

## AIFM Directive Disclosure Document for Baker Steel Resources Trust Limited

Baker Steel Resources Trust Limited (the **Company**) is categorised as an externally managed non-EEA AIF for the purposes of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the **AIFM Directive**). The Company has appointed Baker Steel Capital Managers LLP as its AIFM (the AIFM being categorised as an EU AIFM for the purposes of the AIFM Directive). The Company intends to comply with the conditions specified in Article 36(1)(a) of the AIFM Directive in order that the New Ordinary Shares may be marketed to professional investors in the United Kingdom, subject to compliance with the other conditions specified in Article 36(1) of the AIFM Directive and the relevant provisions of the national laws of such EEA States.

The conditions specified in Article 36(1)(a) of the AIFM Directive include, *inter alia*, a requirement that the Company make available certain specified information to prospective investors prior to their investment in the Company, in accordance with Article 23 of the AIFM Directive.

This document contains either the information required by Article 23(1) of the AIFM Directive to be made available to investors in the Company before they invest in the Company or cross-refers to the relevant document available to investors that contains such information.

This document refers to, and should be read in conjunction with the following documents:

- the announcement released by the Company on 10 November 2014 containing details of the proposed open offer and placing of new ordinary shares in the Company (the **New Ordinary Shares** and the **2015 Open Offer and Placing** respectively) (the **Announcement**);
- the Annual Report and Audited Financial Statements of the Company for the year ended 31 December 2013 and which are available on the Company's website under "Reports" and under the link "2013 December Annual Report" (the **2013 Accounts**);
- the Prospectus issued on 31 March 2010 in connection with the initial public offering of the Company and which is available on the Company's website under "Overview" and under the link "Download Prospectus" (the **IPO Prospectus**); and
- the Prospectus issued on 26 January 2015 in connection with the 2015 Open Offer and Placing and which is available on the home page of the Company's website (the **2015 Prospectus**).

Except as set out in this document, capitalised terms used in this document have the same meaning as in the 2015 Prospectus. This document does not update or amend any part of the IPO Prospectus, 2015 Prospectus and/or the 2013 Accounts.

AIFMD Article 23(1)	Information or Document and Reference
(a)	<p>The 2013 Accounts (page 2 and under the heading "Investment Objectives and Policies") contain a description of the investment strategy and objectives of the Company and the types of asset in which the Company may invest.</p> <p>The 2013 Accounts (page 2 and under the heading "Investment Policy") contain a description of the techniques the Company may employ.</p> <p>The 2013 Accounts (pages 2 and 3) contain a description of the investment restrictions which apply to the Company.</p> <p>The 2013 Accounts (page 3) contain a description of the circumstances in which the Company may use leverage, restrictions on the use of leverage and the maximum</p>

	<p>level of leverage which the Company is entitled to employ.</p> <p>The section of the 2015 Prospectus headed “Risk Factors” (pages 19-32) sets out the key risks associated with the investment strategy, objectives and techniques of the Company and with the use of leverage.</p> <p>There are no arrangements for collateral or asset reuse.</p>
(b)	<p>Part II of the 2015 Prospectus (page 53) contains a description of the procedure by which the Company may change its investment objective, investment policy or borrowing policy.</p>
(c)	<p>Appendices 1 and 2 of the 2015 Prospectus contains details of and the terms and conditions relating to the 2015 Open Offer and Placing and contain a description of the main legal implications of the contractual relationship to be entered into for the purpose of investment in the Company under the 2015 Open Offer and Placing (the <b>Terms and Conditions</b>).</p> <p>The Company was incorporated under the laws of Guernsey and accordingly (except as detailed below), any disputes between an investor and the Company will be resolved by the Royal Courts of Guernsey in accordance with Guernsey law.</p> <p>Notwithstanding the foregoing, any disputes between an investor and the Company relating to the contract to subscribe for New Ordinary Shares under the 2015 Open Offer and Placing will be governed by, and construed in accordance with, the laws of England and Wales.</p> <p>A final and conclusive judgment, capable of execution, obtained in the Supreme Court and the Senior Courts of England and Wales (excluding the Crown Court) would be recognised and enforced by the Royal Courts of Guernsey without re-examination of the merits of that case, but would be subject to compliance with procedural and other requirements of the Judgments (Reciprocal Enforcement) (Guernsey) Law, 1957.</p>
(d)	<p>The Company is categorised as an externally managed non-EEA AIF and the Investment Manager is categorised as an EEA AIFM and is therefore subject to the requirements of Article 21(7), (8) and (9) which require it to appoint a depositary. The Company has appointed HSBC Institutional Trust Services Ireland (Limited) as the safekeeping and monitoring agent of the Company, details of which are set out in Part V of the 2015 Prospectus (page 78).</p> <p>The Manager, the Investment Manager, the Investment Advisers, the auditor and the other service providers are detailed in the 2013 Accounts under the section headed “Management and Administration” (pages 50 and 51) and in Part V of the 2015 Prospectus (pages 73-82).</p> <p>Descriptions of the duties of the Manager, the Investment Manager, the Investment Advisers and service providers to the Company are set out in Part V of the 2015 Prospectus (pages 73-82).</p> <p>All key service providers, with the exception of the Investment Manager and Investment Advisers, are appointed directly by the Company. The Manager was authorised under the Management Agreement to appoint the Investment Manager to manage and invest the assets of the Company. The Investment Advisers are appointed by the Investment Manager to provide it with investment advice in relation to the Company. Service providers are appointed following appropriate evaluation and the Directors have ensured that the contractual arrangements with key service providers are appropriate. Investors will enter into a contractual relationship with the Company when subscribing for New Ordinary Shares; they do not have any direct</p>

