

Hargreave Hale
AIM VCT

Tax Years:
2024/2025
2025/2026



Unfolding potential

**Prospectus relating to an Offer for Subscription of Ordinary Shares
in Hargreave Hale AIM VCT plc to raise up to £20 million**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document comprises a prospectus relating to Hargreave Hale AIM VCT plc (the "**Company**"). This document has been approved by the Financial Conduct Authority (the "**FCA**"), as competent authority under the UK version of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is, nor the quality of the Shares that are, the subject of this document. This document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the Offer Shares. This document will be made available to the public in accordance with the Prospectus Regulation Rules by being made available at www.hargreaveaimvcts.co.uk.

The Directors of the Company, whose names appear on page 25 of this document, and the Company each accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

HARGREAVE HALE AIM VCT PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 05206425)

Offer for Subscription of Ordinary Shares in Hargreave Hale AIM VCT plc to raise up to £20 million

Sponsored by

Howard Kennedy Corporate Services LLP

The existing Ordinary Shares issued by the Company are listed on the Official List and traded on the London Stock Exchange's main market for listed securities. Application will also be made to the FCA and the London Stock Exchange for the Offer Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that such admission will become effective and that dealings will commence within 5 Business Days of each allotment in respect of the Offer Shares. The Offer will open on 9 October 2024 and may be closed at any time thereafter but, in any event, not later than 5.00 p.m. on 21 March 2025 for the 2024/25 tax year and 12.00 p.m. on 12 August 2025 for the 2025/26 tax year, unless closed prior to that date. All subscription monies will be payable in full in cash on application.

The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. Accordingly, no person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to them to subscribe for or purchase Offer Shares unless, in such territory, such offer or invitation could lawfully be made.

The offer and sale of the Offer Shares is not being made, directly or indirectly, in or into, or by the use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, email, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction. Accordingly, copies of this document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from, or to any resident of, the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction and persons receiving this document (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such jurisdictions. The Offer Shares have not been, and will not be, registered under the US Securities Act or under any of the relevant securities laws of, or with any securities regulatory authority of, any state of the United States or of Canada, Australia, Japan or the Republic of South Africa. Accordingly, unless an exemption under such act or laws is applicable, the Offer Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa or to, or for the account or benefit of, any resident of the United States, Canada, Australia, Japan or the Republic of South Africa. The Company has not been and will not be registered under the US Investment Company Act and recipients of this document and Investors will not be entitled to the benefits of that Act.

Howard Kennedy Corporate Services LLP, which is authorised and regulated in the United Kingdom by the FCA, is acting as the sponsor to the Company in relation to the Offer. Howard Kennedy Corporate Services LLP is not advising any other

person or treating any other person as its client in relation to the Offer or the matters referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Offer or the matters referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Howard Kennedy Corporate Services LLP under FSMA or the regulatory regime established thereunder, Howard Kennedy Corporate Services LLP does not make any representation, express or implied, or accept any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it or on its behalf in connection with the Company, the Investment Manager, the Ordinary Shares, the Offer Shares or the Offer. Accordingly, Howard Kennedy Corporate Services LLP, to the fullest extent permitted by law, disclaims all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Prospective Investors should consider carefully all of the information in this document, in particular the sections headed 'Risk Factors' on pages 13 to 15 and 'Important Information' on pages 16 to 20, before making any application for Offer Shares.

9 October 2024

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Preparing the ground



Summary

Introduction and warning

Introduction

This document relates to the issue of ordinary shares of 1 penny each (the “**Ordinary Shares**”) in the capital of Hargreave Hale AIM VCT plc (the “**Company**”) in connection with the offer for subscription to raise up to £20 million (the “**Offer**”). The ISIN for the Ordinary Shares is GB00B02WHS05. The Legal Entity Identifier code of the Company is 213800LRYA19A69SIT31 and its registered office is at Talisman House, Boardmans Way, Blackpool FY4 5FY. The Company can be contacted at the above address or on 01253 376 622.

This Prospectus was approved by the Financial Conduct Authority (the “**FCA**”) in the United Kingdom on 9 October 2024. The head office of the FCA is at 12 Endeavour Square, London E20 1JN (Tel: 020 7066 1000).

Warning

The following summary should be read as an introduction to this document. Any decision to invest in the Ordinary Shares should be based on a consideration of this document as a whole by the Investor. An Investor could lose all or part of their invested capital. Where a claim relating to the information contained in this document is brought before a court, the plaintiff Investor might, under national law, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or where it does not provide, when read together with the other parts of this document, key information in order to aid Investors when considering whether to invest in such securities.

It should be remembered that the price of the Ordinary Shares, and the income from such Ordinary Shares (if any), may go down as well as up. An investment in the Company is only suitable for Investors who are capable of evaluating the risks and merits of such investment and who understand the potential risk of capital loss (which may be equal to the whole amount invested).

Key information on the issuer

Who is the issuer of the securities?

The Company was incorporated and registered in England and Wales on 16 August 2004 under the Companies Act 1985 with registered number 05206425 as a public company limited by shares. It was incorporated with the name Keydata AIM VCT plc, which was changed to Hargreave Hale AIM VCT 1 plc on 7 October 2009 and Hargreave Hale AIM VCT plc on 6 September 2018. The Ordinary Shares were first admitted to listing on 29 October 2004. The Legal Entity Identifier code of the Company is 213800LRYA19A69SIT31. The principal legislation under which the Company operates is the Companies Act 2006, as amended (the “**Act**”) and the regulations made thereunder.

The Company carries on business as a Venture Capital Trust. The investment objectives of the Company are to generate capital gains and income from its portfolio and to make distributions from capital or income to Shareholders whilst maintaining its status as a Venture Capital Trust.

The Company is registered as a small UK registered AIFM. The Company’s investment manager is Canaccord Genuity Asset Management Limited (formerly Hargreave Hale Limited) (the “**Investment Manager**” or “**CGAM**”). CGAM also acts as administrator to the Company (the “**Administrator**”). The directors of the Company (the “**Directors**”) are as follows:

- David Brock (Chair);
- Oliver Bedford;
- Angela Henderson;
- Megan McCracken;
- Busola Sodeinde; and
- Justin Ward.

All of the Directors are non-executive directors and, with the exception of Oliver Bedford, are independent of the Investment Manager.

The auditor of the Company is BDO LLP. BDO LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

As at 4 October 2024 (being the latest practical date prior to the publication of this document) and after the Offer has closed, the Company is aware of the following persons who hold or will hold directly or indirectly, voting rights representing 3 per cent. or more of the issued share capital of the Company to which voting rights are attached:

	As at 4 October 2024		After the Offer has closed	
	Number of Ordinary Shares	Percentage of voting rights	Number of Ordinary Shares*	Percentage of voting rights*
Hargreaves Lansdown (Nominees) Limited	13,679,607	3.75%	13,679,607	3.33%
UBS Private Banking Nominees Ltd	12,321,015	3.38%	12,321,015	3.00%

*Assuming that the Maximum Subscription is achieved in relation to the Ordinary Shares issued pursuant to the Offer (the "Offer Shares") and taking into account that all the allotments are made at an Offer Price based on the NAV per Share as at 31 August 2024. These figures assume that the Shareholders listed do not subscribe for any Offer Shares.

The Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

What is the key financial information regarding the issuer?

Selected audited financial information relating to the Company which summarises the financial condition of the Company for the financial year ended 30 September 2023 (audited) is set out in the following table.

Information relevant to closed-end funds

Share class	Total NAV (£'000)	No. of Shares (excluding treasury shares)	NAV per Share (p)	Historical Performance (p)
Ordinary	151,920	327,813,939	46.34	60.19 (NAV per Share as at 30 September 2022 (audited))

Selected financial information relating to the Company which summarises the financial condition of the Company for the financial year ended 30 September 2023 (audited) and the financial periods ended 31 March 2024 and 31 March 2023 (unaudited) is set out in the following tables.

Income statement for closed-end funds

	Year ended 30 September 2023 (audited)			6 months ended 31 March 2024 (unaudited)			6 months ended 31 March 2023 (unaudited)		
	Revenue (£'000)	Capital (£'000)	Total (£'000)	Revenue (£'000)	Capital (£'000)	Total (£'000)	Revenue (£'000)	Capital (£'000)	Total (£'000)
Net loss on investments held at fair value through profit or loss	–	(28,455)	(28,455)	–	(3,226)	(3,226)	–	(10,472)	(10,472)
Income	2,616	–	2,616	1,270	–	1,270	1,008	–	1,008
Management fees (accrued/paid)	(699)	(2,098)	(2,797)	(319)	(959)	(1,278)	(363)	(1,089)	(1,452)
Other expenses (accrued/paid)	(1,052)	(39)	(1,091)	(934)	(6)	(940)	(515)	(26)	(541)
Profit/(loss) on ordinary activities before taxation	865	(30,592)	(29,727)	17	(4,191)	(4,174)	130	(11,587)	(11,457)
Basic and diluted earnings/(loss) per Share	0.27p	(9.59)p	(9.32)p	0.00p	(1.22)p	(1.22)p	0.04p	(3.76)p	(3.72)p

Balance sheet for closed-end funds

	Year ended 30 September 2023 (audited)	6 months ended 31 March 2024 (unaudited)	6 months ended 31 March 2023 (unaudited)
Total net assets (£'000)	151,920	155,742	174,725
NAV per Share (p)	46.34	43.64	52.84

There is no *pro forma* financial information in the Prospectus.

There were no qualifications in the audit report for the Company in respect of the financial year ended 30 September 2023.

What are the key risks that are specific to the issuer?

The following are brief descriptions of what the Directors believe, at the time of publication of this document, to be the key material risks specific to the Company.

- There can be no guarantee that the Company's investment objectives will be achieved or that suitable investment opportunities will be available. The performance of the Company (and the ability to achieve returns for Shareholders) will be dependent on the investment opportunities sourced by the Investment Manager and the performance of those investments.
- Any change of governmental, economic, fiscal, monetary or political policy, in particular as a result of government spending reviews and political party policies, resulting in changes to taxation, tax reliefs and changes to the VCT Rules, could materially affect, directly or indirectly, the operation and/or the performance and valuation of the Company (and the portfolio companies in which it invests), the number of Qualifying Investment opportunities available, the value of and returns from Ordinary Shares and/or the ability of the Company to achieve or maintain VCT status.
- While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a VCT, there can be no guarantee that the Company will maintain VCT status. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for Investors, including a requirement to repay the income tax relief obtained, and could cause the Company to lose its exemption from corporation tax on capital gains.
- The Company's investments may be difficult to realise. The fact that a share is traded on AIM does not guarantee its liquidity. The spread between the buying and selling price of such shares may be wide and thus the price used for valuation may not be achievable. The valuation of the Company's portfolio and opportunities for realisation of the investments will vary with stock market conditions. In addition, the value of unlisted stock is often more difficult to determine than the value of stock in listed companies and may be based on unaudited information and/or be subject to limited verification or other due diligence. Opportunities to realise unlisted stock may also be limited.
- The primary focus of the Company's qualifying portfolio is on investments in AIM-traded companies. The Company also invests in unquoted private companies. Investment in AIM-traded companies and unquoted companies, by its nature, may involve a higher degree of risk than investment in companies traded on the main market of the London Stock Exchange. In particular, AIM-traded companies and unquoted companies are often smaller companies which may have limited product and service lines, markets or financial resources and may rely on a small number of key individuals to grow and develop the business.
- Geopolitical and economic uncertainty resulting from, among other things, the conflicts in the Middle East and Ukraine, supply chain disruption, high levels of inflation and associated policy responses by the Bank of England and other central banks will likely continue to put pressure on customers and businesses in the near term. Such conditions present challenges and are to varying degrees adversely affecting, and may continue to adversely affect, the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company. This may negatively impact the number or quality of investment opportunities available to the Company, all of which could have a material adverse impact on the future investment returns of the Company, the price of the Ordinary Shares and the ability of the Investment Manager to find and realise suitable investments.

Key information on the securities

What are the main features of the securities?

Description and class of securities

The Ordinary Shares have a nominal value of 1 penny each and are denominated in Sterling. The ISIN of the Ordinary Shares is GB00B02WHS05 and the SEDOL number is B02WHS0. The ticker code for the Ordinary Shares is HHV.

As at 4 October 2024 (being the latest practicable date prior to the publication of this document) the issued share capital of the Company comprised 364,603,238 Ordinary Shares and no Ordinary Shares were held in treasury.

Rights attaching to the securities

The Offer Shares will rank *pari passu* in all respects with the existing issued Ordinary Shares (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the relevant allotment of Offer Shares). Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, Shareholders have the right to receive notice of, attend and vote at general meetings of the Company. Each Shareholder present in person or by proxy or by a duly authorised representative (if a company) at a general meeting shall upon a show of hands have one vote and upon a poll all Shareholders have one vote for every Ordinary Share held. Subject to the provisions of the Act, the Company may from time to time declare dividends and make other distributions on the Ordinary Shares.

Shareholders are entitled to participate in the net assets of the Company attributable to their Ordinary Shares on a winding up of the Company or other return of capital.

There are no restrictions on the transferability of the Ordinary Shares, subject to compliance with applicable securities laws and the Articles.

Dividend policy

The Company's dividend policy is to target a tax free dividend yield equivalent to 5 per cent. of the year end Net Asset Value. The Company has a well-established track record of paying out tax free dividends to Shareholders. Whether a Shareholder qualifies to receive tax free dividends from the Company or not will depend on the personal circumstances of each individual Shareholder. If an Investor is uncertain as to their tax position they should consult their accountant or financial adviser.

The Company aims to pay an interim dividend in July each year and a final dividend in February. Special dividends may be paid by the Company following significant realisations of investments.

The ability to pay dividends is dependent on the Company's available distributable reserves and cash resources, the Act, the UK Listing Rules and the VCT Rules. The dividend policy is non-binding and at the discretion of the Board.

Dividend payments may vary from year to year in both quantum and timing. The level of dividend paid each year will depend on the performance of the Company's portfolio. In years where there is strong investment performance, the Directors may consider a higher dividend payment, including the payment of special dividends. In years where investment performance is not as strong, the Directors may reduce the dividend or pay no dividend.

Where will the securities be traded?

Applications will be made to the FCA for the Offer Shares to be admitted to the Official List and to the London Stock Exchange for the Offer Shares to be admitted to trading on the main market for listed securities. It is expected that such admissions will become effective, and dealings in the Offer Shares will commence, during the period from 14 November 2024 to 13 August 2025.

What are the key risks that are specific to the securities?

The following is a brief description of what the Directors believe, at the time of publication of this document, to be the key material risks specific to the Ordinary Shares.

- It is likely that the price for an Ordinary Share which a Shareholder could achieve on the stock market will be significantly less than the NAV per Share. The market value of, and the returns derived from, the Ordinary Shares may go down as well as up and an Investor may not get back the amount invested.
- The Company is a closed-ended investment company. Shareholders will have no right to have their Ordinary Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment will be required to dispose of their Ordinary Shares on the stock market. Accordingly, the ability of Shareholders to realise any value in respect of their Ordinary Shares is dependent on the existence of a liquid market in the Ordinary Shares and the prevailing market price of such Ordinary Shares. There is a limited secondary market for shares in VCTs (primarily because initial VCT income tax relief is only available to individuals who subscribe for newly issued shares rather than upon the purchase of existing issued shares). The operation of the Company's Share buyback policy is intended to provide a degree of liquidity for Investors but if the Company is unable to maintain its Share buyback policy, Investors may find it difficult to realise their investments. The Ordinary Shares usually trade at a discount to the NAV per Share.
- A Shareholder who disposes of Ordinary Shares within five years of issue will be subject to clawback by HMRC of any income tax reliefs originally claimed on subscription. Any realised losses on a disposal of Ordinary Shares cannot be used to create an allowable loss for capital gains tax purposes.

Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in these securities?

General terms and conditions and expected timetable

It is proposed that the Company raises up to £20 million by way of the Offer. The issue of the Offer Shares is subject to Shareholders approving the necessary share issuance authority at a general meeting to be held on 12 November 2024.

The Offer will open on 9 October 2024. The first allotment under the Offer is expected to be on or around 13 November 2024. Thereafter, the Directors reserve the right to allot Offer Shares at any time whilst the Offer remains open. Following the first allotment of Offer Shares, allotments will take place on a monthly basis or at such other times as the Board, in its sole discretion, may determine.

Offer Shares will be issued at a 3.5 per cent. premium to the last published NAV per Share to offset the costs of the Offer. The price of the Offer Shares will be calculated in pence to two decimal places by reference to the pricing formula below ("**Pricing Formula**"):

$$\text{Price of Offer Shares} = \frac{\text{Last Published NAV per Share}}{0.965}$$

The NAV per Share used in the Pricing Formula will be the last published by the Company prior to the date of allotment, adjusted as necessary for dividends declared but not yet paid if the allotment occurs whilst the Shares are classified as ex-dividend.

The relevant Offer Price in respect of each allotment will be announced through a Regulatory Information Service following the relevant allotment of Offer Shares. Dealings in Offer Shares are expected to commence within 5 Business Days of the relevant allotments.

The closing date for the Offer in respect of the 2024/25 tax year will be at 5.00 p.m. on 21 March 2025 (unless fully subscribed earlier, in which case the Board may close the Offer earlier than this date). If the Offer is not fully subscribed at that time, the Directors reserve the right to allow the Offer to remain open for at least part of the 2025/26 tax year, but not beyond 12.00 p.m. on 12 August 2025.

Applications under the Offer will normally be accepted on a first-come-first-served basis, subject always to the discretion of the Board. The Board cannot guarantee a specific allotment date during the relevant tax year and applications which cannot be satisfied at one allotment date will be held for processing until a later allotment date in the relevant tax year.

The minimum subscription per Investor under the Offer is £5,000 in aggregate across both the 2024/2025 and 2025/2026 tax years. Applications in respect of less than £5,000 in aggregate will not be accepted and amounts transferred in relation to such applications will not be processed. Multiple applications under the Offer from the same Investor in the same tax year will not be accepted as a means to achieving the minimum subscription.

The Offer Shares will be available to be issued in either registered form (i.e. certificated) or electronic form (i.e. via CREST). Offer Shares issued close to the end of the tax year may need to be issued in certificated form to allow the investment to be made within the required tax year. Definitive share certificates and income tax certificates are expected to be despatched by post within 15 Business Days of each allotment of Offer Shares. Temporary documents of title will not be issued in connection with the Offer.

The Board believe that a typical investor for whom the Offer is designed is an individual who is a UK income taxpayer over 18 years of age with an investment range of between £5,000 and £200,000 per tax year.

