

This document is issued by Tufton Investment Management Ltd (the “**Investment Manager**” or the “**AIFM**”) solely in order to make certain information available to investors (or prospective investors) in City Natural Resources Growth and Income plc (formerly CQS Natural Resources Growth and Income plc, registered in England and Wales with number 02978531) (the “**Company**”) before they invest, in accordance with the requirements of the UK Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the “**EU AIFM Directive**” or “**AIFMD**”) into UK law before 31 January 2020 (as amended from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328)); and the UK versions of the EU AIFM Delegated Regulation (EU) No 231/2013 and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328), the Technical Standards (Alternative Investment Funds Management Directive) (EU Exit) Instrument 2019 (FCA 2019/37) and the Exiting the European Union: Specialist Sourcebooks (Amendments) Instrument 2019 (FCA 2019/25) (the “**UK AIFMD Laws**”). It is made available to investors in the Company (“**Investors**” or “**Shareholders**”) on the Company’s website (<https://citynats.com>).

Potential investors in the Company's shares (“**Shares**”) should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser before investing in the Company.

City Natural Resources Growth and Income plc

PRE-INVESTMENT DISCLOSURE DOCUMENT

IMPORTANT INFORMATION

14 September 2026

Regulatory status of the Company

The Company is an “alternative investment fund” (“**AIF**”) for the purposes of the UK AIFMD Laws and is incorporated as a public limited company in England and Wales.

The Shares are admitted to the closed-ended investment funds category of the Official List maintained by the Financial Conduct Authority (“**FCA**”) and are admitted to trading on the Main Market of the London Stock Exchange. The Company is subject to its Memorandum and Articles of Association, the UK Listing Rules (“**UKLR**”), Prospectus and Disclosure and Transparency Rules, the UK Corporate Governance Code and the Companies Act 2006. The Company is not authorised or regulated by the FCA.

Implications of the contractual relationship entered into for the purpose of investment

While Investors acquire an interest in the Company on subscribing for the Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Investors have no direct legal or beneficial interest in those investments. The liability of Investors for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them.

Investors' rights in respect of their investment in the Company are governed by the Company's Memorandum and Articles of Association and the Companies Act 2006. The Company's Memorandum and Articles of Association set out the respective rights and restrictions attaching to the Shares. Under English 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 materials; 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.

As at the date of this document, all of the Company's shares are fully paid.

Jurisdiction and applicable law

As noted above, Shareholders' rights are governed principally by the Company's Memorandum and Articles of Association and the laws of England and Wales. By subscribing for Shares, Investors agree to be bound by the Company's Memorandum and Articles of Association which is governed by, and construed in accordance with, the laws of England and Wales.

Limited purpose of this document

This document is not being issued for any purpose other than to make certain required regulatory disclosures to Investors and, to the fullest extent permitted under applicable law and regulations, the Company and the AIFM will not be responsible to persons for their use of this document, nor will they be responsible to any person (including the Company's Investors) for any use which they may make of this document other than to inform a decision to invest in or dispose of Shares in the Company.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Company's Shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and it is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in or disposal of the Company's Shares.

No advice and forward-looking statements

These materials may include statements or direct the reader to statements that are, or may be deemed to be, "forward-looking statements". In some cases, such forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, returns, yields, financial condition, liquidity, distributions to investors and the development of its strategies may differ materially from any impression created by any forward-looking statement(s) contained in these materials. Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions, constitute the authors' judgment and are subject to change without notice. Changes in exchange rates may cause the value of underlying investments to go down as well as up. The value of any investments and the income from them may fall as well as rise and investors may not get back the amount invested. Target yields or returns are targets only and there can be no Guarantee that the Company will achieve such targets at the levels stated or at

all. Prospective investors should not place any reliance on such targets in deciding whether to invest in the Company.

Neither the Company nor the Investment Manager are advising any person in relation to any investment or other transaction involving Shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, or any of its affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, 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 Shares.

