



THE LONDON TUNNELS INC CONVERTIBLE BOND

INVESTMENT INFORMATION DOCUMENT

TERMS OF THE CONVERTIBLE BOND



The Convertible Bonds will have a **5-year term** and pay a **6% interest payment annually**. Please note that this interest will only be payable if the conversion has not been actioned after 1 year.



The London Tunnels will be offering **\$10,000,000** of Convertible Bonds at **\$500** price per individual Convertible Bond.



The Convertible Bonds will convert at **110%** of the original investment to the IPO price of the company's common stock upon its proposed listing on the NASDAQ. e.g. If the IPO price is **\$10 per share, \$10,000 in bonds** would convert into **1,100 shares**. This will effectively give the investor a **10% discount on investment**.

WHAT IS A CONVERTIBLE BOND?

A convertible bond is a fixed-income corporate debt security that yields interest payments, but can be converted into a predetermined number of common stock or equity shares. The conversion from the bond to stock can be done at certain times during the bond's life.

A convertible bond pays fixed-income interest payments, payable either in cash or in kind, but can be converted into a predetermined number of common stock shares.

A convertible bond offers investors a type of hybrid security that has features of a bond, such as interest payments, while also having the option to own the underlying stock.

WAYS TO INVEST

>> Option A // Investment via The Private Equity (II) Fund Inc.

The Private Equity (II) Fund Inc. will be opening 3 share classes (A/AA/AAA) to allow investors to invest in The London Tunnels Convertible Bond.

The Private Equity (II) Fund Inc. is available via these platforms:



capital-iom.com



international-assurance.com

QUICK FACTS

Asset Class	Convertible Bonds
Structure	Private Fund
Regulation	Cayman Islands Monetary Authority
Domicile	Cayman
Sub Fund Base Currency	USD
Share Class Currencies	USD/GBP/EUR
Dealing frequency	Closed Ended
Legal advisor	BGA Law (Cayman) Limited
Investment Advisor	Castlestone Management LLC
Administrator	Bolder Fund Services (Netherlands) B.V.
Auditor	Baker Tilly (Cayman) Ltd
Bank	Northern Trust
Leverage	No
Minimum Investment	USD 10,000/EUR 10,000/GBP 10,000
ISIN'S	KYG7S50J1059/KYG7S50J1133/KYG7S50J1216

>> Option B // Investment directly with The London Tunnels

An investment can be made directly with The London Tunnels by completing a subscription agreement form. This can be provided for you by your representative from Castlestone Management or The London Tunnels.

The Process

1. The investor will complete and return the subscription agreement provided by their representative from Castlestone Management or The London Tunnels.
2. The investor will transfer the investment amount to The London Tunnels using the wire instructions provided on the subscription document.
3. On the Conversion Date, the Directors shall convert the Principal Amount of the Bonds together with interest (if any) into such number of new fully paid Ordinary Shares at the Conversion Ratio. Shares arising on conversion of the Bonds shall be issued and allotted by the Company on the Conversion Date and the certificates for such Ordinary Shares shall be despatched to the persons entitled to them at their own risk.

RISKS

Investment in the Fund carries substantial risk. There can be no assurance that the Fund's investment objective will be achieved, and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment programme for any investor.

Prospective investors should carefully consider whether an investment in the shares is suitable for them in light of their circumstances and financial resources (see further under "Risk Factors" in the Offering Memorandum). There is a possibility that prospective investors could lose all their investment. If you are in any doubt about the contents of the Offering Memorandum you should consult your professional financial advisor. There can be no assurance that the Fund will achieve its investment objective.



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