An investment in the Company is suitable for Investors, both retail and professional, seeking capital appreciation and/or income from an investment into small UK companies through a tax efficient structure, who pay or anticipate paying UK income tax within the same tax year of their investment into the Company and have the ability to claim in full the available income tax relief.

Investors in the Company do not benefit from capital gains deferral relief or Inheritance Tax relief. Investors should expect to retain their investment in the Company for no less than 5 years.

Investors should be able to accept a high level of risk and have sufficient resources to bear any loss which might result from an investment in the Company. The Ordinary Shares do not include any protection from future market performance so Investors could lose some or all of their investment.

In accordance with the FCA's Consumer Duty rules, which came into effect on 31 July 2023, CGAM conducted a review of the Company's target market, more commonly referred to as the 'Target Market Assessment'. Further information on the Consumer Duty rules and the Company's Target Market Assessment is available on the Company's website (www.hargreaveaimvcts.co.uk).

Dilution

In the event that the Offer is fully subscribed and assuming an offer price of 43.10 pence per Offer Share (based on the NAV per Share as at 31 August 2024), the percentage of the Company owned by Existing Shareholders (assuming they do not subscribe for additional Ordinary Shares under the Offer or otherwise acquire further Ordinary Shares) will decrease to 88.7 per cent. through the issue of the Offer Shares.

Expenses of the Offer

Investors under the Offer will indirectly bear the costs of the Offer through the application of the Pricing Formula which determines the Offer Price to be paid for the Offer Shares and includes an allowance for issue costs of 3.5 per cent. The costs of the Offer will be paid by CGAM out of its fee of 3.5 per cent. of the gross proceeds of the Offer. To the extent that the expenses of the Offer exceed 3.5 per cent. of the gross proceeds of the Offer, CGAM will bear the excess.

Commission is available to Financial Intermediaries: (i) acting on behalf of "execution only", non-advised UK retail clients; and (ii) following the provision of restricted advice to an Investor that is a Professional Client (as defined in COBS 3.5) of the financial intermediary, on the following basis:

- 1 per cent. initial commission and no trail commission; or
- 0.5 per cent. initial commission plus trail commission of 0.375 per cent. of the amount subscribed by the Investor per annum (limited to five years).

All commissions to be paid to Financial Intermediaries will be paid by CGAM.

The introductory commission may be rebated by Financial Intermediaries and reinvested by them on behalf of their clients through additional Offer Shares (the rebate in each case may be in whole or in part in 25 per cent. increments).

The Company is not permitted to pay commission to Financial Intermediaries where advice has been given to UK retail investors in relation to their Subscription under the Offer. However, the Company can facilitate the payment of Adviser Charges on behalf of an Investor in relation to their subscription under the Offer. Any amount of Adviser Charges agreed to be facilitated is paid by the Investor from the monies received with their Subscription and is not paid by the Company.

Why is this Prospectus being produced?

Reasons for the Offer and use of proceeds

The Company is seeking to raise further funds under the Offer primarily to allow it to take advantage of attractive investment opportunities in accordance with its investment policy. The net proceeds of the Offer will be pooled with the existing cash resources of the Company and utilised (i) to make new and follow-on investments in accordance with its investment policy and (ii) to help meet annual outgoings (including running costs, directors' fees and market purchases of Ordinary Shares).

The Offer is not underwritten. The total expenses payable by the Company in connection with the Offer (assuming the Offer is fully subscribed) are expected to be around £0.7 million (including amounts paid by way of fees and irrecoverable VAT where applicable) and the net proceeds of the Offer will amount to £19.3 million.

Conflicts of interest

Oliver Bedford is an employee of CGAM, which acts as both the Administrator and Investment Manager to the Company, and therefore has an interest in the arrangements between the Company and CGAM. Oliver Bedford is also a Director of the Company and as such there may be a potential conflict of interest between his duties owed to the Company and to CGAM in relation to these arrangements.

The Company has and may make investments in the IFSL Marlborough Special Situations Fund and IFSL Marlborough UK Micro-Cap Growth Fund, which are managed by the Investment Manager. As the Investment Manager to the Company and investment adviser to the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Growth Fund, the Investment Manager adjusts the fee it receives under the Management Agreement to ensure that the Company is not charged twice for its services.

The Investment Manager and its officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager may provide investment management or other services in relation to a number of funds that may have similar investment policies to that of the Company.

Planting instructions



Risk factors

The risk factors set out below are those which the Directors consider to be material but are not the only risks relating to the Company or the Ordinary Shares. There may be additional risks that the Directors do not currently consider to be material, or which are not presently known to the Directors. Before investing in the Ordinary Shares, potential Investors should consult a suitably qualified and independent financial adviser authorised under FSMA if they are in the United Kingdom or, in the case of a potential Investor who is located outside the United Kingdom, another appropriately authorised financial adviser.

An investment in the Company should not be regarded as short-term in nature and involves risks that could lead to the loss of all or part of that investment. An investment in the Company is only suitable for Investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to bear any loss which might result from such an investment.

The Directors believe that the risks described below are the material risks relating to an investment in the Ordinary Shares at the date of this document. If any of the adverse events described below occur, the financial condition, performance and prospects of the Company and the market price of the Ordinary Shares could be materially adversely affected and Shareholders may lose all or part of their investment. Additional risks which were not known to the Directors at the date of this Prospectus, or that the Directors considered to be immaterial at the date of this Prospectus, may also have an adverse effect on the financial condition, performance and prospects of the Company and the market price of the Ordinary Shares. Further, as required by the Prospectus Regulation, the risks that the Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, have been set out first. Given the forward looking nature of the risks, there can be no guarantee that such risk is, in fact, the most material or the most likely to occur. Prospective Investors should, therefore, review and consider each risk.

Potential Investors should carefully consider all the information in this document, including the following material risk factors in relation to the Company and the Ordinary Shares, before deciding to invest in the Company.

Risks relating to Venture Capital Trusts

Changes to governmental, economic, fiscal, monetary or political policy

Any change of governmental, economic, fiscal, monetary or political policy, in particular as a result of government spending reviews and political party policies, resulting in any changes to taxation, tax reliefs and changes to the VCT Rules, could materially affect, directly or indirectly, the operation and/or the performance and valuation of the Company (and the portfolio companies in which it invests), the value of and returns from the Ordinary Shares and/or the ability of the Company to achieve or maintain VCT status.

The Company's investment strategy focuses on AIM-traded investments, changes to governmental, economic, fiscal, monetary or political policy, in particular in relation to Inheritance Tax relief, which directly or indirectly affect investors' interest in investing in AIM stocks could have a material impact on the value and liquidity of the Company's investments. Such changes could further reduce the number of companies looking to admit shares to the AIM market, making it more difficult for the Company to find new investments and may have a negative impact on the value of the AIM-traded stock held by the Company as investor demand for those

shares reduces. These factors could materially affect the performance of the Company, the ability of the Company to realise its investments and the value of and returns from the Ordinary Shares.

Loss of tax reliefs

The information, including references to tax rules, contained in this document is based on legislation in force as at the date of this document. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective. While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a VCT, there can be no guarantee that this status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for Investors, including a requirement to repay the income tax relief obtained, and could cause the Company to lose its exemption from corporation tax on capital gains.

A Shareholder who disposes of Ordinary Shares within five years of issue will be subject to clawback by HMRC of any income tax reliefs originally claimed

on Subscription. Any realised losses on a disposal of Ordinary Shares cannot be used to create an allowable loss for capital gains tax purposes.

State Aid

As a result of the tax status of VCTs, investments by VCTs in underlying portfolio companies are regarded as state aided investments. Where the European Commission believes that state aid has been provided prior to 1 January 2021 which is not in accordance with the Risk Finance Guidelines, it may require that the UK government recovers that state aid. This may have an adverse effect on Shareholder returns. From 1 January 2021, the requirement to recover unlawful state aid is the remit of the UK Government (in compliance with its ongoing arrangements with the EU).

Discount

It is likely that the price for an Ordinary Share which a Shareholder could achieve on the stock market will be less than the prevailing NAV per Share. The Ordinary Shares may trade at a discount to the NAV per Share for a variety of reasons including as a consequence of general market conditions, concerns regarding the general liquidity or marketability of the Ordinary Shares or the actual or expected performance of the Company. The market value of, and the returns derived from, the Ordinary Shares may go down as well as up and an Investor may not get back the amount invested.

Liquidity

The Company is a closed-ended investment company. Shareholders will have no right to have their Ordinary Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment will be required to dispose of their Ordinary Shares on the stock market. Accordingly, the ability of Shareholders to realise the NAV per Share of, or any value in respect of, their Ordinary Shares is dependent on the existence of a liquid market in the Ordinary Shares and the market price of such Ordinary Shares. Although the existing Ordinary Shares issued by the Company have been (and it is anticipated that the Offer Shares will be) admitted to the Official List and traded on the main market of the London Stock Exchange, if the Company is unable to maintain its Share buyback policy (which has been put in place in order to enhance liquidity in the Ordinary Shares), there may not be a liquid market for the Ordinary Shares. Given that there is a limited secondary market for VCT shares (primarily because initial VCT income tax relief is only available to individuals subscribing for newly issued

Shares), Investors may find it difficult to realise their investments.

Specific risks relating to the Company

The portfolio

The primary focus of the Company's qualifying portfolio is on investments in AIM-traded companies. Investment in AIM-traded companies, by its nature, may involve a higher degree of risk than investment in companies traded on the main market of the London Stock Exchange. The valuation of the portfolio and opportunities for the Company to realise AIM-traded investments within the portfolio may also depend on market conditions. The fact that a share is traded on AIM does not guarantee its liquidity.

Although the primary focus of the Company's qualifying portfolio is on investments in AIM-traded companies, the Company has built a portfolio of investments in unlisted private companies and will make further investments in unlisted private companies if the Investment Manager identifies attractive investment opportunities. It is unlikely that there will be a liquid market for the shares and other securities that the Company holds in unlisted private companies and, therefore, it may be difficult for the Company to realise such investments. The value of unlisted stock is often more difficult to determine than the value of stock in listed companies. In addition, valuations of the unquoted investments may be based on unaudited information and may be subject to limited verification or other due diligence. If the realised value of an unquoted investment or other asset held by the Company is less than its valuation, this may have a material adverse effect on future Shareholder returns.

At the point of investment, Qualifying Companies are often small companies which lack commercial maturity and carry high levels of investment risk.

These Qualifying Companies may have limited product service lines and markets. They may also have limited financial resources, negative cash flows and require further funding in time. Qualifying Companies can be reliant on a small number of key individuals to grow and develop the business, over-exposed to a few dominant customers, and more vulnerable to exogenous risks such as disruption to supply chains.

As a consequence of these risks, it may take time for new investments in Qualifying Companies to contribute to Shareholder returns and dividends payable by the Company and the levels of those returns may be volatile due to the nature of investing in earlier stage companies. The past performance of

the Company or other funds managed or advised by the Investment Manager is not a guide to the future performance of the Company.

Realisation of investments

Investments in AIM-traded companies are likely to be less liquid than investments in companies traded on the main market of the London Stock Exchange. The Company may not be able to realise investments within a reasonable timeframe or at all. Such illiquidity may affect the ability of the Company to vary its portfolio or dispose of investments in a timely fashion and at satisfactory prices in response to changes in economic or other conditions. This could have an adverse effect on the financial condition and results of operations of the Company as it could reduce the profits and proceeds expected to be realised from such investments by the Company.

Third party service providers

The Company has no employees and all of the Directors have been appointed on a non-executive basis. The Company relies upon third party service providers to perform all key functions. In particular, CGAM (as the Investment Manager, Receiving Agent and Administrator) and the Registrar, will perform services that are integral to the Company's operations and financial performance.

The Company is dependent on the skills of the Investment Manager to manage its investments. If the Investment Manager ceases to act as investment manager or if key personnel cease to be employed by the Investment Manager or be involved in the management of the Company's portfolio, there is no assurance that suitable replacements will be found. If this occurs, there may be an adverse effect on the performance of the Company and the value of the Ordinary Shares.

The Company is also dependent on those service providers to protect against breaches of the Company's legal and regulatory obligations, including those in relation to data protection. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, fraud, breaches of cybersecurity, failures in business continuity plans or other causes, could have a material adverse effect on the Company's operations and performance and on returns to Shareholders. The termination of the Company's relationship with any third party service provider, or any delay in appointing a replacement for any such service provider, could materially disrupt the

business of the Company and could have a material adverse effect on the Company's performance and returns to Shareholders.

Economic and global political uncertainty

Geopolitical and economic uncertainty resulting from, among other things, the conflicts in the Middle East and Ukraine, supply chain disruption, high levels of inflation and associated policy responses by the Bank of England and other central banks could put pressure on customers and businesses. Reduced economic activity and high inflation can reduce corporate profitability and lead to volatility in global equity markets, with particularly sharp falls in the valuation of loss-making growth companies. The wars in the Middle East and Ukraine present challenges to the European security order and may have further profound economic consequences if restricted access to certain commodities over time limits the ability of energy intensive businesses to operate without interruption. UK households remain vulnerable to increases in household bills, including the effect of high interest rates on mortgage payments, that may further impact consumer confidence and limit the discretionary consumption of goods and services. Businesses may face further disruption in supply chains, high energy and other input costs and tight labour markets. This may yet depress business confidence, trade and investment, employment and economic activity in the UK and elsewhere. The wars in Ukraine and the Middle East may result in higher commodity prices and supply chain disruption, resulting in a return to high levels of inflation that limit the scope for reductions in interest rates in the UK and elsewhere and, more broadly, depress economic activity and weigh on global equity markets. The return to a high inflation environment and a world in which supply chains are severely disrupted by war or significant trade disputes would adversely affect the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company. This may negatively impact the number or quality of investment opportunities available to the Company, all of which could have a material adverse impact on the future investment returns of the Company, the price of the Ordinary Shares and the ability of the Investment Manager to find and realise suitable investments.

Important information

General

No person has been authorised to give any information or make any representations in connection with the Offer other than the information contained in, or incorporated by reference into, this document and, if given or made, such information or representations must not be relied on as having been authorised by or on behalf of the Company, the Investment Manager, the Sponsor or any of their respective affiliates, officers, directors, members, employees or agents.

Without prejudice to the obligations of the Company under applicable law and regulations, neither the delivery of this document nor any subscription for or purchase of Offer Shares made pursuant to the Offer shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this document or that the information contained in this document, including any forward looking statements, is correct as at any time subsequent to the date of this document.

Prospective Investors should consider carefully all of the information contained in, or incorporated by reference into, this document before making any application for Ordinary Shares and should rely only on that information when considering an investment in the Company. However, prospective Investors should not treat the contents of this document or any subsequent communication from the Company, the Investment Manager, the Sponsor or any of their respective affiliates, officers, directors, members, employees or agents as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other related matters. Prospective Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and
- the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares.

Prospective Investors must rely on their own advisers as to legal, financial, taxation, accounting, regulatory, investment or any other related matters concerning the Company and an investment in the Ordinary Shares.

Apart from the responsibilities and liabilities, if any, which may be imposed on Howard Kennedy Corporate Services LLP by FSMA or the regulatory regime established thereunder, Howard Kennedy Corporate Services LLP makes no representation, express or implied, nor accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it or on its behalf in connection with the Company, the Investment Manager, the Offer Shares, the Ordinary Shares or the Offer. Accordingly, Howard Kennedy Corporate Services LLP, to the fullest extent permitted by law, disclaims all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles which prospective Investors should review. A summary of the Articles is contained in paragraph 5 of Part 6 of this document.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction: (i) in which such offer or solicitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of Ordinary Shares 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.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other professional or Financial Adviser.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) the UK's implementation of EU Directive 2014/65/EU on markets in financial instruments, as amended ("UK MiFID II"); (b) the UK's implementation of Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing UK MiFID II, and in particular Chapter 3 of the Product Intervention and Product Governance Sourcebook of the FCA (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II

Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares to be issued pursuant to the Offer are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties each as defined in UK MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by UK MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

Consumer Duty

The FCA's Consumer Duty came into effect on 31 July 2023.

The Consumer Duty is a significant package of outcomes-based regulation for the retail financial services market that extends and sets clearer and higher standards of care and emphasises the importance of proactively seeking to deliver good outcomes for retail clients.

The Consumer Duty defines four outcomes which consumers should expect as they pursue their financial objectives. These are described as:

- the product and services outcome;
- the price and value outcome;
- the consumer understanding outcome; and
- the consumer support outcome.

Although the Company itself does not fall within the scope of the Consumer Duty, CGAM is in scope as product manufacturer and distributor.

Firms that fall into scope should reflect the requirement to deliver good outcomes and fair value in their strategies, governance, leadership, policies and supplier and distribution relationships.

The Directors receive updates from CGAM on the delivery of its obligations under the Consumer Duty.

CGAM has carried out a Target Market Assessment and a fair value assessment of the Ordinary Shares in accordance with the Consumer Duty. These documents are available on the Company's website at www.hargreaveaimvcts.co.uk.

Regulatory status of the Ordinary Shares

As the Company is a Venture Capital Trust, the Ordinary Shares will be “excluded securities” under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the Ordinary Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments. The Company intends to conduct its affairs so that its Ordinary Shares can be recommended by Financial Advisers to retail investors in accordance with the rules on the distribution of financial instruments under UK MiFID II. The Directors consider that the requirements of Article 57 of the UK MiFID II Delegated Regulation are met in relation to the Ordinary Shares and that, accordingly, the Ordinary Shares should be considered “non-complex” for the purposes of UK MiFID II.

UK PRIIPS Laws

In accordance with the UK PRIIPs Laws, a Key Information Document in respect of the Ordinary Shares has been prepared by the Company and is available to Investors at www.hargreaveaimvcts.co.uk. If you are distributing the Ordinary Shares, it is your responsibility to ensure that the relevant Key Information Document is provided to any clients that are “retail clients”. Investors should note that the procedures for calculating the risks, costs and potential returns

disclosed in the KID are prescribed by the law. The figures in the KID may not reflect the expected returns for the Company and projected performance returns cannot be guaranteed.

With effect from 1 January 2023, the FCA has mandated that a minimum risk score of 6 will apply to all KIDs prepared by VCTs in accordance with the UK PRIIPS Laws.

Data Protection

The information that an Investor or a prospective Investor (or any third party on behalf of an Investor or a prospective Investor) provides to the Company or its agents, including in relation to a subscription for or purchase of Offer Shares or subsequently, by whatever means, which relates to the Investor or prospective Investor (if the Investor or prospective Investor is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party processor to whom the Company may delegate certain administrative or other functions in relation to the Company, including the Registrar) in compliance with (a) the relevant data protection legislation and regulatory requirements (the "**Data Protection Legislation**") and (b) the Company's privacy notice, a copy of which is available for consultation on the Company's website at www.hargreaveaimvcts.co.uk/document-library ("**Privacy Notice**").