Overseas investors

This document is not for release, publication or distribution, directly or indirectly, in whole or in part outside the UK.

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan.

Accordingly, the Shares may not (unless an exemption from such act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) 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.

THE COMPANY

Investment policy, strategy and techniques

The Company's annual report sets out the Company's investment policy and the Company's investment objective and policy which includes the strategy and techniques currently applied in managing the Company's Portfolio and any applicable investment restrictions. This is available from the Company's website (<https://citynats.com>).

As a closed-ended investment fund whose Shares are admitted to the Official List under UKLR 11, the Company is required to obtain the prior approval of its Shareholders to any material change to its published investment policy. Accordingly, the Company will not make any material change to its published investment policy without the approval of its Shareholders by ordinary resolution. The Company will announce any such change through a Regulatory Information Service.

Any change in the investment policy which does not amount to a material change to its published investment policy may be made by the Company without Shareholder approval.

Comparative Indices

The Company does not utilise a formal benchmark but rather publishes its net asset value performance alongside two comparative indices: the MSCI World Metals and Mining Index (sterling adjusted) and the MSCI World Energy Index (sterling adjusted) as these best reflect the potential returns.

Derivatives and Underwriting

Whilst the Company does not currently engage in currency and/or interest rate hedging, it may invest through derivatives for efficient portfolio management (such as currency and/or interest swap agreements, futures contracts, options and forward currency and/or interest exchanges and other derivative contracts) where the Investment Manager considers it to be in the interests of the Company. The Company has set a maximum limit for derivatives of 10 per cent of the Company's total assets.

Leverage

The Company may use gearing to increase potential returns to Investors.

The Company may employ gearing up to a maximum of 25 per cent of shareholders' funds (measured at the time of drawdown). Gearing is expected to be used tactically to make investments consistent with the Company's investment objective and policy and for working capital purposes.

The Company has entered into a multicurrency revolving facility agreement dated 11 September 2026 with The Bank of Nova Scotia, London Branch. The committed amount of the facility is £25 million. The Company may request, on up to two occasions, that the commitment be increased in minimum increments of £5 million up to a maximum of £35 million; any such increase is at the Lender's discretion and subject to its internal credit approvals, which have not been sought or given. The facility has no fixed maturity date; the Lender may terminate it on 179 days' notice, which it may serve at any time on or after the date falling 179 days after the date of the agreement. The facility is secured by a floating charge over the Company's assets and by a security deed between the Company, the Depositary, the Custodian and the Lender. If the Company is required to repay borrowings under its bank facility, there is no guarantee that such facility will be refinanced, either on terms that are acceptable to the Company or at all, and the Company may be required to realise investments sooner than expected and this could impair the Investment Manager's ability to generate investment returns for investors.

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 and includes exposures that are not considered to contribute to gearing.

The AIFM has set the following "leverage" limit: 2:1 (on both a "gross" and "commitment" basis).

The AIFM will disclose the following on the Company's website:

- any changes to the maximum level of leverage that the AIFM may employ on behalf of the Company;
- any changes to the right of reuse of collateral or any guarantee granted under the leveraging arrangements; and
- the total amount of leverage employed by the Company.

Leverage Risk in connection with derivatives

The Company may use various derivative instruments, including options, futures, forward contracts and swaps, as part of its investment strategy for purposes of efficient portfolio management. Some of these derivative instruments may be volatile and speculative in nature, and may be subject to wide and sudden fluctuations in market value. Derivatives, especially over-the-counter derivatives in the form of a privately negotiated contract against a principal counterparty, may also be subject to adverse valuations reflecting the counterparty's marks (or valuations), which might not correspond to the valuations of other market or exchange traded instruments.

In addition, derivative instruments also may not be liquid in all circumstances, so that in volatile markets the Company may not be able to exit its position without incurring a loss. Investing in derivative instruments can result in large amounts of gearing, which may magnify the gains and losses experienced by the Company and could cause the Company's NAV to be subject to wider fluctuations than would otherwise be the case.

