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This document comprises a supplementary prospectus (the "**Supplementary Prospectus**") relating to Smithson Investment Trust plc (the "**Company**") in connection with the issue of Ordinary Shares, prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made pursuant to section 73A of FSMA. This Supplementary Prospectus has been approved by the Financial Conduct Authority and has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

The Company and each of the Directors, whose names appear on page 36 of the Prospectus, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Smithson Investment Trust plc

(Incorporated and registered in England and Wales with company number 115176636 and registered as an investment company under section 833 of the Companies Act 2006)

SUPPLEMENTARY PROSPECTUS

Increasing the number of Ordinary Shares to be issued pursuant to the Initial Placing, Intermediaries Offer and Offer for Subscription up to 60 million¹

and

Increasing the total number of Ordinary Shares to be issued under the Placing Programme (inclusive of any Ordinary Shares issued pursuant to the Initial Placing, Intermediaries Offer and Offer for Subscription) up to 105 million

and

Admission to the premium segment of the Official List and trading to the London Stock Exchange's Main Market for listed securities

Sponsor and broker

Investec Bank plc

This document is supplementary to, and should be read in conjunction with, the prospectus (the "Prospectus") published by the Company on 17 September 2018 in connection with an Initial Placing, Intermediaries Offer and Offer for Subscription of up to 35 million Ordinary Shares at an issue price of £10 per Ordinary Share and a Placing Programme of up to 45 million Ordinary Shares (inclusive of any Ordinary Shares issued pursuant to the Initial Placing, Intermediaries Offer and Offer for Subscription). The definitions adopted in the Prospectus apply in this Supplementary Prospectus save where the terms are defined in Part II of this Supplementary Prospectus or the context requires otherwise.

Investec Bank plc ("**Investec**"), which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for the Company and for no one else in relation to the Initial Admission, the Initial Issue, the Placing Programme and/or any Programme Admission and the other arrangements referred to in the Supplementary Prospectus. Investec will not regard any other person (whether or not a recipient of this Supplementary Prospectus) as its client in relation to the arrangements referred to in this Supplementary Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the contents of this Supplementary Prospectus or any transaction or arrangement referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the FSMA or the regulatory regime established thereunder, Investec does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of the Supplementary Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the Initial Admission, the Initial Issue, the Placing Programme and/or any Programme Admission. Investec (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, contract or otherwise which it might have in respect of the contents of the Supplementary Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the Initial Admission, the Initial Issue, the Placing Programme and/or any Programme Admission.

This Supplementary Prospectus does not constitute an offer to sell or an invitation to subscribe for, or a solicitation of any offer to subscribe for or buy, any Securities in the Company to any person in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company, the Investment Manager or Investec. This Supplementary Prospectus should not be distributed, published, reproduced or otherwise made available in whole or in part or disclosed by recipients to any other person and, in particular, should not be distributed to persons with addresses in any member state of the EEA (other than the United Kingdom or prior to 29 March 2018, the Republic of Ireland), Canada, Australia, Japan, South Africa or in any other country outside the United Kingdom where such distribution may lead to a breach of any law or regulatory requirements. No securities commission or similar authority in any member state

of the EEA (other than the United Kingdom), Canada, Australia, Japan, South Africa, or in any other country outside the United Kingdom has in any way passed on the merits of the securities offered hereunder and any representation to the contrary is an offence.

The Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States. The Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended. Accordingly, the Ordinary Shares may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). The Ordinary Shares are being offered and sold solely outside the United States to non-US Persons (as defined in Regulation S) in "offshore transactions" as defined in and pursuant to Regulation S. There will be no public offer of securities in the United States.

The Ordinary Shares have not been, and will not be, registered under the securities laws or with any securities regulatory authority of any province or territory of any member state of the EEA (other than the United Kingdom and the Republic of Ireland (and may not be registered in the Republic of Ireland on or after 29 March 2019)), Canada, Australia, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from any member state of the EEA (other than the United Kingdom and (prior to 29 March 2019, unless otherwise extended by the Company) the Republic of Ireland), Canada, Australia, the Republic of South Africa or Japan or to or for the account or benefit of any national, resident or citizen or any person resident in any member state of the EEA (other than the United Kingdom and (prior to 29 March 2019, unless otherwise extended by the Company) the Republic of Ireland), Australia, Canada, the Republic of South Africa or Japan. This Supplementary Prospectus does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The distribution of this Supplementary Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Supplementary Prospectus comes should inform themselves of and observe any restrictions.