Without limitation to the foregoing, by making a subscription for or purchase of Offer Shares, or otherwise providing us with personal data, each Investor or prospective Investor (and any third party acting on behalf of an Investor or prospective Investor) acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) in accordance with and for the purposes set out in the Company's Privacy Notice which includes:

- the performance of the Company's contract with an Investor, or the Company taking necessary steps prior to entering into a contract with a prospective Investor;
- acting in a way that is necessary for the Company's legitimate interests, including carrying out the business of the Company and the administering of interests in the Company; and
- complying with the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere (or of any third party, functionary or agent appointed by the Company),

including verifying the identity of an Investor or a prospective Investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures.

Where necessary to fulfil the purposes set out above and in the Privacy Notice, the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) will for the avoidance of doubt (and as further described in the Privacy Notice):

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to operate and administer the Company; and
- transfer personal data outside of the UK and the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of Investors or prospective Investors,

provided in each case that adequate safeguards are in place for the protection of such personal data, in accordance with Data Protection Legislation.

Investors or prospective Investors and any third parties acting on behalf of Investors or prospective Investors, are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions. Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Privacy Notice.

Presentation of Information

Financial information

Certain financial and statistical information contained in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a table may not conform exactly to the total figure given for that column or row.

In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Market, economic and industry data

Market, economic and industry data used throughout this document is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able

to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

Unless otherwise indicated, all references in this document to “£”, “Sterling”, “penny”, “pence” or “p” are to the lawful currency of the UK.

Law and practice

Statements made in this document are based on the law and practice in force in England and Wales as at the date of this document and are subject to changes therein.

No incorporation of website information

The contents of the Company’s website (www.hargreaveaimvcts.co.uk/), or the contents of any website accessible from hyperlinks on the Company’s website or any other website referred to in this document, do not form part of this document. Investors should base their decision whether or not to invest in the Ordinary Shares on the contents of this document alone.

Tax reporting, FATCA and Common Reporting Standard (“CRS”)

Shareholders should furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA or CRS. Shareholders may be subject to tax reporting under applicable laws. FATCA and CRS documentation and reporting obligations can also arise in respect of Shareholders where third parties hold shares or act on their behalf. The Company’s Registrar will request such information from certain Shareholders.

Forward looking statements

This document includes forward looking statements concerning the Company that are based on the current expectations of the Board and are naturally subject to uncertainty and changes in circumstances. Forward looking statements include, without limitation, statements containing the words “believes”, “intends”, “expects”, “anticipates”, “targets”, “estimates” or their negative or other similar expressions.

Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from future results, financial condition, performance or achievements expressed

or implied by such forward looking statements. Given these risks and uncertainties, prospective Investors should not place undue reliance on such forward looking statements as a prediction of actual results.

Such forward looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligation to update or revise any forward looking statement contained in this document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Information in this document will be updated as required under the Prospectus Regulation Rules, the UK Listing Rules and/or the Disclosure Guidance and Transparency Rules.

Nothing in the preceding three paragraphs seeks to limit or qualify in any way the working capital statement in relation to the Company included in the section titled ‘Working Capital’ in Part 4 of this document.

Selling restrictions

The distribution of this document and the offering of Offer Shares in jurisdictions other than the United Kingdom may be restricted by law or regulation and accordingly persons into whose possession this document comes are required to inform themselves about and observe any such restrictions. No action has been taken to permit the distribution of this document and the offering of Offer Shares in any jurisdiction outside the United Kingdom where such action is required to be taken.

This document does not constitute, and may not be used for the purposes of, an offer to sell, or the solicitation of an offer to acquire or subscribe for, Offer Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Sponsor, or the Investment Manager or to any person to whom it is unlawful to make such offer or solicitation. If you receive a copy of this document in any territory other than the United Kingdom, you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside the United Kingdom, to satisfy yourself that you have fully observed the laws of any relevant territory in connection with your receipt of this document and/or Offer Shares, including obtaining any requisite governmental or other consents, observing any other formalities that are required to be observed in such territory and paying any issue, transfer or other taxes required to

be paid in such territory.

Without limiting the above, the Offer Shares have not been, and will not be, registered under the US Securities Act or under any of the relevant securities laws of, or with any securities regulatory authority of, any state of the United States or of Canada, Australia, Japan, New Zealand or the Republic of South Africa.

Accordingly, unless an exemption under such act or laws is applicable, the Offer Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa or to, or for the account or benefit of, any resident of the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa. The Company has not been and will not be registered under the US Investment Company Act and recipients of this document and Investors will not be entitled to the benefits of that Act.

Latest practicable date

In this document, where the context requires, references to 4 October 2024 should be treated as being references to the latest practicable date prior to the publication of this document.

A potted summary



Highlights

Hargreave Hale AIM VCT plc

Hargreave Hale AIM VCT plc is an established Venture Capital Trust that aims to generate capital gains and income from its portfolio and to make distributions to Shareholders from capital or income whilst maintaining its status as a Venture Capital Trust.

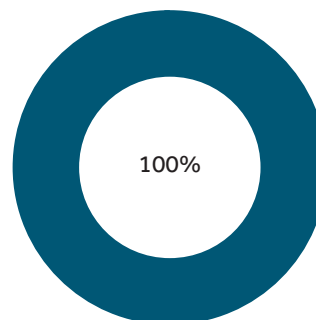
Although the Company's Qualifying Investments are primarily in companies that are listed on AIM, it also makes investments in private companies. In addition, the Company may make Non-Qualifying Investments in equities and exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits, the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Growth Fund.

Highlights

- £96.7 million returned to Shareholders through dividends since launch (as at 31 August 2024).
- As at 31 August 2024, £39.8 million returned to Shareholders through Share buy-backs and a tender offer since launch.
- Net assets of £152.3 million (unaudited as at 31 August 2024).
- 7 qualifying investments made in the 11 month period ended 31 August 2024 totalling £8.8 million.
- Ongoing Charges Ratio of 2.2 per cent. as at 30 September 2023 (audited).
- Ongoing Charges Ratio of 2.4 per cent. as at 31 August 2024 (unaudited).
- Further Offer to raise £20 million, giving Investors the opportunity to invest in a VCT with an established portfolio.

The Company was approved as a VCT by HMRC at launch in 2004. It has at all times satisfied the various tests required to maintain its status as a VCT.

HMRC Qualifying Investments test ⁽¹⁾



(1) As at 31 August 2024.

The HMRC Qualifying Investments test describes the percentage of the portfolio invested in Qualifying Investments as calculated in accordance with Chapter 3 of Part 6 Income Tax Act 2007. Funds raised by VCTs are first included in the investment tests from the start of the accounting period containing the third anniversary of the date on which the funds were raised.

Therefore, the allocation of Qualifying Investments as defined by the legislation can be different to the portfolio weighting as measured by market value relative to the net assets of the Company.

The Investment Manager

CGAM has been part of the Canaccord Genuity Wealth group of companies since September 2017. CGAM is a wholly owned subsidiary of Canaccord Genuity Wealth Group Limited which is a subsidiary of Canaccord Genuity Inc., a financial services company listed on the Toronto Stock Exchange.

The Investment Manager is a leading UK small cap fund manager with more than £2.7 billion of funds under management across eight unit trusts/OEICs and the Company, including approximately £1.8 billion invested in small UK companies (all as at 31 August 2024).

With effect from 1 October 2024, the Administration Agreement between the Company and Canaccord Genuity Wealth Limited ("CGWL") was novated to CGAM. This did not result in any change to the fees paid by the Company for these services. CGWL remains the Company's custodian.

As at 4 October 2024, the fund management team consisted of 15 fund managers and analysts.

Canaccord Genuity Asset Management Limited⁽¹⁾



(1) The boxes above set out key figures relating to the Investment Manager's fund management business as at 31 August 2024.

Statistics of the Offer and dealing codes

Number of Offer Shares	The number of Offer Shares to be allotted under the Offer will be determined by the Offer Price in respect of each allotment and the amounts applied for under the Offer by Investors. ⁽¹⁾
Offer Price	The last published NAV per Share prior to the date of the relevant allotment (adjusted as necessary for dividends declared but not yet paid if the allotment occurs whilst the existing Ordinary Shares are classified as ex-dividend) plus a premium of 3.5 per cent. to such last published NAV per Share.
Maximum gross proceeds of the Offer	£20 million
Minimum subscription per Investor under the Offer⁽²⁾	£5,000

(1) Details on how the Offer Price will be calculated, together with details relating to Financial Intermediary commission and facilitation of Adviser Charges, are set out in Part 3 of this document.

(2) In aggregate if an application is for both tax years.

Dealing Codes

ISIN	GB00B02WHS05
SEDOL	B02WHS0
Ticker Code	HHV
LEI	213800LRYA19A69SIT31

Expected timetable

Offer opens	9 October 2024
First allotment under the Offer	On or around 13 November 2024
Subsequent allotments	Monthly (or at such other times as the Board, in its sole discretion, may determine)
Closing date for the 2024/2025 tax year	5.00 p.m. on 21 March 2025
Closing date for the 2025/2026 tax year and Offer closes	12.00 p.m. on 12 August 2025 (unless the Offer is fully subscribed or otherwise closes earlier at the Board's sole discretion)
Dealings in New Shares commence	within 5 Business Days after the relevant allotment
CREST accounts credited	within 10 Business Days after the relevant allotment
Definitive share certificates and income tax relief certificates despatched	within 15 Business Days after the relevant allotment

Notes:

- (i) Subscriptions under the Offer will normally be accepted on a first-come-first-served basis, subject always to the discretion of the Board.
- (ii) The Receiving Agent will confirm its receipt of an application and contact the investor and/or their adviser should additional information be required to process the application and complete their 'Know Your Client' (KYC) and Anti-Money Laundering (AML) checks.
- (iii) The Board may close the Offer earlier than the date stated above if it is fully subscribed by an earlier date and/or the Board decides, in its sole discretion, to close the Offer earlier. The Board further reserves the right to accept applications and to allot and arrange for the listing of Offer Shares in respect of applications received on or prior to the closing date of the Offer as the Board sees fit, which may not be on the dates stated above.
- (iv) The allotment of Offer Shares by the Company is at the discretion of the Board and is expected to be made monthly, although there may be fewer or additional allotments (at the Board's discretion).
- (v) The times and dates set out in the expected timetable above and mentioned throughout this document may be adjusted by the Company, in which event details of the new times and/or dates will be notified, as required, to the FCA and the London Stock Exchange and, where appropriate, to Shareholders and an announcement will be made through a Regulatory Information Service.
- (vi) All references to times in this document are to London time, unless otherwise stated.

Directors, Investment Manager and advisers

Directors	David Brock, Chair Oliver Bedford Angela Henderson Megan McCracken Busola Sodeinde Justin Ward All Directors are non-executive and in all cases of: Talisman House, Boardmans Way, Blackpool FY4 5FY
Investment Manager, Administrator and Receiving Agent	Canaccord Genuity Asset Management Limited 88 Wood Street London EC2V 7QR
Custodian	Canaccord Genuity Wealth Limited 88 Wood Street London EC2V 7QR
Sponsor to the Offer	Howard Kennedy Corporate Services LLP No.1 London Bridge London SE1 9BG
Solicitor to the Company	Howard Kennedy LLP No.1 London Bridge London SE1 9BG
Company Secretary	JTC (UK) Limited The Scalpel 18th Floor 52 Lime Street London EC3M 7AF
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
VCT taxation advisers	Philip Hare & Associates LLP 6 Snow Hill London EC1A 2AY
Brokers to the Company	Singer Capital Markets Advisory LLP 1 Bartholomew Lane London EC2N 2AX
Distributor	Portunus Investment Solutions Limited Suite 416 83 Victoria Street London SW1H 0HW
Auditors	BDO LLP 55 Baker Street London W1U 7EU

Opening up new opportunities



Part 1: Letter from the Chair

Hargreave Hale AIM VCT plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 05206425)

Directors

David Brock (Chair)
Oliver Bedford
Angela Henderson
Megan McCracken
Busola Sodeinde
Justin Ward

Registered Office

Talisman House
Boardmans Way
Blackpool
FY4 5FY

Dear Investor,

The Offer

The Board is pleased to launch a new offer for subscription (the “Offer”) to raise up to £20 million. This follows the success of the Company’s previous offer for subscription, which closed on 22 March 2024, under which the Company raised gross proceeds of £20.3 million (the “2023 Offer”).

The Investment Manager has made progress deploying the proceeds of the 2023 Offer with the Company expecting to return to full investment within its portfolio of Qualifying Companies in the financial year commencing on 1 October 2024 or shortly thereafter. At the same time, the Company has returned £18.7 million to shareholders through dividends, special dividends and share buy backs over the course of the financial year to 30 September 2024, in part a consequence of the large number of companies that have been acquired by overseas ownership or private equity buyers.

The Offer will provide the Company with additional capital for further investment in accordance with its published investment policy, in many cases in support of existing portfolio companies as they continue to grow and invest. The difficult market conditions that have persisted for the last three years have left the portfolio attractively priced with good growth prospects across the Qualifying Companies in the portfolio. The Offer will allow new and Existing Shareholders to gain or add to their exposure to public companies traded on AIM and to private companies through an investment company listed on the London Stock Exchange’s main market for listed securities, whilst benefitting from a tax efficient structure. On behalf of the Company, the Investment Manager is pursuing an active investment strategy.

Application Forms must be received no later than 5.00 p.m. on 21 March 2025 for investment in the 2024/25 tax year and no later than 12.00 p.m. on 12 August 2025 for investment in the 2025/26 tax year. The Offer will close at 12.00 p.m. on 12 August 2025, unless the Offer is fully subscribed before this time and/or the Board decides, in its sole discretion, to close the Offer earlier.

In line with previous offers, CGAM will offer an ‘early bird discount’ of up to 2 per cent. on the initial fee for those applications received by CGAM by 5.00 p.m. on Friday, 29 November 2024, subject to a maximum aggregate subscription under the ‘early bird offer’ of £10 million. The 2 per cent. discount (to the standard 3.5 per cent. initial fee) will only apply to applications which do not trigger the payment of introductory commission to a Financial Intermediary. In such cases, the available discount will fall to 1 per cent. Discounts are paid through the allotment of additional Offer Shares to the Investor. CGAM reserves the right to vary the terms of the ‘early bird offer’, including to revoke such offer, at any time and in its sole discretion.

The portfolio

The Company is an established Venture Capital Trust that aims to generate capital gains and income from its portfolio and to make distributions to Shareholders from capital or income whilst maintaining its status as a Venture Capital Trust. Although the Company’s Qualifying Investments are primarily in companies that are listed on AIM, it has investments in private companies. In addition, the Company may make Non-Qualifying Investments in equities and exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits, the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Growth Fund.

The Company offers Investors exposure to a mature and well-diversified portfolio of small companies managed by CGAM. As at 31 August 2024, of the 63⁽¹⁾ Qualifying Companies in the Company's portfolio, 56 were listed on AIM representing 48.8 per cent. of the Company's NAV by market value. The portfolio of Qualifying Investments also includes seven investments in private companies, which represented 6.7 per cent. of the Company's NAV by market value as at 31 August 2024. Evidence of the Company's commitment to diversification can be found in the top 10 Qualifying Investments, which represented 23.0 per cent. of the Company's NAV as at 31 August 2024. In keeping with the investment policy, as at 31 August 2024 the Company had a focused portfolio of 10 main market listed Non Qualifying Investments which the Investment Manager believes balances the desire to drive Shareholder returns with the need to support portfolio liquidity. The balance of the portfolio comprises readily realisable bank deposits, an investment in the VanEck Gold Miners UCITS ETF, investments in a portfolio of short dated investment grade corporate bonds and investments in the IFSL Marlborough Special Situations Fund and IFSL Marlborough UK Micro-Cap Fund.

The Investment Manager's preference for long term investment has allowed the portfolio of qualifying investments to mature over time with 18 companies now held for more than 10 years. Consistent with the VCT Rules, Qualifying Companies are often very small at the point of investment; however, the passage of time means that the market capitalisation of Qualifying Companies within the Company's portfolio typically varies from less than £10 million to greater than £1 billion, with a weighted average of £168 million as at 31 August 2024. Revenues and profits vary significantly, too. Some companies are pre-revenue whilst others have annual revenues in the hundreds of millions, the weighted average being £81 million as at 31 August 2024. Whilst many Qualifying Companies are loss making at the point of investment, the increasing levels of maturity within the portfolio means that many Qualifying Companies are profitable. The weighted average profit before tax across the Company's portfolio of Qualifying Companies was £8 million as at 31 August 2024.

The Company has the ability to invest across all available investment sectors, although the VCT Rules tend to promote investment into sectors such as information technology, healthcare and consumer discretionary. The Company's exposure to these sectors is well balanced and they represented 39 per cent., 21 per cent. and 12 per cent. of the Company's NAV respectively as at 31 August 2024.

Further information on the Company's investment portfolio can be found on page 54 of this document.

Investment outlook and performance

Investor sentiment improved through the 2024 financial year as UK Inflation (Consumer Price Index) returned to the Bank of England's target of 2%, drawing to a close a 3-year inflation cycle that was very difficult for UK consumers and households and bringing with it hope that the United Kingdom can finally move on from the cost-of-living crisis. The economy has withstood the pressure better than many had predicted. All the same, businesses and households had to navigate an immensely difficult period of high inflation and stagnating economic activity. With inflation now on target and the Bank of England starting to reduce interest rates, many businesses and households can look forward to reduced borrowing costs.

There has been a pickup in interest in UK equities, including small companies, since the UK economy returned to growth in early 2024 and UK inflation returned to target. The Company has frequently flagged the impact of sustained fund outflows on UK equities. The Investment Manager reports that they and other managers have observed an improvement in the flow dynamic within UK small companies. It is too early to say that the market has turned decisively and there is little doubt that the speculation about potential changes to Business Relief is weighing heavily on AIM, and will continue to do so until the Chancellor delivers the Autumn Statement on 30 October 2024. Many, not least of all private equity and overseas trade buyers, recognise that UK small companies currently offer good long term growth at attractive prices. In recent years, the fractious nature of UK politics and the instability of the last Government was seen as a barrier to investment in UK equities by overseas institutions. In this regard, the change of Government may help, but only if they maintain party discipline and pursue the growth agenda they campaigned on.

Notwithstanding the uncertainty surrounding the Government's 2024 Autumn Budget and the prospect of a regional war in the Middle East as at the date of this document, the improving economic outlook is showing up in higher GDP, increased business confidence, growth in retail sales and stronger housing and construction markets. Forward looking data such as the UK Purchasing Managers' Indices are also positive.