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The AIFM and Investment Manager

The Company has appointed Tufton Investment Management Ltd (“**Tufton**”) as its Investment Manager and AIFM, under the terms of an investment management agreement dated 11 September 2026, with effect from 14 September 2026.

The AIFM has been authorised by the FCA as an alternative investment fund manager pursuant to the UK AIFMD Laws to perform portfolio management and risk management functions.

Fees

Tufton is entitled to receive a management fee of 0.08333 per cent per month (approximately 1.00 per cent per annum) of the average monthly NAV, being the mean average of the Company's daily net asset values for the calendar month, calculated before deduction of any accrued but unpaid management fee.

The Administrator

With effect from 22 November 2023 the Company has appointed Frostrow Capital LLP to provide administration (including accounting and executing the NAV calculation), compliance monitoring and company secretarial services. The Administration Agreement may be terminated by any party giving to the other or others not less than six months' notice.

Depository

The Company's depository is Apex Depository (UK) Limited, which is responsible for safe-keeping of the Company's financial assets and for monitoring its cash flows.

The principal business activity of the Depository is the provision of depository services. The Depository has been appointed by the Company to act as the Company's depository and shall assume its functions and responsibilities in accordance with the UK AIFMD Laws.

The principal duties of the Depository are as follows:

1. safe-keeping of the assets of the Company that can be held in custody (including book entry securities);
2. record-keeping of assets that cannot be held in custody in which case the Depository must verify their ownership;
3. ensure that the Company's cash flows are properly monitored, and in particular ensure that all payments made by or on behalf of investors upon the issue or buy-back of shares in the Company have been received and that all cash of the Company has been booked in cash accounts that the Depository can monitor and reconcile;
4. ensure that any issue or buy-back of the Company's shares are carried out in accordance with English law and the Articles of Association;
5. ensure that the value of the Shares of the Company is calculated in accordance with English law, the Articles of Association and the valuation procedures;
6. carry out the instructions of the AIFM and the Board of the Company, unless they conflict with English law;
7. ensure that in transactions involving a Company's assets any consideration is remitted to the Company within the usual time limits;

8. and ensure that a Company's income is applied in accordance with English law and the Articles of Association.

In relation to the duties of the Depositary regarding custody as referred to at paragraph (1) above, in respect of financial instruments which can be held in custody, (except to the extent that the Depositary has contractually transferred liability to a delegate in accordance with UK AIFMD Laws) the Depositary is liable to the Company or the Shareholders for any loss of such financial instruments held by the Depositary or any delegate.

In relation to all the other duties of the Depositary as referred to at paragraphs (2) - (8), the Depositary is liable to the Company or the Shareholders for all other losses suffered by it or them as a result of negligent or intentional failure to properly fulfil such obligations. The Depositary may delegate its Safekeeping Function to a custodian who in turn may delegate to sub-custodians. The Depositary currently delegates custody to European Depositary Bank SA, Dublin Branch.

Transfer and re-use of the Company's assets

Under the depositary agreement dated 11 September 2026 between the Company, the AIFM and the Depositary (the "Depositary Agreement"), neither the Depositary nor any duly appointed sub-custodian may re-use any of the Company's assets except with the prior written consent of the Company, or of the AIFM acting on behalf of the Company, and in accordance with applicable law. No such consent has been given and no re-use arrangement is in place at the date of this document.

The Depositary Agreement also permits the AIFM, acting on behalf of the Company, to lend the Company's custody assets or other assets under the terms of a separate written agreement. No such agreement has been entered into. Under the investment management agreement, the AIFM will not lend investments from the Portfolio to third parties unless instructed to do so by the Company, and no stock lending may take place without the express approval of the Board.

The Depositary has a continuing general lien over the Company's property held by it, and a security interest over that property to secure repayment of any advances made to settle transactions or to eliminate negative cash balances. The parties have acknowledged that this security interest constitutes a financial collateral arrangement for the purposes of the Financial Collateral Arrangements (No. 2) Regulations 2003.

