <li>• in the Company's annual report;</li> <li>• in the Company's unaudited interim report;</li> <li>• by the issue of an announcement via a Regulatory Information Service (or equivalent); or</li> <li>• by publication of the relevant information on the Company's website.</li> </ul>
	<p><b>Amendment of this document</b></p> <p>When there is a material change to the information contained in this document, it shall be updated.</p>