To date, the more positive sentiment is yet to manifest in more companies committing to initial public offerings on AIM. The Investment Manager reports that its network of investment banks and corporate advisers are

(1) Excludes companies in administration.

signalling that interest in initial public offerings is starting to recover. Assuming no significant policy missteps by the Government, activity is expected to pick up in early 2025. In the meantime, the company remains ready and very keen to invest in exciting UK growth companies. The Board are pleased to report a healthy pipeline of deals for the first quarter of the new 2025 financial year.

In the eleven months to 31 August 2024, the unaudited NAV per share decreased from 46.34 pence to 41.59 pence. A special dividend of 1.50 pence, together with an interim dividend of 1.00 pence, were paid on 26 July 2024. This was in addition to the final dividend of 1.50 pence which was paid on 15 February 2024 in relation to the financial year ended 30 September 2023. This gives a NAV total return to investors of -0.75 pence per Ordinary Share, which equates to a loss of 1.62 per cent. as at 31 August 2024.

The NAV total return (dividends reinvested) for the period was -1.75 per cent. compared with +8.18 per cent. for the FTSE AIM All-share Index Total Return.

The opportunity

The Board believes that the Offer is an attractive investment opportunity for both Existing Shareholders and new Investors for the following reasons:

- The Company offers access to a diversified and maturing portfolio of companies, which the Board and the Investment Manager believe is attractively valued and has the potential to develop and grow. As at 31 August 2024, the Company had investments in 73⁽¹⁾ companies valued at £97.0 million (unaudited).
- The Investment Manager has a strong track record of identifying promising early-stage growth companies on AIM.
- Notwithstanding the challenging conditions, companies within the portfolio in general have shown resilience, further developed their products or services and, in many cases, have grown revenues. The Board and the Investment Manager remain confident that the portfolio has good growth prospects.
- The Investment Manager's experienced investment team continues to see a steady flow of VCT qualifying opportunities from companies in the AIM market and in the unquoted sector, which may need capital in the short and medium term. Notwithstanding the recent difficulties, the Investment Manager believes the number of companies contemplating an initial public offering is starting to increase.
- The Company has a well-established track record of paying out tax free dividends to Shareholders and its dividend policy is to target a tax free dividend yield equivalent to 5 per cent. of the Company's year-end Net Asset Value subject to performance, the availability of distributable reserves, cash resources and the VCT Rules.

The Company aims to improve liquidity for Shareholders who wish to sell their Ordinary Shares and to maintain a discount of approximately 5 per cent. to the last published NAV per Share (as measured against the mid-price) by making secondary market purchases of its Ordinary Shares in accordance with parameters set by the Board and subject to the availability of distributable reserves and the Company's cash requirements.

Tax benefits

Investors who pay income tax in the United Kingdom should be able to claim up to 30 per cent. income tax relief at the point of investment provided they pay sufficient income tax to offset against the claim for income tax relief and commit to holding their Ordinary Shares for at least five years. Other tax reliefs available to Investors include an exemption from income tax on any dividend distributions made by the Company and an exemption from capital gains tax on disposal of their Ordinary Shares. Investors should note that investments into VCTs are not loss allowable for the purposes of capital gains tax nor do they benefit from exemption from Inheritance Tax relief. Tax reliefs can be subject to change and are dependent on an individual's circumstances, and we encourage Investors to consult their accountant or financial adviser and confirm their suitability before proceeding with an investment in the Company. Please see Part 5 of this document for further information on the tax implications of an investment in the Company.

Many Shareholders and Investors will be aware of the continued speculation about potential changes to Business Relief (exemption from Inheritance Tax) for investments in AIM listed companies that are held for more than 2 years. It is far from clear what changes will be made, if any, and how they might impact on AIM. Conscious that

(1) Excludes companies in administration.

there are a wide range of potential outcomes, the Company will not make its first allotment until after the new Government reveals its Budget on 30 October 2024.

Dividend Reinvestment Scheme

Information on the Dividend Reinvestment Scheme operated by the Company is set out in section 2.2 of Part 2 of this document. Investors may elect to participate in the DRIS when applying for Offer Shares by completing the DRIS Mandate Form set out in the Application Form. Investors should read the DRIS terms and conditions before completing the DRIS Mandate Form. These can be downloaded from the Company's website at www.hargreaveaimvcts.co.uk or by contacting the Company's Registrar, Equiniti Limited, on 0371 384 2714 (+44 121 415 7047 from overseas). Lines are open Monday to Friday, 8:30 a.m. to 5:30 p.m. (excluding public holidays in England and Wales).

Engagement with Shareholders

Shareholder engagement is given a high priority by the Board. The Company provides a significant amount of information, including recorded content, about its activities and performance through its website (www.hargreaveaimvcts.co.uk). The website also allows Shareholders to request by email, updates on Shareholder events, the performance of the fund (interim management statements, fact sheets and video updates) and information on the Company's fundraising activities.

In addition to this, the Board want to provide Shareholders with regular opportunities to meet directly with the Directors and the CGAM VCT management team. As a result, the Company held five in-person events (including the Annual General Meeting) and a webinar in the 12 months to 30 September 2024. In the new financial year, we expect to hold 3 in-person events (including the Annual General Meeting) and two webinars. The next event scheduled is the annual shareholder event to be held at Everyman Cinema Broadgate, London on Thursday 28 November 2024. Further information on future events and recordings of previous updates can be found on the Company's website.

Whilst the Board strongly encourages Shareholders to make use of everything the website has to offer, the Directors recognise that it is not for everyone. Should you prefer, you can of course continue to communicate with the Chair, any other member of the Board or the Investment Manager by writing to the Company, for the attention of the Company Secretary at the address set out on page 25 of this document or by email to HHV.CoSec@jtcgroup.com.

Action to be taken

Before making a decision to invest in the Company under the Offer, it is recommended that prospective Investors seek advice from a financial adviser authorised under FSMA. If you have any questions about the Offer application process, please contact CGAM on 01253 376 622 or email aimvct@canaccord.com.

The suitability (or otherwise) of any investment in the Company will depend on your individual circumstances and CGAM will not be able to provide investment advice in connection with the Company or the Offer.

Applications under the Offer

Persons wishing to participate in the Offer must complete an electronic Application Form (available at www.hargreaveaimvcts.co.uk) accompanied by electronic payment and following the instructions given. Payment under the Offer shall only be permitted to be made by electronic means. The Board may, at its sole discretion, treat as invalid Application Forms in respect of which a cheque or banker's draft is presented for payment. The Board is of the view that the electronic Application Form is the most efficient and cost-effective way for Investors to participate in the Offer.

Application Forms must be received no later than 5.00 p.m. on 21 March 2025 for investment in the 2024/25 tax year and no later than 12.00 p.m. on 12 August 2025 for investment in the 2025/26 tax. The Offer will close at 12.00 p.m. on 12 August 2025, unless the Offer is fully subscribed before this time and/or the Board decides, in its sole discretion, to close the Offer earlier.

CGAM will confirm its receipt of an application and contact the Investor and/or their adviser should additional information be required to process the application and complete their 'Know Your Client' (KYC) and Anti-Money Laundering (AML) checks. Ordinary Shares are typically allotted on a monthly basis, although the Board has discretion to vary this.

The Company's Registrar, Equiniti Limited, will send out share certificates within 15 Business Days of an allotment along with an introduction to the services it provides, including their online portal through which Shareholders can access a range of information about their shareholding, the Company and dividend payment profiles, elect to receive electronic communications and join the Dividend Reinvestment Scheme.

CGAM will send out income tax certificates by post within 15 Business Days of each allotment of Offer Shares.

If you have any queries on the procedure for application and payment, you should contact CGAM (telephone 01253 376 622) or your normal financial adviser.

Yours sincerely,

David Brock, Chair
Hargreave Hale AIM VCT plc

Nurturing growth



Part 2: The Company

2.1 Investment objectives, key policies and investment process

Investment objectives

The investment objectives of the Company are to generate capital gains and income from its portfolio and to make distributions from capital or income to Shareholders whilst maintaining its status as a Venture Capital Trust.

Investment policy

The Company intends to achieve its investment objectives by making Qualifying Investments in companies listed on AIM, private companies and companies listed on the AQSE Growth Market, as well as Non-Qualifying Investments as allowed by the VCT Rules.

Qualifying Investments

The Investment Manager will maintain a diversified portfolio of Qualifying Investments which may include equities and fixed interest securities as permitted by the VCT Rules. Investments will primarily be made in companies listed on AIM but may also include private companies that meet the Investment Manager's criteria and companies listed on the AQSE Growth Market. These small companies will have a permanent UK establishment and, whilst of high risk, should have the potential for significant capital appreciation.

To maintain its status as a VCT, the Company must have 80 per cent. by value as measured by the VCT Rules of all of its investments in Qualifying Investments throughout accounting periods of the VCT beginning no later than three years after the date on which those Shares are issued. To provide some protection against an inadvertent breach of this rule, the Investment Manager targets a threshold of approximately 85 per cent.

Non-Qualifying Investments

The Non-Qualifying Investments must be permitted by the VCT Rules and may include equities and exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits that are readily realisable, the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Growth Fund. Subject to the investment controls below, the allocation to each of these investment classes will vary to reflect the Investment Manager's view of the market environment and the deployment of funds into Qualifying Companies. The market value of the Non-Qualifying Investments (excluding bank deposits) will vary between nil and 50 per cent. of the net assets of the Company.

The value of funds held in bank deposits will vary between nil and 30 per cent. of the net assets of the Company.

Investment controls

The Company may make co-investments in investee companies alongside other funds, including other funds managed by the Investment Manager.

Other than bank deposits, no individual investment shall exceed 10 per cent. of the Company's net assets at the time of investment.

Borrowings

The Articles permit the Company to borrow up to 15 per cent. of its adjusted share capital and reserves (as defined in the Articles). However, it is not anticipated that the Company will have any borrowings in place and the Directors do not intend to utilise this authority.

To the extent that any future changes to the Company's investment policy are considered to be material, Shareholder consent to such changes will be sought. Such consent applies to the formal investment policy described above and not the investment process set out below.

Investment process and strategy

The Investment Manager follows a stock specific investment approach based on fundamental analysis of the investee company.

The CGAM fund management team leverages its market connections and meets with numerous companies each week. These meetings provide insight into investee companies, their end markets, products and services, or their competition. Investments are monitored closely and the Investment Manager usually meets or engages with their senior leadership team at least twice each year. Where appropriate, the Company may co-invest alongside the other funds managed by the Investment Manager, depending on the circumstances, this may require Board approval.

The key selection criteria used in deciding which investments to make include, inter alia:

- the strength and depth of the management team;
- the business strategy;
- a prudent approach to financial management and forecasting;
- a strong balance sheet;
- profit margins, cash flows and the working capital cycle;
- barriers to entry and the competitive landscape; and
- the balance of risk and reward over the medium and long term.

Qualifying Investments

Investments are made to support the growth and development of a Qualifying Company. The Investment Manager will maintain a diversified portfolio that balances opportunity with risk and liquidity. Qualifying Investments will primarily be made in companies listed on AIM but may also include private companies and companies listed on the AQSE Growth Market. Seed funding is rarely provided and only when the senior leadership team includes proven business leaders known to the Investment Manager.

Working with advisers, the Investment Manager will screen opportunities, often meeting management teams several times prior to investment to gain a detailed understanding of the company. Investments will be sized to reflect the risk and opportunity over the medium and long term. In many cases, the Investment Manager will provide further funding as the need arises and the investment matures. When investing in private companies, the Investment Manager will shape the investment to meet the investee company's needs whilst balancing the potential for capital appreciation with risk management.

Investments will be held for the long term unless there is a material adverse change, evidence of structural weakness, or poor governance and leadership. Partial realisations will be made where necessary to balance the portfolio or, on occasion, to capitalise on significant mispricing within the stock market.

Non-Qualifying Investments

The CGAM VCT team works closely with the wider CGAM fund management team to deliver the investment strategy when making Non-Qualifying Investments, as permitted by the VCT Rules. The Investment Manager will vary the exposure to the available asset classes to reflect its view of the equity markets, balancing the potential for capital appreciation with risk management, liquidity and income.

The Non-Qualifying Investments will typically include a focused portfolio of direct investments in companies listed on the main market of the London Stock Exchange. The portfolio will mix long term structural growth with more tactical investment to exploit short term mispricing within the market.

The use of the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Growth Fund enables the Company to maintain its exposure to small UK companies whilst the Investment Manager identifies opportunities to invest the proceeds of fundraisings into Qualifying Companies.

The Investment Manager may use certain exchange traded funds listed on the main market of the London Stock Exchange to gain exposure to asset classes not otherwise accessible to the Company.

Environmental, social and governance considerations

Approach

The Company regards the development of a clearly defined and integrated ESG management system as an important pillar for the long-term success of its business, as well as for its investee companies.

Managing a successful, long-term and enduring business for the benefit of shareholders depends on effective engagement with a variety of stakeholders, as well as the management of a wide range of environmental, social and governance factors.

The operational success of the Company is dependent on its advisers and, in particular, key advisers such as the Investment Manager, running efficient operations underpinned by sustainable business models.

The Investment Manager believes that companies with strong governance, durable business models and balanced workforces are more likely to create value over the long term whilst reducing investment risk, benefiting the wider UK economy and society and generating positive shareholder returns.

ESG in the investment process

Holding meaningful stakes in investee companies provides the Investment Manager with the opportunity and responsibility to positively influence investee company behaviour, both at the point of investment and during the time in which the Company is a shareholder.

Due diligence

The Investment Manager assesses ESG factors across both public and private qualifying companies. This information will, over time, be used to develop individualised ESG risk maps that identify issues and track behavioural themes. The Investment Manager regularly engages with senior management teams and boards to identify and raise issues of note, provide a forum for positive feedback and promote change where necessary.

Exclusions and divestment policies

As part of its investment strategy, the Company has adopted policies covering exclusions and divestment to describe behaviours that fall outside of the Company's expectations of investee companies. The Investment Manager has adopted an engagement policy to create a clear framework that defines how it will interact with investee companies.

The Investment Manager

The Investment Manager adheres to its own ESG investment and stewardship policies. These include an ESG Policy, an Engagement Policy, a Conflicts of Interest Policy and a Stewardship Policy that, together with the investment mandate and the Company's ESG approach, inform the Company's approach.

CGAM is a signatory of the United Nations Principles of Responsible Investment (UN PRI) and HMT's Women in Finance Charter.

Risk management

The structure of the Company's investment portfolio and its investment strategy, has been developed to mitigate risk where possible. Key risk mitigation strategies are as follows:

- the Company has a broad portfolio of investments to reduce stock specific risk;
- flexible allocations to non-qualifying equities, exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits that are readily realisable, the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Growth Fund allow the Investment Manager to adjust portfolio risk without compromising liquidity;
- regular meetings with investee companies aid the close monitoring of investments to identify potential risks and allow corrective action where possible; and
- regular board meetings and dialogue with the Directors, along with policies to control conflicts of interest and co-investment with the Marlborough fund mandates, support strong governance.

Co-investment policy

The Investment Manager manages other funds that can invest in the same companies as the Company, including the IFSL Marlborough Special Situations Fund, the IFSL Marlborough UK Micro-Cap Growth Fund and the IFSL Marlborough Nano-Cap Growth Fund. Therefore, in appropriate circumstances, the Company will invest alongside other funds managed by the Investment Manager. Where the Company is co-investing alongside other funds managed by the Investment Manager, the Investment Manager will take into account factors such as the risk profile and investment strategy of the participating funds when deciding how much each fund will invest.

Investments through a new issue of shares or securities must be made on the same terms as any other fund(s) managed by the Investment Manager unless the investment is approved by the Board. Subject to any constraints relating to the availability of VCT qualifying shares, any scaling back of applications made by the Investment Manager on behalf of the different funds it manages will be on a pro rata basis to the amount originally requested for each fund.

If the Investment Manager intends to invest through a new issue of shares or securities in a company in which another fund managed by the Investment Manager has an existing position, but is not intending to participate in the issue, then the Investment Manager must give due consideration to any potential conflict of interest and, where necessary, refer the matter to the Board for approval.

In accordance with the Company’s co-investment policy, the Investment Manager reports all co-investments made by the Company which are deemed to have a potential conflict of interest to the Board.

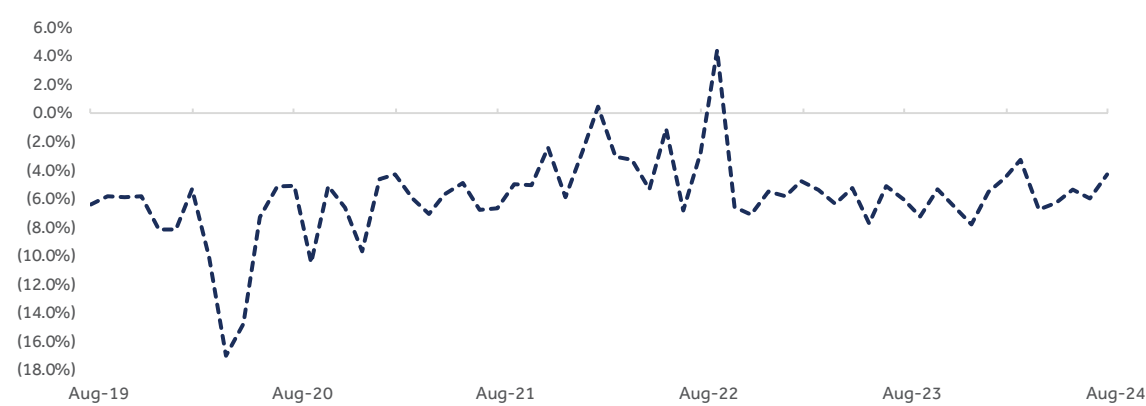
Discount control policy and management of share liquidity

The Company aims to improve liquidity and to maintain a discount of approximately 5 per cent. to the last published NAV per Share (as measured against the mid-price) by making secondary market purchases of its Ordinary Shares in accordance with parameters set by the Board.

This policy is non-binding and at the discretion of the Board. Its operation depends on a range of factors including the Company’s liquidity, Shareholder permissions, market conditions and compliance with all laws and regulations. These factors may restrict the effective operation of the policy and prevent the Company from achieving its objectives.

The below chart shows the discount to the NAV per Share as at each month end at which the Ordinary Shares traded over the five years to 31 August 2024.

Share price discount to NAV



Source: Canaccord Genuity Asset Management.



XP Factory

Description: XP Factory has two brands, Escape Hunt and Boom Battle bars. Escape Hunt is a global leader in escape-the-room experiences and Boom Battle bars is a young brand of competitive socialising bars, both based in the UK.