Liability of the Depositary

The Depositary's liability is governed by the Depositary Agreement, under which the Depositary's duties commence on 14 September 2026.

The Depositary's liability is not affected by the fact that it has entrusted some or all of the Company's custody assets to a third party, except to the extent that a discharge of liability is expressly permitted by the UK AIFMD Laws and the conditions for that discharge are satisfied.

No arrangements have been made with the Depositary to contractually discharge itself of liability in accordance with Article 21(13) and 21(14) of the AIFM Directive, as implemented in the UK by the UK AIFMD Laws.

The Depositary Agreement permits such a discharge only where the law of a third country requires certain custody assets to be held in custody by a local entity, no local entity satisfies the applicable delegation requirements, Shareholders have been duly informed of the discharge and of the circumstances justifying it prior to their investment, and the required written contracts are in place. No such discharge is in effect at the date of this document. The Company will update this document if that position changes.

Fees

The fees payable to the Administrator and Depositary shall be determined by the Company. The Administration fees for the Company's financial year to 30 June 2025 were £266,000. Depositary fees for the Company's financial year to 30 June 2025 were £91,000.

The Auditor

Identity of the Auditor

The auditors to the Company are BDO LLP of 55 Baker Street, London W1U 7EU, which is a recognised auditor and a member of the Institute of Chartered Accountants in England and Wales.

Description of the duties of the Auditor and investors rights

The Auditor carries out its duties in accordance with applicable laws, rules and regulations, including the audit of the accounting information contained in the annual report of the Company. The Auditors' work has been undertaken so that they might state to the Company's Investors those matters they are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, the Auditors do not accept or assume responsibility to anyone other than the Company and the Company's Investors as a body, for their audit work, for their audit report, or for the opinions they formed.

Fees

The fees payable to the auditors shall be determined by the Company. The auditor's fees for the Company's financial year to 30 June 2025 were £63,000.

The Registrar

The Registrar to the Company is Equiniti Limited, whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

The duties of the Registrar include the maintenance of the register of shareholders, payment of dividends, processing of Investor legal documentation, certifying and registering transfers and general meeting services.

Fees

The fees payable to the Registrar shall be determined by the Company. The Registrars' fees for the Company's financial year to 30 June 2025 were £39,000.

Investors' Rights

The Company is reliant on the performance of third-party service providers, including the AIFM, the Depositary, the Auditor and the Registrar.

Without prejudice to any potential right of action in tort that an Investor may have to bring a claim against a service provider, each Investor's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Investor will have any contractual claim against any service provider with respect to such service provider's default.

In the event that an Investor considers that it may have a claim against a third-party service provider in connection with such Investor's investment in the Company, such Investor should consult its own legal advisers.

The above is without prejudice to any right an Investor 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. Investors 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.

Investors 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 ("**FOS**") (further details of which are available at www.financial-ombudsman.org.uk). Additionally, Investors may be eligible for compensation under the Financial Services Compensation Scheme ("**FSCS**") if they have claims against an FCA authorised service provider (including the AIFM) which is in default. There are limits on the amount of compensation available. Further information about the FSCS is at www.fscs.org.uk. To determine eligibility in relation to either the FOS or the FSCS, Investors should consult the respective websites above and speak to their legal advisers.

Delegation of functions by the AIFM

Notwithstanding the Investment Manager's right to sub-delegate any or all of its duties to an additional investment adviser, the Investment Manager does not currently delegate any of its responsibilities as the Company's AIFM to an additional investment adviser.

Conflicts of Interest

The AIFM, under the rules of conduct applicable to it, must try to avoid conflicts of interest and, when they cannot be avoided, ensure that its clients (including the Company) are fairly treated.