	contractual relationship with, or rights of recourse to, the service providers in respect of any of such service provider's default pursuant to the terms of the agreement it has entered into with the Company.
(e)	The Company is required to comply with Article 9(7) of the AIFM Directive relating to professional liability risk and therefore maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.
(f)	<p>The Board is responsible for the determination of the Company's investment objective and policy and has overall responsibility for its activities including the review of investment activity and performance and the control and supervision of the AIFM. The Company has, however, entered into the Management Agreement with the Manager under which the Manager acts as manager of the Company, subject to the overall control and supervision of the Directors and was authorised to appoint the Investment Manager to manage and invest the assets of the Company. The Investment Manager has been appointed to act as the Company's alternative investment fund manager. The Investment Manager is responsible for the portfolio management and risk management of the Company.</p> <p>The Investment Manager has entered into the Investment Advisory Agreements with the Investment Advisers under which the Investment Advisers have been appointed to source and analyse potential investment opportunities for the Manager and, pursuant to a power of delegation from the Manager, to provide general investment advice and related services in respect of the investments.</p> <p>Part V of the 2015 Prospectus (page 81) contains a description of the conflicts of interest which may arise between the Company and the Advisers and how these are managed.</p> <p>As described above, the Company is subject to certain requirements of the AIFM Directive requirements relating to the appointment of depositaries (Article (21(7), (8) and (9) only) and therefore no arrangements have been made for a depositary to contractually discharge itself of liability in accordance with Article 21(13) of the AIFM Directive.</p>
(g)	The Company is subject to the provisions concerning valuation procedures in Article 19 of the AIFM Directive. In that context, Part II of the 2015 Prospectus (pages 54-55) contains a description of the Company's valuation procedure and of the pricing methodology for valuing assets.
(h)	<p>The Company is registered as a closed-ended investment company pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Schemes Rules 2008, and redemptions at the option of Shareholders are not permitted; however, the Ordinary Shares are admitted to trading on the Official List and on the Main Market of the London Stock Exchange and are freely transferable. In addition, although the Company has an unlimited life, the Directors (pursuant to the Articles) are required to propose a special resolution at the Company's annual general meeting to be held in 2015 and then at every third annual general meeting thereafter to the effect that the Company is wound up.</p> <p>The Company is subject to the provisions concerning liquidity management in Article 16 of the AIFM Directive. In that context, as regards liquidity risk management, a description of the discount management mechanism to be introduced by the Company with effect from July 2015 is contained in the 2015 Prospectus on page 54 (Part II). However, the exercise by the Board of the Company's powers to repurchase Ordinary Shares pursuant to the general repurchase authority is entirely discretionary (and investors should place no expectation or reliance on the Board exercising such discretion on any one or more occasions). The Board shall ensure that the Company maintains a level of liquidity in its assets having regard to its obligations and shall</p>

	monitor liquidity accordingly.
(i)	<p>Part V of the 2015 Prospectus (page 78-81) contains descriptions of all fees, charges and expenses and, where applicable, the maximum amounts thereof, which are borne by the Company (and thus indirectly by investors). There is, however, no maximum cap on the total amount of fees, charges and expenses which may be indirectly borne by investors.</p> <p>There are no expenses charged directly to investors by the Company.</p>
(j)	The Manager treats all Shareholders equally and no Shareholder currently obtains preferential treatment or has the right to obtain preferential treatment.
(k)	The Company's latest annual report is available at <a href="http://www.bakersteelresourcestrust.com">www.bakersteelresourcestrust.com</a>
(l)	The procedure and conditions for the issue and sale of New Ordinary Shares under the 2015 Open Offer and Placing are set out in the Terms and Conditions.
(m)	The Company's latest Net Asset Value per Ordinary Share is available on the Company's website at <a href="http://www.bakersteelresourcestrust.com">www.bakersteelresourcestrust.com</a> and the latest market price of the Ordinary Shares is available from <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a> .
(n)	The Company's website at <a href="http://www.bakersteelresourcestrust.com">www.bakersteelresourcestrust.com</a> includes a link to each of the published reports and audited accounts of the Company for the period from 9 March 2010 to 30 June 2014. The Company's website also contains the historical net asset values of the Company.
(o)	The Company has not appointed a prime broker.
(p)	<p>The Investment Manager is required to disclose periodically to investors:</p> <ul style="list-style-type: none"> <li>• the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature;</li> <li>• any new arrangements for managing the liquidity of the Company; and</li> <li>• the current risk profile of the Company and the risk management systems employed by the Investment Manager to manage those risks.</li> </ul> <p>This information is disclosed to investors in the Company's annual report, which is available on the Company's website <a href="http://www.bakersteelresourcestrust.com">www.bakersteelresourcestrust.com</a>.</p> <p>The Company shall also disclose:</p> <ul style="list-style-type: none"> <li>• any changes to: <ul style="list-style-type: none"> <li>○ the maximum level of leverage that may be employed by the Company; and</li> <li>○ any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and</li> </ul> </li> <li>• the total amount of leverage employed by the Company.</li> </ul> <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, and at least at the same time as the annual report is made available to investors.</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 the publication of the relevant information on the Company's website <a href="http://www.bakersteelresourcestrust.com">www.bakersteelresourcestrust.com</a>.</li></ul>
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