FY24 revenue: £57m

Market cap: £24.2m



Tristel

Description: Tristel is a global infection prevention company focussed on the manufacture and supply of products using its unique proprietary chlorine dioxide (ClO₂) chemistry.

FY23 revenue: £36m

Market cap: £227.4m

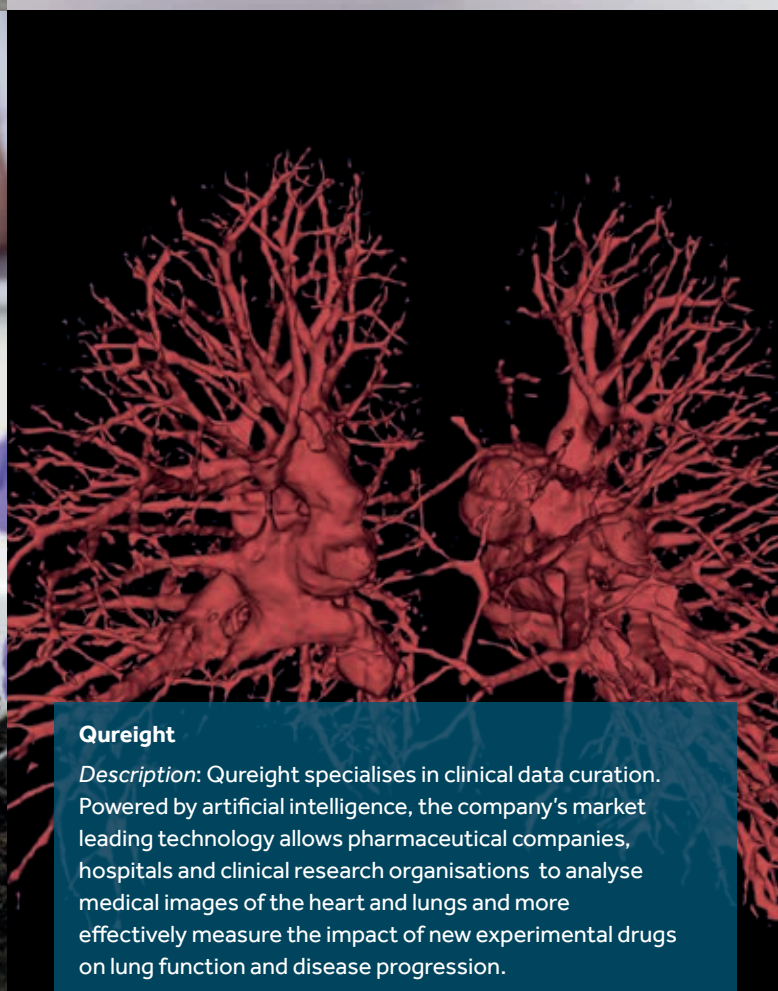


Eden Research

Description: Eden Research develops and supplies innovative biopesticide products and natural microencapsulation technologies for use in global crop protection.

FY23 revenue: £3m

Market cap: £21.9m



Qureight

Description: Qureight specialises in clinical data curation. Powered by artificial intelligence, the company's market leading technology allows pharmaceutical companies, hospitals and clinical research organisations to analyse medical images of the heart and lungs and more effectively measure the impact of new experimental drugs on lung function and disease progression.

2.2 Dividends

Dividend policy

The Company's dividend policy is to target a tax free dividend yield equivalent to 5 per cent. of the year end Net Asset Value.

The Company has a well-established track record of paying out tax free dividends to Shareholders. Whether a Shareholder qualifies to receive tax free dividends from the Company or not will depend on the personal circumstances of each individual Shareholder. If an Investor is uncertain as to their tax position they should consult their accountant or financial adviser.

The Company aims to pay an interim dividend in July each year and a final dividend in February. Special dividends may also be paid by the Company following significant realisations of investments.

The ability to pay dividends is dependent on the Company's available reserves and cash resources, the Act, the UK Listing Rules and the VCT Rules. The dividend policy is non-binding and at the discretion of the Board. Dividend payments may vary from year to year in both quantum and timing. The level of dividend paid each year will depend on the performance of the Company's portfolio. In years where there is strong investment performance, the Directors may consider a higher dividend payment, including the payment of special dividends. In years where investment performance is not as strong, the Directors may reduce or even pay no dividend.

In common with many other VCTs and in accordance with the terms of the Articles, the Company has revoked its status as an investment company to allow it to pay dividends out of capital profits.

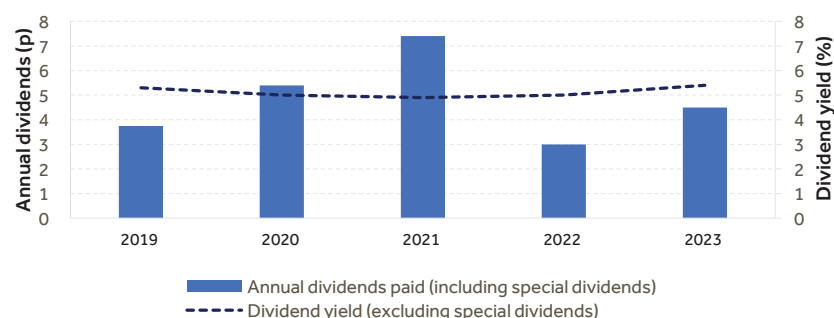
VCTs can distribute realised capital profits from the sale of underlying investments and income by way of dividends, which are free of income tax to Investors (subject to each individual Investor's personal circumstances). The Directors intend that the Company will take advantage of this by distributing some or all of its realised capital profits from time to time. The distribution of realised capital profits will have a negative impact on the Company's NAV per Share.

Dividend history

Dividends are paid after the period end to which they relate. The Company made dividend payments to Shareholders equal to 5.00 pence per Ordinary Share in the financial year to 30 September 2023 comprising a final dividend of 2.00 pence for the year to 30 September 2022, a special dividend of 2.00 pence paid on 10 February 2023 and an interim dividend of 1.00 pence for the six months to 31 March 2023 paid on 25 July 2023.

Including the final dividend of 1.50 pence per Ordinary Share paid on 12 February 2024, there were three dividends payable in relation to the year to 30 September 2023 giving a total distribution of 4.50 pence per Ordinary Share. The dividends payable for the year gave a yield of 5.4 per cent. The chart below shows the annual dividends payable in relation to the last five full financial years to holders of Ordinary Shares. The dividend yield is the dividends payable in relation to a financial year expressed as a percentage of the relevant closing NAV per Share.

Dividends payable and yield by financial year



Source: Canaccord Genuity Asset Management.

80.20p⁽¹⁾

LIFETIME
DIVIDENDS

5%

TARGET NAV
YIELD

(1) Total dividends distributed to Shareholders since launch.

Dividend Reinvestment Scheme ("DRIS")

The Company operates a dividend reinvestment scheme through the Registrar. The continued operation of the DRIS is conditional on Shareholders passing the relevant resolutions at the Company's annual general meeting each year. Under the DRIS, Shareholders may elect to re-invest dividends that they are due to receive from the Company in new Ordinary Shares allotted for that purpose. This provides the Company with additional funds for investment. As new Ordinary Shares will be issued, Shareholders are able to claim tax reliefs on the Ordinary Shares issued under the DRIS, including 30 per cent. income tax relief on their investment (subject to the terms of the VCT Rules and the personal circumstances of the Shareholder). **Please note, however, that Ordinary Shares issued under the DRIS count towards the annual limit for tax reliefs granted to VCT investors.**

Under the DRIS, Shareholders can elect, by completing the DRIS Mandate Form set out in the Application Form, to re-invest all future dividends in new Ordinary Shares. If Shareholders complete the DRIS Mandate Form, thereby confirming that they want to receive new Ordinary Shares in respect of the full number of Ordinary Shares in their holding, the dividends that they would be entitled to receive on Ordinary Shares issued under the DRIS will be re-invested.

Where a valid election is in place, new Ordinary Shares will be issued under the DRIS at a price equivalent to the greater of:

- the latest published NAV per Share (net of all dividends previously declared but not yet paid on the Shares);
 - the nominal value per Ordinary Share; and
 - the mid-market price per Ordinary Share as quoted on the London Stock Exchange,
- each as at the close of business on the tenth Business Day preceding the date of issue of such Ordinary Shares.

The Company will not issue more than 10 per cent of the Company's issued share capital in any 12 month period under the DRIS. If this limit is reached, the entitlements of each DRIS participant will be scaled back on a pro rata basis.

If required, additional Shareholder authority to issue Ordinary Shares under the DRIS may be sought by the Company at further general meetings if deemed appropriate by the Board.

2.3 Shareholder returns

Rolling returns to 31 August 2024 (excluding income tax relief)

	1Y	2Y	3Y	4Y	5Y	10Y
NAV total return ⁽¹⁾⁽²⁾	-5.22%	-24.06%	-43.76%	-12.69%	-4.76%	12.77%
Share price total return ⁽³⁾	-3.10%	-24.63%	-41.63%	-10.67%	-0.99%	13.49%
NAV total return (dividends reinvested) ⁽¹⁾⁽⁴⁾	-5.34%	-25.39%	-47.42%	-20.34%	-13.62%	2.10%
Share price total return (dividends reinvested) ⁽⁵⁾	-3.09%	-25.76%	-45.31%	-18.29%	-9.80%	3.82%
FTSE AIM All-Share Total Return	6.13%	-9.19%	-37.26%	-15.12%	-5.08%	13.57%
FTSE All-Share Total Return	16.98%	23.10%	24.35%	57.86%	37.89%	80.87%

Source: CGAM and Bloomberg. Past performance is not a guide to future performance

(1) Returns based on unaudited NAV as at 31 August 2024, excluding any income tax relief, offer costs or reduction in value that might occur if the achieved sale price of the Shares was lower than the published NAV.

(2) The NAV total return is calculated by adding the dividends paid in the period to the closing NAV per share and measuring the percentage change relative to the opening NAV per share.

(3) The share price total return is calculated by adding the dividends paid in the period to the closing mid-price and measuring the percentage change relative to the opening mid-price.

(4) The NAV total return (dividends reinvested) shows the percentage movement in the NAV total return per share over time taking into account both capital returns and dividends paid assuming dividends are re-invested into new shares.

(5) The performance of the Company's share price on a total return basis assuming dividends are reinvested in new shares at the mid-price of the shares on the ex-dividend date.

Discrete 12 month returns (excluding income tax relief)

	08/2023 to 08/2024	08/2022 to 08/2023	08/2021 to 08/2022	08/2020 to 08/2021	08/2019 to 08/2020
NAV total return (dividends reinvested) ⁽¹⁾	-5.34%	-21.18%	-29.53%	51.51%	8.44%
Share price total return (dividends reinvested)	-3.09%	-23.39%	-26.34%	49.40%	10.39%
FTSE AIM All-Share Total Return	6.13%	-14.44%	-30.91%	35.29%	11.82%
FTSE All-Share Total Return	16.98%	5.23%	1.01%	26.95%	-12.65%

Source: CGAM and Bloomberg. Past performance is not a guide to future performance.

(1) Returns based on unaudited NAV as at 31 August 2024, excluding any income tax relief, offer costs or reduction in value that might occur if the achieved sale price of the Shares was lower than the published NAV.

Illustrative investor returns over 5 years, inclusive of income tax relief, offer costs and share price discount

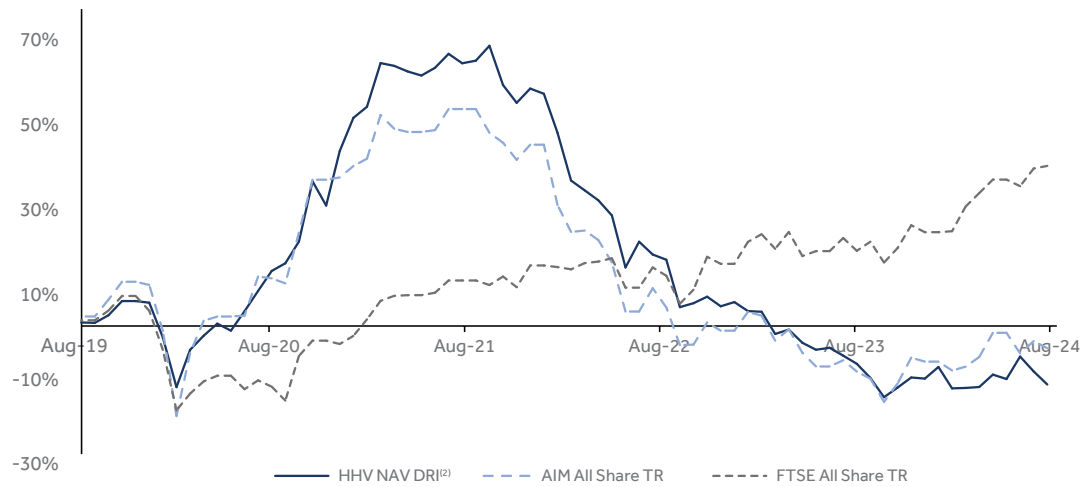
Based on historical NAV performance, a shareholder who held Ordinary Shares for the 5 years to 31 August 2024 could have achieved an illustrative shareholder total return of 26.7 per cent. and 12.7 per cent. on a total return dividends reinvested basis. If achieved, this would equate to illustrative 5-year annualised returns (inclusive of income tax relief) of 4.8 per cent. and 2.4 per cent. respectively.

Calculated on the same basis, the illustrative shareholder total returns over 5 years without income tax relief would be -11.3 per cent. and -21.1 per cent. on a total return dividends reinvested basis. If achieved, this would equate to illustrative 5-year annualised returns of -2.4 per cent. and -4.6 per cent. respectively.

Investors should note that this illustration highlights an illustrative return using published NAV per Share information and other relevant inputs. The illustration assumes the Shares were issued at a 3.5 per cent. premium to the 31 August 2019 NAV per Share in accordance with the Company's pricing formula and then sold at the mid-price of the Company's Ordinary Shares on 4 September 2024, which represented a discount of 4.8 per cent. to the 31 August 2024 NAV per Share as published on 3 September 2024.

The illustrative return is calculated by expressing the illustrative shareholder total return, with and without dividends reinvested, as a percentage of the net book cost, being the Subscription amount less the 30 per cent. income tax relief. The illustrated return also assumes an Investor is able to claim the 30 per cent. income tax relief in full. Past performance is not a guide to future performance.

5 year rolling returns to 31 August 2024⁽¹⁾ (excluding income tax relief)



Source: Canaccord Genuity Asset Management.

(1) Past performance is not a guide to future performance.

(2) Hargreave Hale AIM VCT NAV total return is calculated on a dividends reinvested basis so is comparable with the AIM All Share and FTSE All Share total returns, which is calculated on the same basis.

2.4 The Investment Manager

The Investment Manager

CGAM, is a wholly owned subsidiary of Canaccord Genuity Wealth Group Limited. The Investment Manager is a leading small cap UK fund manager with a team of 15 fund managers and analysts. Their combined experience aligns with the Company's published investment policy. As at 31 August 2024, the Investment Manager had more than £2.7 billion of funds under management across eight unit trusts/OEICS and the Company which are managed under delegation, including approximately £1.8 billion invested in small UK companies.

The Investment Manager's VCT fund management team is led by Oliver Bedford with support from Lucy Bloomfield, Abbe Martineau, Anna Salim and Archie Stirling. The VCT fund management team is supported by the wider CGAM fund management team, mainly in the delivery of the Non-Qualifying Investment Strategy through the direct investment of the Company's capital into companies listed on the main market of the London Stock Exchange, as permitted by the VCT Rules.

A short biography on the members of the VCT management team is set out below.



Oliver Bedford

Oliver Bedford graduated from Durham University with a degree in Chemistry. He served in the British Army for nine years before joining the Investment Manager in 2004. After initially working as an analyst in support of the VCT, Oliver was appointed as co-manager in 2011 and then lead manager in 2019.



Lucy Bloomfield

Lucy Bloomfield joined the Investment Manager in August 2018 as deputy fund manager, she was subsequently appointed as co-manager in 2024. Prior to this she spent eight years as an analyst and UK Small & Mid cap fund manager at BlackRock before her most recent role as a European Small & Mid-cap fund manager with Ennismore Fund Management. Lucy graduated from Durham University in 2007 with a degree in Economics and is a CFA charter holder.



Abbe Martineau

Abbe Martineau graduated from the University of Birmingham and went on to qualify as a lawyer in 2005. Her prior legal experience includes eight years at Freshfields Bruckhaus Deringer, where she advised international businesses on a range of corporate matters and strategic M&A, and eight years at Prudential plc, where she worked on delivering the group's strategic priorities, including its first ESG Report and the demerger of M&G. She joined the Investment Manager in 2023.



Anna Salim

Anna Salim joined the Investment Manager in April 2018 as an investment analyst, she was subsequently appointed as portfolio manager in 2024. Her prior experience includes European lower mid-market private equity investments at Revolution Capital Group and equity research at Cormark Securities. Anna graduated from the University of Toronto and holds an MBA from University of Western Ontario. She is a CFA charter holder.



Archie Stirling

Archie Stirling graduated from Bristol University with a BSc in Economics, joined KPMG LLP in 2013 and qualified as a chartered accountant in 2016. Archie joined the Investment Manager in September 2021 following 5 years working in transactional services.

Custodian arrangements

CGWL acts as custodian to the Company. In this capacity, CGWL is responsible for ensuring safe custody and dealing with settlement arrangements in respect of the Company's equity and fixed income assets, and certain cash deposits. All other assets, including cash, are held by the Company directly.

Fees and expenses

The Annual Running Costs of the Company are capped at 3.5 per cent. of the net assets of the Company. The Investment Manager has agreed to indemnify the Company in relation to all costs that exceed this cap (such costs excluding any VAT payable on the Annual Running Costs of the Company). As at 30 September 2023, being the end of the last financial year for which the Company has published audited annual report and accounts, the Company's running costs were 2.24 per cent. of the net assets of the Company (including irrecoverable VAT).

Under the Management Agreement, the Investment Manager receives an annual management fee of 1.7 per cent. of the Net Asset Value of the Company. A maximum of 75 per cent. of the annual management charge will be chargeable against capital reserves, with the remainder being chargeable against revenue. The Company does not pay the Investment Manager a performance fee. As the Investment Manager to the Company and investment adviser to both the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Growth Fund (in which the Company may, and does, invest), the Investment Manager adjusts the fee it receives under the Management Agreement to ensure that the Company is not charged twice for its services.

Where appropriate, the Investment Manager carries out due diligence and transactional services on potential investments. Upon completion of an investment, the Investment Manager is permitted under the Management Agreement to charge private investee companies a fee equal to 1.5 per cent. of the investment amount. This fee is subject to a cap of £40,000 per investment and is payable directly from the investee company to the Investment Manager.