The AIFM and other delegates may from time to time act as manager, authorised corporate director, investment adviser, administrator, registrar, custodian, trustee or sales agent in relation to other funds or other clients. It is therefore possible that any of them may, in the course of their business, have potential conflicts of interest with the Company. In such event, each will at all times have regard to its obligations in relation to the Company. In particular where conflicts of interest may arise, each will endeavour to ensure that clients are fairly treated.

The portfolio management and advisory services provided by the Investment Manager are not exclusive. The Investment Manager is free to and does provide similar portfolio management and/or advisory services to others. This may result in the Company being unable to make a desired investment or having to pay a higher price for such investment.

Furthermore, the Investment Manager may give advice, and take action, with respect to any of its clients or proprietary accounts that may differ from the advice given, or may involve a different timing or nature of action taken, with respect to the Company with the result that the Company receives different returns than other investors may receive on the same investment.

In addition, there are no specific contractual obligations concerning the allocation of investment opportunities to the Company or any restrictions on the nature or timing of investments for the account of the Company.

Employees of Tufton will work for other clients and conflicts of interest may arise in allocating management time, services, or functions among such clients.

Tufton may enter into transactions in which they have, directly or indirectly, an interest which may involve a potential conflict with the Investment Manager's duty to the Company. Tufton shall not be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Manager's fees, unless otherwise stated or agreed, be reduced as a result. The Investment Manager will ensure that such

transactions are affected on terms that are at least as favourable to the Company as if the potential conflict had not existed.

The Investment Manager may come into possession of material, non-public information concerning one or more of the companies in which an investment has been or may be made. The Investment Manager has implemented compliance procedures that seek to ensure that material, non-public information is not used for making investment decisions on the Company's behalf. Under these procedures, if the Investment Manager possesses material, non-public information concerning a company, there may be restrictions on their ability to make, dispose of, increase the amount of, or otherwise take action with respect to, an investment in that company. Such restrictions could limit the Company's ability to make potentially profitable investments or to liquidate an investment when it would be in its best interests to do so. Due to the foregoing, the Company's relationship with the Investment Manager could create a conflict of interest to the extent that the Investment Manager become aware of material, non-public information concerning a company in the course of its other business activities.

There is no prohibition on the Company entering into any transactions with the Investment Manager, the Depositary, the Administrator, where applicable, the sales agents, or with any of their affiliates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. In such case, in addition to the fees the Investment Manager earns for managing the Company, they may also have an arrangement with the issuer, dealer and/or distributor of any products entitling them to a share in the revenue from such products that they purchase on behalf of the Company. In addition, there is no prohibition on the Investment Manager purchasing any products on behalf of the Company where the issuer, dealer and/or distributor of such products are their affiliates provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length and on terms that are at least as favourable to the Company than if the potential conflict had not existed.

The Investment Manager may make substantial investments in the Company for various purposes including, but not limited to, facilitating the growth of a company, for facilitating the portfolio management, or for meeting future remuneration payment obligations to certain employees. As a result potential conflicts of interests may arise and the Investment Manager is under no obligation to make or maintain its investments and may reduce or dispose of any of these in a company at any time.

Employees (including but not limited to portfolio managers) of the Investment Manager may hold Shares in the Company and are bound by the terms of the Tufton policy on personal account dealings, which manage conflicts of interest.

SHAREHOLDER INFORMATION

Reports and accounts

Copies of the Company's latest financial reports and Company fact sheets may be accessed at <https://citynats.com>.

Publication of NAV

The Company also publishes its NAV on a daily basis via a Regulatory Information Service. NAV announcements may be accessed on the Company's website (<https://citynats.com>) and via the London Stock Exchange website under the Company's ticker, CYN.

Valuation Policy

The AIFM is responsible for the valuation of the Company's assets, for the calculation of the NAV and for the publication of that NAV, in accordance with FUND 3.9. The AIFM performs the valuation function itself, and that function is performed independently of, and is functionally and hierarchically separate from, the portfolio management function. No external valuer has been appointed.