This Supplementary Prospectus is dated 9 October 2018.

- (1) The Directors also reserve the right, in consultation with Investec, to increase the size of the Initial Placing, Intermediaries Offer and Offer for Subscription to up to 90 million Ordinary Shares if overall demand exceeds 60 million Ordinary Shares. Any such increase will be announced through an RIS announcement.

Introduction

The publication of this Supplementary Prospectus is a regulatory requirement under the Prospectus Rules and section 87G of FSMA following the decision by the Company to increase the maximum number of Ordinary Shares to be made available pursuant to the Initial Issue and the Placing Programme.

The Directors believe that each of the following factors constitutes a significant new factor relating to the information contained in the Prospectus. This Supplementary Prospectus therefore, contains further details of the following significant new factors and is supplemental to, and should be read in conjunction with, the Prospectus.

The Company has received a positive response from potential investors with indications of interest and orders already in excess of the Company's expectations. The Board has assessed this strong demand for Ordinary Shares and determined that it is in investors' best interests to increase the number of Ordinary Shares available to be issued pursuant to the Initial Issue and Placing Programme. In making this assessment the Board has considered the additional liquidity a larger shareholder base may provide as well as the economies of scale afforded to a larger listed investment company. The Investment Manager has confirmed that the increased offer size is consistent with implementing the investment strategy on the terms set out in the Prospectus, however, it expects that if the increased target Issue Proceeds are raised, the expected time for deployment will also be increased. Accordingly, the Board has therefore approved an increase in the targeted Initial Issue size to 60 million Ordinary Shares (with the authority to increase the size of the Initial Issue to 90 million Ordinary Shares). As a result, the maximum number of Ordinary Shares that may be issued in aggregate pursuant to the Initial Issue and Placing Programme will increase from 45 million Ordinary Shares to 105 million Ordinary Shares.

Supplements to the Summary

In accordance with Prospectus Rule 3.4.2, the following paragraphs contained in the Summary are supplemented and updated as follows:

Summary Reference	Summary reference title	Updated Information
C.1.	Type and class of securities being offered	<p>The total number of Ordinary Shares issued under the Initial Issue will be determined by the Company, Investec and the Investment Manager after taking into account demand for the Ordinary Shares, subject to a maximum of 90 million Ordinary Shares being issued under the Initial Issue in aggregate.</p> <p>The Company is also proposing to issue up to 105 million Ordinary Shares under the Placing Programme (in aggregate inclusive of those Ordinary Shares issued pursuant to the Initial Issue).</p>
E.1.	Net proceeds and costs of the Initial Issue	<p>Since all costs and expenses of the Initial Issue will be borne by the Investment Manager, both the gross and net Issue Proceeds will be £600 million (assuming 60 million Ordinary Shares are issued pursuant to the Initial Issue).</p>

E.2a	Reason for offer and use of proceeds	The Directors expect that the annual running costs of the Company will initially be approximately £6.1 million per annum assuming Issue Proceeds of £600 million.
E.3	Terms and conditions of the offer	Under the Placing Programme, the Company is proposing to issue Ordinary Shares provided that the Company shall not issue more than 105 million Ordinary Shares pursuant to the Initial Issue and the Placing Programme in aggregate.
E.7	Expenses charged to the investor	The expenses of the Placing Programme are estimated to be 0.58 per cent. of the gross proceeds of the Placing Programme. By way of illustration, if a further 150 million Ordinary Shares were issued pursuant to the Placing Programme at a Placing Programme Price of £10 per Ordinary Share, the expenses of the Placing Programme would be approximately £868,900.

Supplements to the Prospectus

Risk Factors

Delays in deployment of the proceeds of the Initial Issue may have an impact on the Company's results of operations and cash flows

As at the date of this Supplementary Prospectus, the Company has no investments, and pending deployment of the Issue Proceeds intends to invest cash held in cash deposits and money market funds. Interim cash management is likely to yield lower returns than the expected returns from investments. Although the Investment Manager expects to be able to deploy 92 per cent. of the Issue Proceeds within 7 business days (with the balance being fully invested within 22 days of Initial Admission), there can be no assurance as to how long it will take for the Company to invest all of the Issue Proceeds of the Initial Issue, and the longer the period the greater the likelihood that the Company's results of operations will be materially adversely affected. To the extent that there is a delay in investing the Issue Proceeds, the Company's aggregate return on investments will be reduced.