With effect from 1 October 2024, the administration agreement between the Company and CGWL was novated to CGAM. Under the terms of the novation agreement the administration fees paid by the Company did not change. CGAM will receive an annual fee of £250,000 (plus VAT) in relation to administration services. CGWL will continue to receive a fee of £30,000 per annum in relation to its appointment as the Company's custodian.

Any initial or trail commissions paid to Financial Intermediaries are paid by CGAM.



Diaceutics

Description: Diaceutics is a data analytics and end-to-end services provider for the development and commercialisation of precision medicine diagnostics.

FY23 revenue: £24m

Market cap: £112.3m



The Property Franchise Group

Description: The Property Franchise Group is the UK's largest multi-brand property franchisor, with a portfolio of 15 lettings and estate agency brands and a network of over 910 lettings and estate agency businesses serving residential clients. The group also includes an established Financial Services business.

FY23 revenue: £27m

Market cap: £309.2m



PCI-PAL

Description: PCI PAL plc is a Software-as-a-Service (SaaS) provider that enables organizations of any size, anywhere in the world, to offer a frictionless payment experience to their customers. With PCI Pal, end-users can leverage their payment method of choice over any channel, in a highly secure and compliant way, instilling customer trust and loyalty.

FY23 revenue: £15m

Market cap: £42m



Animalcare

Description: Animalcare is a European veterinary pharmaceutical and services business with direct commercial presence in seven European countries and product sales in 40 countries in Europe and worldwide.

FY23 revenue: £74m

Market cap: £164.2m

2.5 The Directors

The Company has an experienced Board consisting of six non-executive directors, five of whom are independent of the Investment Manager. Although the management of the Company's portfolio has been delegated to the Investment Manager, the Directors retain overall responsibility for the Company's affairs. The duties of the Board include:

- overseeing delivery of the investment strategy;
- monitoring compliance with VCT Rules (day to day responsibilities in this regard have been delegated to the Investment Manager but the Board retains overall responsibility);
- approving the valuations of all unquoted investments;
- maintaining corporate governance standards; and
- overseeing the production of reports and accounts for Shareholders.

A short biography on each of the Directors is set out below.



David Brock (Chair)

Date of Appointment: 13 October 2010

David Brock is an experienced company chair in both private and public companies and a former main board director of MFI Furniture Group plc. David is Chair of Molten Ventures VCT plc and ECS Global Group Ltd. David was appointed as Chair of the Board on 4 February 2020.



Oliver Bedford

Date of Appointment: 13 December 2016

Oliver Bedford sits on the Board as part of his role as lead manager at the Investment Manager in relation to the Company.



Angela Henderson

Date of Appointment: 1 November 2019

Angela Henderson is a non-executive director at Macquarie Capital (Europe) Limited, Wells Fargo Securities International Limited and Polar Capital Global Financials Trust plc following an executive career in financial services. She has invested in early stage technology companies and held non-executive board seats in the asset management sector. Previously, she has served on the governing bodies of a London hospital and a healthcare charity. She is a solicitor of the Senior Courts of England & Wales.



Megan McCracken

Date of Appointment: 1 June 2022

Megan McCracken is Chair of State Street Trustees Limited and a non-executive director and Chair of the Remuneration and Nomination Committees for Folk2Folk. She was awarded the Institute of Directors' Chair's Award. Megan held executive roles at HSBC and Citibank, and was a PwC consultant and a Boeing Satellite Systems engineer. She was previously the Senior Independent Director of GB Bank and has an MBA from MIT Sloan and a Bachelor of Science in Aerospace Engineering.



Busola Sodeinde

Date of Appointment: 1 June 2022

Busola Sodeinde is a qualified Chartered Accountant and has spent most of her executive career in Financial Services. Until 2019, she was a Managing Director/ CFO in Global Markets EMEA at State Street Bank. She is a non-executive director and Chair of the Audit Committee at TR Property Investment Trust plc, a non-executive director and Chair of the Audit and Governance Committee of Railpen Limited, a member of the Board of Governors for Church Commissioners (and sits on its Audit & Risk Committee), is a non-executive director at The Ombudsman Services and a Trustee of The Scouts. Busola is the founder of a social start up and is also an activator supporting women-led ventures.



Justin Ward

Date of Appointment: 1 November 2020

Justin Ward is a qualified Chartered Accountant. He is a non-executive director and Chair of the Investment Committee of The Income and Growth VCT plc and Chair of Schroder British Opportunities Trust plc. He is also a non-executive director of School Explained Limited and has previously served on the board of a number of private companies. Justin formerly led growth equity and private equity buyout transactions at CVC Capital Partners, Hermes Private Equity and Bridgepoint Development Capital.

2.6 Additional information

Corporate governance

The Board is accountable to Shareholders for the governance of the Company's affairs and is committed to maintaining high standards of corporate governance. Accordingly, the Board has chosen to comply with the Association of Investment Companies' Code of Corporate Governance last updated in February 2019 (the "**AIC Code**") and has put in place arrangements which it considers appropriate for the Company to ensure effective corporate governance. Considering the principles applicable to the Company, the Board believes that the Company as at the date of this document complies, save as disclosed below, with the provisions of the AIC Code.

The AIC Code includes provisions relating to:

- appointment of a senior independent director;
- establishment of a separate nomination committee;
- establishment of a separate remuneration committee; and
- the need for an internal audit function.

The Board considers these provisions are not relevant to the position of the Company, as all of the Company's day-to-day management and administrative functions are outsourced to external service providers. As a result, the Company has no executive directors, employees or internal operations.

As the Board consists entirely of non-executive directors it is considered appropriate that matters relating to remuneration and nomination are considered by the Board as a whole, rather than separate remuneration and nomination committees. Due to the nature and the size of the Company, the Directors do not feel it is necessary to appoint a senior independent director.

Shareholder communications

The annual report and accounts of the Company are made up to 30 September in each year and are normally published in December. The Company also publishes unaudited half yearly financial statements for the period to 31 March in each year.

Duration

Although the Company is an 'evergreen' VCT, the Articles provide that at the annual general meeting of the Company to be held in 2030 a vote on the continuation of the Company for a further five years will be put to Shareholders. Under the Articles, if the continuation of the Company is not approved, the Directors must put forward proposals for the liquidation, reorganisation or reconstruction of the Company as soon as possible, but in any event no later than nine months following the date of the annual general meeting at which the continuation vote was proposed and failed.

At the General Meeting to be held on 12 November 2024, Shareholders will be asked to approve a resolution to amend the Company's articles of association to extend the date of the next continuation vote to the annual general meeting of the Company to be held in 2031 in order to seek to protect the VCT tax relief for Investors participating in the Offer.

Share capital authorities

On 8 February 2024, by ordinary resolution, the Directors were granted authority to allot Ordinary Shares up to an aggregate nominal amount of £338,803. On the same date, by special resolution, the Directors were empowered to make such allotments without application of pre-emption rights. On the same date, the Company was authorised to make market purchases of up to 50,786,705 Ordinary Shares.

At the General Meeting to be held on 12 November 2024, in order to ensure the Directors have authority to issue the Offer Shares, Shareholders will be asked to approve resolutions to increase the number of Ordinary Shares the Directors may allot on a non-pre-emptive basis in connection with the Offer.

Conflicts of interest

The Investment Manager and its officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company.

The NAV of the Company will be determined by the Administrator, which also acts as the Investment Manager. The Company's valuation policy is structured to promote independence, build in adequate controls and mitigate any potential conflict of interest. In addition, the majority of the Company's portfolio is invested in shares quoted on AIM, which are valued at the prevailing bid price. However, since the management fee that the Investment Manager is entitled to receive is calculated based on the NAV and the valuation of unquoted investments will be based on information provided by the Investment Manager, there is the possibility that a conflict of interest may arise. In order to manage any conflict, valuations of unquoted equities have and will be approved by the Board (the majority of whom are independent of the Investment Manager) with advice from the Investment Manager. In addition, the valuation of the unquoted holdings have and will be reviewed by the Auditors on an annual basis as part of the audit of the Company's annual report and accounts. Further information on the valuation of the Company's unquoted investments is set out in Part 4 of this Prospectus.

The Administrator reports to the Board, on an annual basis, with regard to the compliance oversight reviews that have taken place in the previous year so far as they affect the Company. The Administrator also reports to the Board, on a quarterly basis, any breaches of law and regulation and any operational errors. This enables the Board to address any issues with regard to the management of the Company as and when they arise and to identify any known internal control failures.

Oliver Bedford is an employee of CGAM, which acts as Administrator and Investment Manager to the Company, and therefore has an interest in the arrangements between the Company and CGAM. Oliver Bedford is also a non-executive Director of the Company and as such there may be a potential conflict of interest between his duties owed to the Company and to the Investment Manager in relation to these arrangements. Where a potential conflict does arise, Oliver Bedford does not take part in the decision making process.

The Company has and may make investments in the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-Cap Growth Fund, which are managed by the Investment Manager. The Investment Manager adjusts the fee it receives under the Management Agreement to ensure that the Company is not charged for the services provided to the IFSL Marlborough Special Situations Fund and the IFSL Marlborough UK Micro-CAP Growth Fund.

VCT status and monitoring

The Company has appointed Philip Hare & Associates LLP to advise on tax matters generally and, in particular, on the maintenance of VCT status. HMRC has confirmed that the Company qualifies as a VCT. Philip Hare & Associates LLP assist the Investment Manager in establishing the status of investments as Qualifying Investments and monitoring these investments and report directly to the Board twice a year. In order to continue to comply with VCT requirements, the Company must have 80 per cent. of all net funds raised from the issue of shares invested in Qualifying Investments throughout accounting periods beginning no later than three years after the date on which those shares are issued. The Company must also invest at least 30 per cent. of the gross funds raised in Qualifying Investments by the anniversary of the end of the accounting period in which the funds were raised.

As at 31 August 2024, the Company was 100 per cent. invested in Qualifying Investments, for the purposes of the HMRC Qualifying Investments test, calculated in accordance with Chapter 3 of Part 6 Income Tax Act 2007.

Coming into bloom



Part 3: The Offer

Details of the Offer

The Offer

It is proposed that the Company raises up to £20 million by way of an offer for subscription for Offer Shares. The issue of the Offer Shares is subject to Shareholders approving the necessary share issuance authority at the General Meeting to be held on 12 November 2024 and on the Offer Agreement becoming unconditional and not being terminated in accordance with its terms.

The Offer will open on 9 October 2024 and will close at 5.00 p.m. on 21 March 2025 in respect of the 2024/25 tax year (unless fully subscribed earlier, in which case the Board may close the Offer earlier than this date). If the Offer is not fully subscribed at that time, the Directors reserve the right to allow the Offer to remain open for at least part of the 2025/26 tax year, but not beyond 12.00 p.m. on 12 August 2025.

The first allotment of Offer Shares under the Offer is expected to be on or around 13 November 2024. Thereafter, the Directors reserve the right to allot Offer Shares at any time whilst the Offer remains open. Following the first allotment of Offer Shares, allotments will take place on a monthly basis or at such other times as the Board, in its sole discretion, may determine. Following each allotment, an announcement will be released through a Regulatory Information Service, including details of the relevant Offer Price and total number of Offer Shares allotted. The Directors reserve the right to accept Application Forms and to allot and arrange for the listing of Offer Shares in respect of Application Forms received under the Offer on or prior to the closing date of the Offer as the Directors see fit. An announcement will be released stating that the Offer has closed and with a summary of the results of the Offer.

Under the terms of the Offer, Offer Shares are being offered to the public. Investors are invited to subscribe an amount in Sterling rather than apply for a particular number of Offer Shares. Offer Shares will be issued at a 3.5 per cent. premium to the last published NAV per Share to offset the costs of the Offer. The price of the Offer Shares will be calculated in pence to two decimal places by reference to the Pricing Formula:

$$\text{Price of Offer Shares} = \frac{\text{Last Published NAV per Ordinary Share}}{0.965}$$

Applications under the Offer will normally be accepted on a first-come-first-served basis, subject always to the discretion of the Board. The Board cannot guarantee a specific allotment date during the relevant tax year and applications which cannot be satisfied at one allotment date will be held for processing until a later allotment date in the relevant tax year.

The minimum subscription per Investor under the Offer is £5,000. Applications in respect of less than £5,000 will not be accepted and amounts transferred in relation to such applications will not be processed. Multiple applications under the Offer from the same Investor in the same tax year will not be accepted as a means to achieving the minimum subscription. Investors should note that the maximum aggregate subscription by an individual in VCTs in any tax year which will be eligible for the full tax relief is £200,000 (which includes shares in VCTs subscribed for under dividend reinvestment schemes). Each person in a marriage or civil partnership may be eligible to obtain individual tax relief in respect of £200,000 in each tax year under the Offer.

Persons wishing to participate in the Offer must complete an electronic Application Form (available at www.hargreaveaimvcts.co.uk) accompanied by electronic payment, following the instructions given. Payment under the Offer shall only be permitted to be made by electronic means. The Board may, at its sole discretion, treat as invalid Application Forms in respect of which a cheque or banker's draft is presented for payment. The Board is of the view that the electronic Application Form is the most efficient and cost-effective way for Investors to participate in the Offer, therefore there will not be an option for Investors to submit a paper application form this year. If you are unable to complete the Application Form by electronic means or require any further assistance please email aimvct@canaccord.com or telephone 01253 376622. However, no investment advice can be given by the Investment Manager and/or the Administrator.

The full terms and conditions of subscription are set out in Part 7 of this document.

Dilution

In the event that the Offer is fully subscribed and assuming an Offer Price of 43.10 pence per Offer Share (based on the NAV per Share as at 31 August 2024), the percentage of the Company owned by Existing Shareholders (assuming they do not subscribe for additional Ordinary Shares under the Offer or otherwise acquire further Ordinary Shares) will decrease to 88.7 per cent. through the issue of the Offer Shares.

Costs

Costs of the Offer

Investors under the Offer will indirectly bear the costs of the Offer through the application of the Pricing Formula which determines the offer price to be paid for the Offer Shares and includes an allowance for issue costs of 3.5 per cent. The costs of the Offer will be paid by CGAM out of its fee of 3.5 per cent. of the gross proceeds of the Offer. To the extent that the expenses of the Offer exceed 3.5 per cent. of the gross proceeds of the Offer, the Administrator will bear the excess.

The maximum gross proceeds of the Offer (assuming the Offer is fully subscribed) will be £20 million. The total expenses payable by the Company in connection with the Offer (assuming the Offer is fully subscribed) are expected to be around £700,000 (including amounts paid by way of fees and irrecoverable VAT where applicable) and the net proceeds of the Offer will amount to £19.3 million.

'Execution-only' Financial Intermediary commissions

Commission is available to Financial Intermediaries: (i) acting on behalf of 'execution only', non-advised UK retail clients; and (ii) following the provision of restricted advice to an Investor that is a Professional Client (as defined in COBS 3.5) of the Financial Intermediary, on the following basis:

- 1 per cent. initial commission with no trail commission; or
- 0.5 per cent. initial commission plus trail commission of 0.375 per cent. of the amount subscribed by the Investor per annum (limited to five years).

All commissions to be paid to Financial Intermediaries will be paid by CGAM.

The introductory commission may be rebated by Financial Intermediaries and reinvested by them on behalf of their clients through additional Offer Shares (the rebate in each case may be in whole or in part in 25 per cent. increments).

Commissions will only be paid if, and to the extent that, they are permitted under legislation and regulations. Annual trail commission will be paid on or around the annual anniversary date of allotment.

Should an 'execution-only' Investor subsequently decide to seek financial advice from their execution-only Financial Intermediary in respect of their holding in the Company, any annual trail commission in respect of an investment under the Offer must cease and either the Company or CGAM must be notified accordingly.

Financial Intermediary Adviser Charges

The Company is not permitted to pay commission to Financial Intermediaries where advice has been given to UK retail investors in relation to their applications under the Offer. Investors will be separately liable for any Adviser Charges that they have agreed with their Financial Intermediary and the Company shall have no responsibility to any Investor or Financial Intermediary in respect of any such Adviser Charges. However, the Company can facilitate the payment of Adviser Charges on behalf of an Investor in relation to their Subscription under the Offer. Any facilitation of the payment of such Adviser Charges by the Company shall be subject to the Terms and Conditions of the Adviser Charges Agreement available at www.hargreaveaimvcts.co.uk. To the extent that an Investor wishes the Company to facilitate the payment of any Adviser Charges, such Investor should complete the relevant sections of the Application Form. Any applicable tax relief for Investors will only be available on the actual Subscription amount which is applied to subscribe for Offer Shares on behalf of such Investor and will not be available in respect of any Adviser Charges that are paid by or on behalf of an Investor.

It should be noted that any amount of Adviser Charges which may be facilitated as outlined above should not be considered as implying an appropriate level of Adviser Charges. Adviser Charges are for the Investor and the Financial Intermediary to agree, depending on the level of advice and service being provided.

Settlement and dealings

The Offer Shares will be available to be issued in either registered form (i.e. certificated) or electronic form (i.e. via CREST). Definitive share certificates and income tax certificates are expected to be despatched by post within 15 Business Days of each allotment of Offer Shares. Temporary documents of title will not be issued in connection with the Offer.

Offer Shares will be capable of being transferred by means of the CREST system. Those successful Investors who wish to take advantage of the ability to trade in Ordinary Shares in uncertificated form, and who have access to a CREST account, may arrange with their CREST operator to convert their holdings into dematerialised form. Shareholders should be aware that Offer Shares delivered in certificated form are likely to incur higher dealing costs than those in respect of Offer Shares held in CREST.

Application will be made to the FCA and the London Stock Exchange for the Offer Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. The Offer Shares will be transferable. The ISIN code of the Ordinary Shares is GB00B02WHS05, the SEDOL number is B02WHS0 and the LEI code for the Company is 213800LRYA19A69SIT31.

Typical investor

A typical investor for whom the Offer is designed is an individual who is a UK income tax payer over 18 years of age with an investment range of between £5,000 and £200,000 per tax year who considers the investment policy as detailed in paragraph 2.1 of Part 2 of this document to be attractive and can accept the high level of risk associated with an investment into a VCT. Investment in a VCT will not be suitable for every type of investor and should be considered as a medium to long term investment with a minimum holding period of five years.

Before deciding whether to subscribe for Offer Shares, potential Investors are strongly encouraged to consult an independent adviser authorised under FSMA and to carefully consider the suitability of an investment in the Company in the light of their personal circumstances.

Tax

Investors should be aware of the tax implications of investing under the Offer and holding the Ordinary Shares. Further information in relation to taxation is set out in Part 5 of this document.



Beeks Financial Cloud

Description: Beeks is a managed cloud computing, connectivity and analytics provider for Capital Markets and Financial Services clients. Beek's cloud-based Infrastructure-as-a-Service (IaaS) model allows financial organisations to deploy at a fraction of the cost of building their own networks and infrastructure.