The Administrator calculates the NAV and maintains the accounting records. That calculation is an operational function performed under the AIFM's oversight and is not the valuation function.

The Directors remain responsible for the Company's annual report and accounts under the Companies Act 2006 and applicable accounting standards, and determine whether to suspend the calculation of the NAV or to restate a published NAV. The AIFM reports to the Board following each valuation, including on positions valued using unobservable inputs, any overrides applied and any exceptions raised.

Securities (other than options) that are listed on a national securities exchange and that are freely transferable will be valued at their official listed closing bid price on the principal exchange on which such securities are listed. Options that are listed on a national securities exchange will be valued at the closing 'bid' price on the principal exchange on which such options are traded. If, however, the trading of any such securities or options is suspended at the date of determination, then the securities or options shall be initially valued at either the last available price specified on the principal exchange on which such securities are listed prior to suspension or by reference to valuation techniques using inputs that may not be based on observable market data, deemed as fair value. Subsequently, securities or options will be valued using techniques deemed consistent with fair value basis. Such techniques may include recent arm's length market transactions, the current fair value of another instrument that is substantially the same or discounted cash flow analysis or net asset value.

Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique may be used.

Securities traded over the counter that are freely transferable will be valued using an independent reporting system or, if not quoted on such a system, by at least one of the principal market makers in such securities.

Forward, spot and swap contracts and other over-the-counter derivative instruments not referred to above and for which there is no observable market data, will be valued by the AIFM on a consistently applied mark to model basis, respecting fair market value principles. Any model used is validated by a person independent of the person who operates it, and a model output that cannot be reproduced from the recorded inputs is treated as an exception and resolved before the valuation is released.

With respect to securities and instruments other than those specified above, including unquoted investments and investments in which trading is suspended, the AIFM will write the valuation up or down where it determines, in accordance with its valuation policy, that the realisable value of such securities differs from their current valuation. Such procedures include the use of independent pricing sources where available. Where independent pricing sources are not available, the AIFM will estimate the fair value of such securities or assets in accordance with the Company's accounting policies and International Private Equity and Venture Capital Valuation ("IPEV") guidance, referencing a variety of factors, including proprietary or industry-available valuation models, the issuer's financial strength and stability, the issuer's operating performance, the strength of the issuer's management team, the Company's expected exit from the investment and any specific rights or restrictions associated with such investment. Where a valuation requires the exercise of judgement, including the application of fair value methodologies or the use of unobservable inputs, the basis for it is documented together with the supporting rationale and independently reviewed before the valuation is finalised. These valuations are reported to the Directors and are included in the annual report and accounts, which the Directors approve.

The AIFM has not appointed an external valuer. If an external valuer were appointed, the AIFM would remain responsible for the proper valuation of the Company's assets and for the calculation and publication of the NAV, and would notify the FCA before the appointment took effect.

Purchases and sales of Shares by Investors

The Company's Shares are admitted to the Official List of the FCA and to trading on the Main Market of the London Stock Exchange. Accordingly, the Company's Shares may be purchased and sold on the Main Market of the London Stock Exchange.

New Shares may be issued only at a premium to NAV, at the Board's discretion and providing relevant shareholder issuance authorities are in place. Investors do not have the right to redeem their Shares. While the Company will typically have Shareholder authority to buy back Shares, Investors do not have the right to have their Shares purchased by the Company.

Fair treatment of investors

The legal and regulatory regime to which the Company and the Directors are subject ensures the fair treatment of investors. The UKLR require that the Company treats all Shareholders of the same class of Shares equally.

In particular the Directors have certain statutory duties under the Companies Act 2006 with which they must comply. These include a duty upon each Director to act in the way she or he considers, in good faith, 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.

The Company's ordinary shares rank *pari passu* with each other.