PART 1 – THE COMPANY

Further issues

In addition to the Board's authority to allot up to 105 million Ordinary Shares pursuant to the Placing Programme (inclusive of those Ordinary Shares issued pursuant to the Initial Issue), the Board will have authority to allot further Ordinary Shares following Initial Admission, representing up to 20 per cent. of the Company's issued share capital immediately following Initial Admission, such authority lasting until the first annual general meeting of the Company.

PART 4 – THE INITIAL ISSUE

The Initial Issue

The Company is targeting raising £600 million through the Initial Issue. The total number of Ordinary Shares issued under the Initial Issue will be determined by the Company, Investec and the Investment Manager after taking into account demand for the Ordinary Shares, subject to a maximum of 90 million Ordinary Shares being issued under the Initial Issue in aggregate.

Scaling back and allocation

The Directors are authorised to issue up to 90 million Ordinary Shares pursuant to the Initial Issue. To the extent that applications under the Offer for Subscription and Intermediaries Offer and commitments under the Initial Placing exceed 90 million Ordinary Shares, the Company reserves the right, at its sole discretion, but following agreement with Investec, to scale back applications in such amounts as it considers appropriate.

General

Since all costs and expenses of the Initial Issue will be borne by the Investment Manager, both the gross and net Issue Proceeds will be £600 million (assuming 60 million Ordinary Shares are issued pursuant to the Initial Issue).

Use of Proceeds

The Directors intend to use the Issue Proceeds to fund investments in companies in accordance with the Company's investment policy as well as to fund the Company's operational expenses. Such expenses include (i) acquisition costs and expenses (such as due diligence costs, legal, tax advice and taxes); (ii) the Management Fee; (iii) Directors' fees; and (iv) other operational costs and expenses. Suitable acquisition opportunities may not, however, be immediately available. It is possible, therefore, that for a period following Initial Admission and at certain other times, the Company may hold cash awaiting investment, however, following Initial Admission, the Investment Manager expects to deploy 92 per cent. of the Issue Proceeds within 7 business days (with the balance being fully invested within 22 days of Initial Admission). The Directors expect that the annual running costs of the Company will initially be approximately £6.1 million per annum assuming Issue Proceeds of £600 million. The Company will use the Issue Proceeds to initially meet its running costs as necessary prior to making any investments.

PART 5 – THE PLACING PROGRAMME

The Placing Programme

The Directors have been authorised to issue and allot up to 105 million Ordinary Shares through the Placing Programme (inclusive of any Ordinary Shares issued pursuant to the Initial Issue), without having to offer those Ordinary Shares to existing Shareholders first (to the extent that Ordinary Shares are issued at a Placing Programme Price equal to or greater than the applicable Net Asset Value per Ordinary Share and determined as further described below). The total number of Ordinary Shares issued under the Placing Programme will be determined by the Company and the Investment Manager after taking into account demand for the Ordinary Shares.

PART 7 – ADDITIONAL INFORMATION

Share and loan capital of the Company

As a consequence of increasing the maximum number of Ordinary Shares to be issued pursuant to the Issue, and to the exclusion of the authority granted to the Directors pursuant to the resolutions passed on 14 September 2018 as described in paragraph 2 of Part 7 of the Prospectus, the following resolutions were passed on 8 October 2018:

- (i) to authorise the Directors generally and unconditionally to exercise all the powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Companies Act up to a maximum nominal amount of £1,050,000 such authority to expire, unless sooner revoked or varied by the Company in general meeting, on 16 September 2019, but so as to enable the Company before the expiry of such authority to make offers or agreements which would or might require shares or rights to be allotted or granted after such expiry and to enable the Directors to allot shares or grant such rights in pursuance of such offers or agreements as if the authority conferred thereby had not expired, such authority to be in substitution for all existing authorities granted to the Directors in respect of the allotment of shares or rights;
- (ii) on the expiry of the authority described in paragraph (i) above, to authorise the Directors generally and unconditionally to exercise all the powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Companies Act 2006, up to an aggregate nominal amount of £180,000, or if less, 20 per cent. of the aggregate nominal value immediately following Initial Admission, to such persons and at such times and on such terms as they think proper, such authority to expire, unless sooner revoked or varied by the Company in general meeting, at the conclusion of the next annual general meeting of the Company, but so as to enable the Company before such date to make offers or agreements which would or might require shares or rights to be allotted or granted after such date and to enable the Directors to allot shares or grant such rights in pursuance of such offers or agreements as if the authority conferred thereby had not expired, such authority to be in substitution (with effect from Initial Admission) for all existing authorities granted to the directors in respect of the allotment of shares or rights, without prejudice to any allotments made pursuant to the terms of such authorities;
- (iii) to empower the Directors until the next annual general meeting to allot equity securities and sell treasury shares (as defined in section 560 of the Companies Act) for cash pursuant to the authorities referred to in paragraphs (i) and (ii) above as if section 561(1) of the Companies Act did not apply to any such allotment, such power being limited to:
 - (A) the allotment of Ordinary Shares of up to an aggregate nominal amount equal to £1,050,000 in connection with the Initial Issue and Placing Programme; and
 - (B) the allotment (other than pursuant to the power referred to in paragraph (iii)(A) above) of equity securities up to up to an aggregate nominal amount of £180,000, or such other amount which represents 20 per cent. of the allotted and fully paid up share capital immediately following Initial Admission,

save that the Company may, before expiry of that authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offers or agreements as if such authority had not expired.

Directors' and others' interests

Lord St. John of Bletso, a Director of the Company is, proposing to increase the number of Ordinary Shares he is subscribing for pursuant to the Offer from 5,000 Ordinary Shares to 10,000 Ordinary Shares for a total issue price of £100,000. Immediately following Initial Admission, his interests (all of which are or will be beneficial unless otherwise stated) (together with those of his connected persons) in the ordinary share capital of the Company, assuming he subscribes for the Ordinary Shares for which he has indicated an intention to subscribe and that 60 million Ordinary Shares are issued pursuant to the Initial Placing, Intermediaries Offer and Offer for Subscription, will amount to approximately 0.02 per cent. of the issued share capital of the Company.

Additional Information

Right to withdraw application for the Offer for Subscription and Intermediaries Offer

The Offer and Intermediaries Offer are being made on the terms and subject to the conditions of the Prospectus. The publication of this Supplementary Prospectus triggers the right for investors to withdraw their applications made in respect of the Offer and Intermediaries Offer under section 87Q of the Financial Services and Markets Act 2000 (unless Ordinary Shares have already been allotted). The Company will accept withdrawals of applications by email to withdraw@linkgroup.co.uk or by post to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU to be received by no later than 1.00 p.m. on 12 October 2018 and must include the following details:

- Name of investor (i.e., your full name as it appeared on your application).
- Date the application was submitted (if you subscribed online).
- Date the application was posted to the Receiving Agent (if you subscribed using a paper application form).
- Application reference (only if you applied online).
- Amount for which you subscribed.
- The payment method used (i.e., UK Debit Card, CHAPS or Cheque).
- Worldpay reference (only if you paid online by a UK debit card).

Any withdrawal requests received after 1.00 p.m. on 12 October 2018 will not be accepted. Investors should seek their own legal advice in regard to such withdrawal rights.

Availability of this Supplementary Prospectus and Prospectus

Copies of this Supplementary Prospectus will be made available free of charge from the National Storage Mechanism (www.morningstar.co.uk/uk/NSM) and, until 16 September 2019, at the registered office of the Company, Mermaid House, 2 Puddle Dock, London, EC4V 3DB. The Supplementary Prospectus will also be added to the Company's website, which is located at www.smithson.co.uk.

General

To the extent that there is any inconsistency between any statement in or incorporated by reference in this Supplementary Prospectus and any other statement in or incorporated by reference in the

Prospectus, the statements in or incorporated by reference in this Supplementary Prospectus will prevail.

Significant changes

Save as disclosed in this Supplementary Prospectus, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus has arisen or been noted since the publication of the Prospectus.