FY22 revenue: £18m

Market cap: £69m



Zoo

Description: Zoo Digital is a cloud based provider of dubbing, subtitling and media services for the global entertainment industry.

FY24 revenue: £41m

Market cap: £44.5m



Intercede

Description: Intercede is a cybersecurity software company specialising in digital identities, derived credentials and access control. The company delivers its solutions to the US and UK governments as well as some of the world's largest enterprises in aerospace and defence, financial services, healthcare, telecommunications, and technology sectors.

FY24 revenue: £20m

Market cap: £122.1m



Engage XR

Description: Engage is a Virtual Reality (VR) software company dedicated to changing how people meet, collaborate and learn through their proprietary Professional Metaverse & Spatial Computing Platform (Engage) in the Corporate and Education sectors.

FY22 revenue: £3m

Market cap: £17m

Part 4: Financial information

Investment portfolio

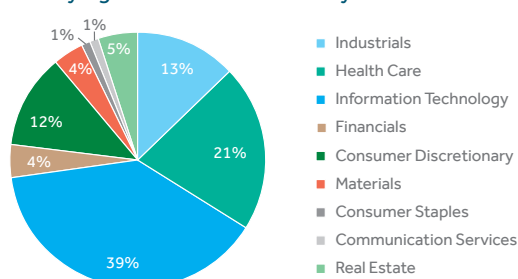
As at 31 August 2024, the unaudited NAV per Share was 41.59 pence. Set out below are those investments of the Company as at the date of this document (the values being as at 31 August 2024) which have an aggregate value of at least 50 per cent. of the Company's Net Asset Value (all of which information is unaudited). There has been no material change to the aggregate value of the Company's investment portfolio since 31 August 2024. All of the Qualifying Investments have a permanent UK establishment.

Qualifying Investments	Sector	Cost £000	Valuation £000	% of NAV
Beeks Financial Cloud Group plc	Information Technology	1,038	4,796	3.15%
PCI-PAL plc	Information Technology	2,703	4,376	2.87%
Cohort plc	Industrials	619	4,208	2.76%
The Property Franchise Group plc	Real Estate	1,139	3,963	2.60%
Eagle Eye Solutions Group plc	Information Technology	1,642	3,930	2.58%
Learning Technologies Group plc	Information Technology	2,238	3,109	2.04%
Infinity Reliance Ltd ⁽¹⁾	Consumer Discretionary	2,500	3,107	2.04%
Diaceutics plc	Health Care	1,550	2,651	1.74%
Qureight Ltd ⁽¹⁾	Health Care	2,500	2,500	1.64%
Strip Tinning Holdings plc ⁽²⁾	Industrials	3,054	2,488	1.63%
Equipmake Holdings plc	Industrials	4,162	2,328	1.53%
Maxcyte Inc	Health Care	1,270	2,325	1.53%
Craneware plc	Information Technology	125	2,107	1.38%
Intercede Group plc	Information Technology	305	2,073	1.36%
Zoo Digital Group plc	Information Technology	2,159	1,980	1.30%
Aquis Exchange plc	Financials	765	1,888	1.24%
Fadel Partners Inc	Information Technology	2,300	1,869	1.23%
Abingdon Health plc	Health Care	1,823	1,777	1.17%
Skillcast Group plc	Information Technology	1,571	1,698	1.12%
Itaconix plc	Materials	3,025	1,684	1.11%
Escape Hunt plc	Consumer Discretionary	4,068	1,677	1.10%
Team Internet Group plc	Information Technology	565	1,598	1.05%
AnimalCare Group plc	Health Care	720	1,559	1.02%
SCA Investments Ltd (Gousto) ⁽¹⁾	Consumer Discretionary	2,484	1,555	1.02%
Intelligent Ultrasound Group plc	Health Care	1,550	1,412	0.93%
Kidly Ltd ⁽¹⁾⁽²⁾	Consumer Discretionary	4,060	1,262	0.83%
Tortilla Mexican Grill Plc	Consumer Discretionary	1,125	1,250	0.82%
Eden Research plc	Materials	1,855	1,211	0.80%
Equals Group plc	Consumer Discretionary	750	1,176	0.77%
C4X Discovery Holdings plc ⁽¹⁾	Health Care	2,300	1,107	0.73%
Oberon Investments Group plc	Financials	1,100	1,100	0.72%
Idox plc	Information Technology	135	1,095	0.72%
Tristel plc	Health Care	543	911	0.60%
Globaldata plc	Information Technology	173	899	0.59%
Ilika plc	Industrials	1,636	851	0.56%
EKF Diagnostics Holdings plc	Health Care	565	810	0.53%
Rosslyn Data Technologies plc ⁽²⁾	Information Technology	1,645	778	0.51%
Engage XR Holdings Plc	Information Technology	3,453	691	0.45%
Zappar Ltd ⁽¹⁾	Information Technology	1,600	671	0.44%
Creo Medical Group plc	Health Care	2,329	656	0.43%
OneMedia iP Group plc	Communication Services	1,141	652	0.43%
Other Qualifying – equity investments		70,285	77,778	51.07%
Non Qualifying – equity investments		11,351	12,406	8.15%
Non Qualifying – fixed income investments		21,184	21,126	13.87%
Exchange Traded Funds		634	651	0.43%
IFSL Marlborough Special Situations Fund		9,833	9,824	6.45%
IFSL Marlborough UK Micro-Cap Growth		9,321	11,117	7.30%
Cash at bank			12,234	8.03%
Prepayments / Accruals			373	0.25%
Net Assets			152,279	100.00%

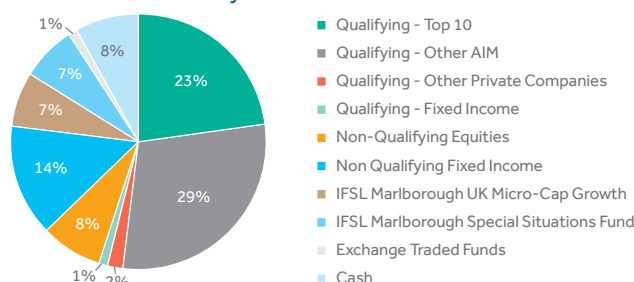
(1) Private Companies

(2) Holding inclusive of equity and convertible loan note investments

Qualifying Portfolio breakdown by Sector



Portfolio Breakdown by Asset Class



Valuation policy

Investments in shares quoted on AIM, the AQSE Growth Market and the main market of the London Stock Exchange (including ETFs) will be valued at the prevailing bid price. All unquoted investments will be valued in accordance with IPEV Guidelines and as described in section 2.6 of Part 2 of this document, under the heading "conflicts of interest".

Fixed income securities are valued at the closing bid on the valuation date with income accrued according to the convention specified in the loan instrument. In order of preference, the price should be set according to the following:

- the closing bid as published on the LSE;
- the bid price published by brokers on platforms such as Bloomberg; or
- pricing sheets published by third party brokers.

In the absence of any third-party pricing information, the Investment Manager will use a valuation model that includes as input variables the time to maturity, the coupon and accrual convention and the required rate of return within the market. The valuation of fixed income securities that are valued in this way will be reviewed by the Board at least quarterly.

If no clear market data on the required rate of return for fixed income securities is available, the Investment Manager will assume the required rate of return is the highest permissible under the VCT Rules or use best practice if otherwise advised by a suitably knowledgeable person.

Where the fixed income security has an option to convert into an equity, the Investment Manager will separately value the option to convert by applying the Black Scholes option pricing model to each of the different conversion scenarios with the option then priced using a probability based weighted average.

Financial information

Introduction

The Company's auditors are BDO LLP, 55 Baker Street, London W1U 7EU. BDO LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

The financial information contained in the sections titled "Historical Financial Information", "Operating and Financial Review" and "Selected Financial Information" of this Part 4 has been extracted without material adjustment from (i) the audited statutory accounts of the Company for the financial year ended 30 September 2023, in respect of which the Company's auditors made an unqualified report under sections 495 to 497 of the Act, and which have been delivered to the Registrar of Companies and (ii) the unaudited interim reports of the Company for the periods ended 31 March 2024 and 31 March 2023. The annual report for the year ended 30 September 2023 did not contain any statements under sections 498(2) or (3) of the Act and was prepared in accordance with UK Generally Accepted Accounting Practice ("**UK GAAP**"), including Financial Reporting Standard 102 ("**FRS 102**") and the Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts" July 2022 ("**SORP**").

Historical financial information

Historical financial information relating to the Company on the matters referred to below is included in the published audited annual report and accounts of the Company for the financial year ended 30 September 2023 and the interim reports of the Company for the six month periods ended 31 March 2024 and 31 March 2023 which are unaudited and is expressly incorporated by reference into this document.

Nature of information	Annual report for the year ended 30 September 2023	Interim Report to 31 March 2024	Interim Report to 31 March 2023
	Page numbers	Page numbers	Page numbers
Financial highlights	3	3	3
Independent auditor's report	62	-	-
Income statement	69	22	22
Balance sheet	70	23	23
Statement of changes in equity	71	24	24
Statement of cash flows	73	27	27
Notes to the financial statements	74	28	28

Operating and financial review

Descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Company's portfolio for the periods covered by the relevant reports, are included in the published audited annual report and accounts of the Company for the financial year ended 30 September 2023 and the interim reports of the Company for the six month periods ended 31 March 2024 and 31 March 2023 as set out in the table below and these sections are expressly incorporated by reference into this document.

Nature of Information	Annual report for the year ended 30 September 2023	Interim Report to 31 March 2024	Interim Report to 31 March 2023
	Page numbers	Page numbers	Page numbers
Chair's statement	4	4	4
Investment Manager's report	29	9	9
Investment portfolio summary	33	13	13

Selected financial information

The information in this paragraph titled "Selected financial information" has been extracted directly from the financial information referred to in the section titled "Introduction" of this Part 4. Selected historical financial information relating to the Company which summarises the financial condition of the Company for the financial year ended 30 September 2023 and the six month periods ended 31 March 2024 and 31 March 2023 is set out in the following table:

Income statement for closed end funds

	Year ended 30 September 2023 (audited)			6 months ended 31 March 2024 (unaudited)			6 months ended 31 March 2023 (unaudited)		
	Revenue (£'000)	Capital (£'000)	Total (£'000)	Revenue (£'000)	Capital (£'000)	Total (£'000)	Revenue (£'000)	Capital (£'000)	Total (£'000)
Net loss on investments held at fair value through profit or loss	–	(28,455)	(28,455)	–	(3,226)	(3,226)	–	(10,472)	(10,472)
Income	2,616	–	2,616	1,270	–	1,270	1,008	–	1,008
Management fees (accrued/ paid)	(699)	(2,098)	(2,797)	(319)	(959)	(1,278)	(363)	(1,089)	(1,452)
Other expenses (accrued/paid)	(1,052)	(39)	(1,091)	(934)	(6)	(940)	(515)	(26)	(541)
Profit/(loss) on ordinary activities before taxation	865	(30,592)	(29,727)	17	(4,191)	(4,174)	130	(11,587)	(11,457)
Basic and diluted earnings/(loss) per Share	0.27p	(9.59)p	(9.32)p	0.00p	(1.22)p	(1.22)p	0.04p	(3.76)p	(3.72)p

Balance sheet for closed end funds

	Year ended 30 September 2023 (audited)	6 months ended 31 March 2024 (unaudited)	6 months ended 31 March 2023 (unaudited)
Total net assets (£'000)	151,920	155,742	174,725
NAV per Share (p)	46.34	43.64	52.84

There is no *pro forma* financial information contained in this Prospectus.

The Board has set a policy in relation to the treasury activities of the Company which is implemented by the Investment Manager, subject always to the direction and supervision of the Board. Cash and cash equivalents are held only in Sterling and no other currencies. The Company does not have any borrowing and does not use any financial instruments for hedging purposes. The Company requires liquidity in order to meet its operating costs of which the most significant is the investment management fee. The Company maintains cash reserves suitable to meet its operating commitments.

Availability of reports and accounts for inspection

Copies of the audited annual report and accounts of the Company for the financial year ended 30 September 2023 and the unaudited interim reports of the Company for the six month periods ended 31 March 2024 and 31 March 2023 are available free of charge at the Company's registered office and on the Company's website at www.hargreaveaimvcts.co.uk.

Information incorporated by reference

The following sections of the audited annual report and accounts of the Company for the financial year ended 30 September 2023 and the unaudited interim reports of the Company for the six month periods ended 31 March 2024 and 31 March 2023 are deemed relevant to Investors for the purposes of this Prospectus and are incorporated by reference into this Prospectus:

- the sections listed in the section titled "*Historical financial information*" of this Part 4 (*Financial Information*) above; and
- the sections listed in the section titled "*Operating and financial review*" of this Part 4 (*Financial Information*) above.

The sections which have not been incorporated are not deemed relevant to Investors for the purposes of this Prospectus or are covered elsewhere in the Prospectus.

Unless it has been incorporated by reference into this Prospectus as set out in this Part 4 (*Financial Information*), neither the information on the Company's or the Investment Manager's website (or any other website), nor the content of any website accessible from hyperlinks on the Company's or the Investment Manager's (or any other website), is incorporated into or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Offer Shares on the content of this Prospectus alone.

No significant change

As at the date of this document, there has been no significant change in the financial position of the Company since 31 March 2024 (being the end of the last period in relation to which financial information was published).

Working capital

The Company is of the opinion that it has sufficient working capital for its present requirements, that is for at least 12 months from the date of this document.

Net Asset Value

The unaudited NAV per Share as at 27 September 2024 (being the latest date in respect of which the Company has published its NAV per Share) was 40.72 pence.

Recent investments

The following material investments have been made by the Company since 31 March 2024 (being the date as at which unaudited financial information was last published).

Qualifying Investments

Company	Investment Amount
Abingdon Health	£1,823,446
Oberon Investments	£1,461,450

Non-Qualifying Investments

Company	Investment Amount
Marks & Spencer 3.75% 26 Bond	£967,400
Vaneck Vectors Gold Miners UCITS ETF	£633,769

Save as set out above, there have been no material investments made by the Company since 31 March 2024.

Statement of capitalisation and indebtedness

The following table sets out the capitalisation of the Company (distinguishing between guaranteed and unguaranteed, and secured and unsecured indebtedness) as at 31 August 2024.

	31 August 2024 (£'000)
Total current debt	–
– Guaranteed	–
– Secured	–
– Unguaranteed/unsecured	–
Total non-current debt	–
– Guaranteed	–
– Secured	–
– Unguaranteed/unsecured	–
Shareholders' equity	
– Share capital	3,661
– Share premium account	21,222
– Special reserve	159,463
– Capital redemption reserve	367
– Other reserves	(32,435)
Total	152,279

The information in the table above is unaudited financial information extracted from internal management accounting records as at 31 August 2024.

The following table shows the Company's net indebtedness as at 31 August 2024. The information in the following table is unaudited financial information extracted from internal management accounting records as at 31 August 2024.

	31 August 2024 (£'000)
A. Cash	12,234
B. Cash equivalent	–
C. Other current financial assets	905
D. Liquidity (A+B+C)	13,139
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	–
F. Current portion of non-current financial debt	–
G. Current financial indebtedness (E + F)	–
H. Net current financial indebtedness (G – D)	(13,139)
I. Non-current financial debt (excluding current portion and debt instruments)	–
J. Debt instruments	–
K. Non-current trade and other payables	–
L. Non-current financial indebtedness (I + J + K)	–
M. Total financial indebtedness (H + L)	(13,139)

Structural support



Part 5: Taxation

Introduction

A Venture Capital Trust is a company, broadly similar to an investment trust, which has been approved by HMRC and which subscribes for shares in (or lends money to) small unquoted companies, including those traded on AIM. VCTs and their investors enjoy certain tax reliefs. In return for these tax reliefs, HMRC requires each VCT to comply with complex legislation that restricts the Company's investment activity to a tightly defined group of small UK companies.

The following paragraphs, which are intended as a general guide only and are based on current legislation and HMRC practice, summarise advice received by the Directors as to the position of the Shareholders who hold Ordinary Shares other than for trading purposes. Investors should note that the tax legislation of an investor's country of residence for tax purposes (if not the UK, being the Company's country of incorporation) may have an impact on the income received from the securities.

Tax reliefs for VCT investors resident in the UK

The tax position of individual Investors, resident in the UK, in VCTs is summarised below. Investors should take their own tax advice from a professional adviser ahead of making an investment in the Company. The tax reliefs are restricted to a maximum investment of £200,000 in any single tax year.

Income tax

Relief from income tax on investment

Investors who subscribe for new shares can claim income tax relief at the rate of 30 per cent. of their investment, subject to the £200,000 maximum or that amount that reduces their income tax liability to nil.

Income tax relief is restricted if, within 6 months of the subscription for shares in a VCT (before or after), the Investor has disposed of shares in that VCT or in a VCT that merges with the VCT, if the merger was known about at the time the shares were issued. Investors who hold their VCT shares for less than 5 years may have to repay some or all of their 30 per cent. income tax relief.

Dividend tax relief

Investors will not be liable for income tax on dividends paid by the VCT. Dividend tax relief can be claimed on VCT shares purchased through the secondary market as well as through a new share issue.

Withdrawal of relief

Relief from income tax on a subscription for VCT shares will be withdrawn if the VCT shares are disposed of (other than between spouses or in the event of death) within five years of issue or if the VCT loses its approval within this period.

Capital gains tax

A disposal by an Investor of Offer Shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax.

Capital gains tax relief can be claimed on VCT shares purchased through the secondary market.

Share Buybacks

Notwithstanding a clear intention that VCTs are intended to be a tax free investment, Investors can be subject to income tax when their shares are purchased by the Company. Where an Investor sells shares back directly to the Company any gain made on those shares could be treated as a taxable distribution, and become subject to income tax. However, the Directors have been advised that this does not apply in respect of shares sold to a third party, such as a market maker, through the market, having been held for the requisite holding period. Whilst it is hoped that this anomaly will at some point be ironed out in the legislation, Investors who consider selling shares directly to the Company for a higher price than they paid originally, should seek advice in this regard.

Obtaining tax reliefs

The Company will issue tax relief certificates to Investors. These can be used to claim income tax relief through an immediate adjustment to an Investor's tax coding from HMRC or through the end of year tax return.

Category of potential investors

VCTs are not suitable for every category of investor. The Offer is designed for individuals over 18 years of age who:

- pay UK income tax;
- can invest between £5,000 and £200,000 in a tax year;
- can tolerate a high level of investment risk; and
- can accept a minimum holding period of five years.