Securities Financing Transactions Regulation ('SFTR') Disclosures (Unaudited)

The Company does not use securities financing transactions or total return swaps, and is not currently authorised to do so. Securities financing transactions are defined in Article 3(11) of Regulation (EU) 2015/2365 as it forms part of UK law ("UK SFTR") and include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions, and margin lending transactions.

The Depositary Agreement permits the AIFM, acting on behalf of the Company, to lend the Company's assets only under the terms of a separate written agreement, and no such agreement has been entered into. Re-use of the Company's assets by the Depositary or any sub-custodian requires the prior written consent of the Company or the AIFM, and no such consent has been given. Under the investment management agreement, no stock lending may take place without the express approval of the Board.

Accordingly, no disclosure is required under Article 14 of, and Section B of the Annex to, UK SFTR, and the periodic disclosures required by Article 13 of UK SFTR are not applicable. If the Company begins to use securities financing transactions or total return swaps, this document will be updated and the disclosures required by Articles 13 and 14 of UK SFTR will be made.

RISK MANAGEMENT

Key risks

The key risks facing the Company are set out in the Company's Annual Report which is available on the Company's website (<https://citynats.com>).

Risks in connection with leverage

The Company may employ leverage, that is to seek to enhance returns to Investors by borrowing funds for investment and/or entering into derivative transactions (see below). Where the Company is levered, its net asset value and price performance would be expected to represent an amplification of any upward or downward movement in the value of the Portfolio as a result of price changes of the investments contained therein. Investors should be aware that, whilst the use of leverage may enhance the returns to Shareholders where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling.

The Company's obligations under its bank facility are secured by a floating charge over its assets and by a security deed to which the Depositary and the Custodian are parties. If the Lender enforced that security, the Company could be required to realise investments at a time and on terms not of its choosing. The facility also requires the Company to maintain a specified level of asset coverage and a minimum net asset value, and borrowings must be repaid immediately to the extent necessary to restore the required asset coverage.

Risk management systems

The AIFM employs a risk management process in accordance with FUND 3.7.5R and the UK AIFMD framework. This process enables the AIFM to identify, measure, manage and monitor the relevant risks of the positions to which the Company is or may be exposed and their contribution to the overall risk profile of the Company, including through the use of appropriate stress testing procedures.

The Company will periodically disclose to Investors the risk management systems which it employs to manage the risks which are most relevant to it. The Company will make this disclosure in its annual report and accounts available to investors.

The AIFM has adopted the investment restrictions as set out by the Company in its published Annual Report.

Counterparty Risk

The AIFM will seek to control the counterparty credit risks of the Company in such a way as to achieve an appropriate diversification of credit risk across a range of individual counterparties. Each arrangement will have satisfied an appropriate credit assessment and will be subject to a legal framework that has been assessed as appropriate to the nature of the business being conducted.

Liquidity Risk

The AIFM will seek to manage the liquidity risk of the Company in such a way as to maintain sufficient accessible liquidity to meet the ongoing liquidity needs of the Company with particular regard to the impact of potential adverse mark to market on the Company's portfolio, a range of market liquidity states and the impact of potential changes in margin and collateral requirements of trading counterparties and financing providers.

The liquidity management policy is reviewed and updated, as required, on at least an annual basis.

Investors will be notified, by way of a disclosure on its website, in the event of any material changes being made to the liquidity management systems and procedures or where any new arrangements for managing the Company's liquidity are introduced.

Operational Risk

The AIFM manages the operational risks of the Company through documented systems and controls. These include segregation of duties and dual authorisation of payments, written service agreements with and ongoing monitoring of outsourced service providers, systems with geographic redundancy and tested disaster recovery, information security controls, and a business continuity plan reviewed and tested at least annually. Operational risk events, including trading errors, are logged, escalated to the AIFM's Compliance Officer and, where material, reported to the Board.

Professional negligence liability risks

The AIFM covers its potential liability risks arising from professional liability by holding the appropriate additional 'own funds' within the meaning of the AIFMD.

Amendment of this document

When there is a material change to the information contained in this document, it shall be updated.