Before deciding whether to subscribe for Offer Shares, Investors are strongly encouraged to consult an independent adviser authorised under FSMA and to carefully consider the suitability of an investment into the Company in the light of their personal circumstances.

VCTs' obligations

A VCT must, *inter alia*:

- not be a close company;
- have each class of its ordinary share capital quoted on the main market of the London Stock Exchange or any other EU regulated market;
- derive its income wholly or mainly from shares or securities;
- have 80 per cent. (by value) of all funds raised from the issue of shares invested in Qualifying Investments throughout accounting periods of the VCT beginning no later than three years after the date on which those shares are issued;
- have at least 70 per cent. by value of Qualifying Investments in Eligible Shares (investments made prior to 6 April 2018 from funds raised before 6 April 2011 are excluded from this requirement);
- have at least 30 per cent. of all new funds raised by the Company invested in Qualifying Investments within 12 months of the end of the accounting period in which the Company issued the shares;
- have no more than 15 per cent. by value of its investments in a single company (as valued in accordance with the VCT Rules at the date of investment); and
- not retain more than 15 per cent. of its income derived from shares and securities in any accounting period.

A VCT must not, *inter alia*:

- make an investment in any company that:
 - has (as a result of the investment) received more than £5m from State Aid investment sources in the 12 months ending on the date of the investment (£10m for Knowledge Intensive Companies);
 - has (as a result of the investment) received more than £12m from State Aid investment sources in its lifetime (or £20m for Knowledge Intensive Companies);
 - made a commercial sale more than seven years ago (or 10 years for Knowledge Intensive Companies) except where previous Risk Finance State Aid was received by the Company within the 7 (or 10) years following the first commercial sale or where the Company is entering a new geographical or product market and a turnover test is satisfied; or
 - will use the investment to fund an acquisition of another company (or its trade and assets);
- make any investment which is not a Qualifying Investment unless permitted by section 274 ITA; and/or
- return capital to shareholders before the third anniversary of the end of the accounting period during which the subscription for shares occurs.

Qualifying Investments

A Qualifying Investment consists of new shares or securities issued directly to the VCT by a Qualifying Company that at the point of investment:

- has gross assets of less than £15m prior to investment and £16m post investment;
- undertakes a Qualifying Trade;
- is a private company or is listed on AIM or the AQSE Growth Market;
- has a permanent UK establishment;

- meets the financial health requirement;
- will deploy the money raised for the purposes of a Qualifying Trade within 2 years;
- has less than 250 employees (or less than 500 employees in the case of certain Knowledge Intensive Companies); and
- has not been set up for the purpose of accessing tax reliefs or is in substance a financing business.

The Finance Act 2018 introduced a principles based approach known as the risk to capital condition to establish whether the activities or investments of an investee company can qualify for VCT tax reliefs. This condition has two parts:

- whether the investee company has an objective to grow and develop over the long term; and
- whether there is a significant risk that there could be a loss of capital to the investor of an amount exceeding the net return.

Approval as a VCT

A VCT must be approved at all times by HMRC.

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made.

The Directors intend to conduct the affairs of the Company so that it satisfies the conditions for approval as a VCT and that such approval will be maintained. HMRC has granted the Company approval under section 274 ITA as a VCT. The Company intends to comply with section 274 ITA and has retained Philip Hare & Associates LLP to advise it on VCT taxation matters.

Withdrawal of approval

Approval of a VCT may be withdrawn by HMRC if the various tests set out above are not satisfied.

Withdrawal of approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied. The above is only a summary of the conditions to be satisfied for a company to be treated as a VCT.



A vivid display

Part 6: Additional information

1. The Company

- 1.1 The Company was incorporated and registered in England and Wales on 16 August 2004 under the Companies Act 1985 with registered number 05206425 as a public company limited by shares. It was incorporated with the name Keydata AIM VCT plc, which was changed to Hargreave Hale AIM VCT 1 plc on 7 October 2009 and Hargreave Hale AIM VCT plc on 6 September 2018. The Legal Entity Identifier code of the Company is 213800LRYA19A69SIT31.
- 1.2 On 2 September 2004, the Registrar of Companies issued the Company with a certificate under section 117 of the Companies Act 1985 entitling it to commence business.
- 1.3 On 9 September 2004, the Company gave notice to the Registrar of Companies of its intention to carry on business as an investment company under section 266 of the Companies Act 1985. The Company revoked this status on 23 May 2006.
- 1.4 The Company's Ordinary Shares are admitted to the Official List and to trading on the main market of the London Stock Exchange.
- 1.5 The Company does not have any subsidiaries.

2. Registered offices and principal legislation

- 2.1 The registered office of the Company is at Talisman House, Boardmans Way, Blackpool FY4 5FY. Its telephone number is +44 (0)1253 376622. The address of the Company's website is www.hargreaveaimvcts.co.uk. Information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.
- 2.2 The principal legislation under which the Company operates and which governs the Ordinary Shares is the Act. The Company, as a closed-ended investment company and VCT, is not required to be, and is therefore not, regulated by the FCA but is required to manage its affairs to obtain and maintain approval as a VCT from HMRC under the provisions of section 274 of the ITA. The Company is not regulated to conduct investment business under FSMA, nor authorised by the FCA although it is registered with the FCA as a small UK registered AIFM.

3. The Custodian

CGWL acts as custodian to the Company. CGWL is a company incorporated with limited liability in England and Wales under the Act with registered number 03739694 having its registered office at 88 Wood Street, London, EC2V 7QR and telephone number 0207 523 4500. CGWL is authorised and regulated by the FCA.

4. Share capital

- 4.1 As at 4 October 2024 (being the latest practical date prior to the publication of this document) the issued fully paid share capital of the Company is as follows:

Issued (fully paid)			
Class of shares	Nominal value per Share	Aggregate nominal value	No. of Ordinary Shares
Ordinary	£0.01	£3,646,032.38	364,603,238

- 4.2 If the Offer Shares had been issued at an Offer Price of 43.10 pence per Offer Share (being the Offer Price calculated based on the NAV per Share as at 31 August 2024), the issued fully paid share capital of the Company immediately after the Offer had closed (assuming the Offer is fully subscribed) would be as follows:

Issued (fully paid)			
Class of shares	Nominal value per Share	Aggregate nominal value	No. of Ordinary Shares
Ordinary	£0.01	£4,110,069.50	411,006,950

- 4.3 As at the date of this document, no Ordinary Shares are held by the Company in treasury. The Company has no authorised share capital. There are no restrictions on the transferability of the Shares, subject to compliance with applicable securities laws and the Articles.
- 4.4 As at the date of this document, no convertible securities, exchangeable securities or securities with warrants have been issued by the Company and remain outstanding.
- 4.5 The following changes have occurred in the share capital of the Company between 1 October 2022 and 31 March 2024:
 - 4.5.1 in the financial year from 1 October 2022 to 30 September 2023, the Company issued 65,917,234 Ordinary Shares for an aggregate consideration of £39,935,333 and bought back 7,183,338 Ordinary Shares for an aggregate consideration of £3,636,841. The Company also issued 2,427,834 Ordinary Shares under the DRIS; and
 - 4.5.2 in the six months from 1 October 2023 to 31 March 2024, the Company issued 33,808,342 Ordinary Shares for an aggregate consideration of £15,479,608 and bought back 5,858,590 Ordinary Shares for an aggregate consideration of £2,496,726. The Company also issued 1,100,783 Ordinary Shares under the DRIS.

As at 1 October 2022, the Company had 266,652,209 Ordinary Shares in issue and, as at 31 March 2024, the Company had 356,864,474 Ordinary Shares in issue. Between 1 April 2024 and 4 October 2024 (being the latest practicable date), the Company issued 10,676,942 Ordinary Shares for an aggregate consideration of £4,841,920 and has bought back 5,173,370 Ordinary Shares for an aggregate consideration of £2,121,462. Between 1 April 2024 and 4 October 2024 (being the latest practicable date), the Company also issued 2,235,192 shares under the DRIS.

- 4.6 As at the date of this document, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 4.7 The following resolutions relating to the Company's share capital will be proposed at the General Meeting, to be convened for 12 November 2024:
 - 4.7.1 in addition to all existing authorities, the Directors be generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares in the Company and to grant rights to subscribe for, or to convert any security into, Ordinary Shares, up to an aggregate nominal value of £618,812 (being equal to approximately 17.0 per cent. of the Company's issued share capital (excluding treasury shares) as at 4 October 2024, being the latest practicable date prior to the date of the notice of General Meeting), pursuant to one or more offers for subscription to such persons and on such terms as the Directors may determine, such authority to expire on 10 October 2025 or, if earlier, upon the expiry of the Prospectus unless renewed, varied or revoked by the Company in general meeting;
 - 4.7.2 in addition to all existing authorities and subject to the passing of the resolution set out in 4.7.1 above, the Directors be generally empowered, pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority to allot Ordinary Shares as set out in paragraph 4.7.1 above, and to sell shares held by the Company in treasury, wholly for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:
 - (a) shall be limited to the allotment of equity securities and the sale of treasury shares for cash, up to an aggregate nominal amount of £618,812 (representing approximately 17.0 per cent. of the issued share capital of the Company, as at 4 October 2024); and
 - (b) expires on 10 October 2025 or, if earlier, upon the expiry of the Prospectus unless renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

- 4.8 The disapplication of statutory pre-emption rights in the terms provided under the special resolution noted at paragraph 4.7.2 above and in section 2.6 of Part 2 gives the Company the flexibility to allot and issue Ordinary Shares or resell any Ordinary Shares which it holds in treasury for cash without first being required to offer such Ordinary Shares to Existing Shareholders in proportion to their existing holdings.
- 4.9 The provisions of section 561 of the Act, which confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities which are to be paid up in cash, apply to the unissued capital of the Company except as referred to in paragraph 4.7.2 above and section 2.6 of Part 2 of this document.
- 4.10 The Company was granted authority to buy back Ordinary Shares up to an aggregate nominal amount of £507,867.05 in the market at the annual general meeting of the Company held on 8 February 2024. As at 4 October 2024, the Company had purchased 7,456,648 Ordinary Shares pursuant to this authority. All Ordinary Shares so purchased were immediately cancelled.
- 4.11 Save as disclosed in the section headed 'Costs' in Part 3 of this document, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company in the three years immediately preceding the date of this document.
- 4.12 The Offer Shares will be in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive share certificates for the Offer Shares will be posted to allottees within 15 Business Days of allotment of the relevant Offer Shares.
- 4.13 The ISIN and SEDOL codes of the Ordinary Shares are GB00B02WHS05 and B02WHS0, respectively and the Legal Entity Identifier code of the Company is 213800LRYA19A69SIT31.

5. Articles of Association

The memorandum of association of the Company, which by virtue of Section 28 of the Act is now treated as being part of the Articles of Association of the Company, provides that the Company's principal object is to carry on the business of a VCT.

The Articles, contain, inter alia, provisions to the following effect:

5.1 Voting rights

Subject to any special terms as to voting on which any Shares may be issued, on a show of hands every member present in person (or being a corporation, present by authorised representative) shall have one vote and, on a poll, every member who is present in person or by proxy shall have one vote for every Share of which he or she is the holder. The Shares shall rank *pari passu* as to rights to attend and vote at any general meeting of the Company.

5.2 Transfer of Shares

The Shares are in registered form and will be freely transferable. All transfers of Shares must be effected by a transfer in any usual form or any other form approved by the Directors. The instrument of transfer of a Share shall be executed by or on behalf of the transferor and, in the case of a partly paid share by or on behalf of the transferee. The Directors may refuse to register any instrument of transfer unless: it is in respect of a fully paid share; it is in respect of shares on which the Company does not have a lien; it is in respect of only one class of share; and the transferees do not exceed four in number.

5.3 Dividends

The Company may in general meeting declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of a Share shall bear interest as against the Company. There are no fixed dates on which entitlement to a dividend arises.

All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.

5.4 Disclosure of interest in Shares

If any member or other person appearing to be interested in Shares of the Company is in default in supplying within 42 days (or 28 days where the Shares represent at least 0.25 per cent. of the Company's share capital) after the date of service of a notice requiring such member or other person to supply to the Company in writing all or any such information as is referred to in section 793 of the Act, the Directors may, for such period as the default shall continue, impose restrictions upon the relevant shares.

The restrictions available are the suspension of voting or other rights conferred by membership in relation to meetings of the Company in respect of the relevant shares and additionally in the case of a shareholder representing at least 0.25 per cent. by nominal value of any class of shares of the Company then in issue, the withholding of payment of any dividends on, and the restriction of transfer of, the relevant shares.

5.5 Distribution of assets on liquidation

On a winding-up, any surplus assets of the Company will be divided amongst the holders of its Shares according to the respective numbers of Shares held by them in the Company and in accordance with the provisions of the Act, subject to the rights of any shares which may be issued with special rights or privileges. The Articles of Association provide that the liquidator may, with the sanction of a resolution and any other sanction required by the Act, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as he or she may determine.

5.6 Changes in share capital

- 5.6.1 Without prejudice to any rights attaching to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, in the absence of such determination, as the Directors may determine. Subject to the Act, the Company may issue shares which are, or at the option of the Company or the holder are, liable to be redeemed.
- 5.6.2 The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger amount, cancel or reduce the nominal value of any shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount so cancelled or the amount of the reduction.
- 5.6.3 The Company may by special resolution sub-divide its shares or any of them into shares of a smaller amount.
- 5.6.4 Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account, and may also, subject to the Act (and by resolution of the holders of the shares repurchased where such shares are convertible shares), purchase its own shares.

5.7 Variation of rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of not less than 75 per cent. of the nominal amount of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of such holders.

5.8 Directors

Unless and until otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. The continuing Directors may act notwithstanding any vacancy in their body, provided that if the number of the Directors be less than the prescribed minimum the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a general meeting of the Company for the purpose of making such appointment.

Any Director may in writing under their hand appoint (a) any other Director, or (b) any other person who is approved by the Board of Directors as hereinafter provided to be their alternate. A Director may at any time revoke the appointment of an alternate appointed by them. Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for their own acts and defaults, and they shall not be deemed to be the agent of or for the Director appointing them.

Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company or to hold such other executive office in relation to the management of the business of the Company as they may decide.

A Director of the Company may continue or become a Director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.

The Directors may from time to time appoint a President of the Company (who need not be a Director of the Company) and may determine their duties and remuneration and the period for which he or she is to hold office.

The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit.

5.9 Directors' interests

- 5.9.1 A Director who is in any way, directly or indirectly, interested in a transaction or arrangement with the Company shall, at a meeting of the Directors, declare, in accordance with the Act, the nature of their interest.
- 5.9.2 Provided the Director has declared their interest, a Director may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested. No Director so interested shall be accountable to the Company, by reason of being a Director, for any benefit that they derive from such office or interest or any such transaction or arrangement.
- 5.9.3 A Director shall not vote nor be counted in the quorum at a meeting of the Directors in respect of a matter in which they have any material interest otherwise than by virtue of their interest in shares, debentures or other securities of, or otherwise in or through the Company, unless their interest arises only because the case falls within one or more of the following paragraphs:
- (a) the giving to the Director of any security or indemnity in respect of money lent or an obligation incurred by them at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (b) the giving to a third party of any security or indemnity in respect of a debt or an obligation of the Company or any of its subsidiary undertakings for which they have assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (c) any proposal concerning the subscription of shares, debentures or other securities of the Company or any of its subsidiary undertakings or by virtue of their participation in the underwriting or sub-underwriting of an offer of such shares, debentures or other securities;
 - (d) any proposal relating to an arrangement for the benefit of the employees of the Company or any subsidiary undertaking which does not award to any Director as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates; and
 - (e) any arrangement for purchasing or maintaining for any officer or auditor of the Company or any of its subsidiaries insurance against any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, breach of duty or breach of trust for which they may be guilty in relation to the Company or any of its subsidiaries of which they are a director, officer or auditor.

When proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company or any company in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (if not otherwise precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning their own appointment.

5.10 Remuneration of Directors

- 5.10.1 The ordinary remuneration of the Directors shall be such amount as the Directors shall from time to time determine (provided that unless otherwise approved by the Company in general meeting the aggregate ordinary remuneration of such Directors, shall not exceed £250,000 per year) to be divided among them in such proportion and manner as the Directors may determine. The Directors shall also be paid by the Company all reasonable travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.
- 5.10.2 Any Director who, by request of the Directors, performs special services for any purposes of the Company may be paid such reasonable extra remuneration as the Directors may determine.
- 5.10.3 The emoluments and benefits of any executive director for their services as such shall be determined by the Directors and may be of any description, including membership of any pension or life assurance scheme for employees or their dependants or, apart from membership of any such scheme, the payment of a pension or other benefits to themselves or their dependants on or after retirement or death.

5.11 Retirement of Director

A Director shall retire from office at or before the third annual general meeting following the annual general meeting at which he or she last retired and was re-elected. However, in accordance with the AIC Code, each Director submits themselves for annual re-election. A retiring Director shall be eligible for re-election. A Director shall be capable of being appointed or re-appointed as a Director despite having attained any particular age.

5.12 Borrowing powers

Subject to the restrictions set out in this paragraph, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control over its subsidiary undertakings (if any) so as to secure that the aggregate amount at any time outstanding in respect of money borrowed by the group, being the Company and its subsidiary undertakings for the time being (excluding intra-group borrowings), shall not without the previous sanction of an ordinary resolution of the Company exceed a sum equal to 15 per cent. of the Adjusted Capital and Reserves, as defined in the Articles.

5.13 Distribution of realised capital profits

At any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company ("**a Relevant Period**") the distribution of the Company's capital profits (within the meaning of section 833 of the Act) shall be prohibited. The Board shall establish a reserve to be called the capital reserve. During a Relevant Period, all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the Act, the Board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment or other dealing with or other capital losses, and, subject to the Act, any expenses, loss or liability (or provision therefore) which the Board considers to relate to a capital item or which the Board otherwise considers appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue reserve are applicable except and provided that during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined in section 829 of the Act) or be applied in paying dividends on any shares in the Company. In periods other than a Relevant Period, any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as

profits of the Company available for distribution (as defined by section 829 of the Act) or applied in paying dividends on any shares in the Company.

5.14 General meetings

Annual general meetings shall be held at such time and place as may be determined by the Directors and within a period of six months beginning on the day following the Company's accounting reference date.

The Directors may, whenever they think fit, convene a general meeting of the Company, and general meetings shall also be convened on such requisition or in default may be convened by such requisitionists as are provided by the Act. Any meeting convened under this paragraph by requisitionists shall be convened in the same manner as near to as possible as that in which meetings are to be convened by the Directors.

An annual general meeting shall be called by not less than twenty-one days' notice in writing, and all other general meetings of the Company shall be called by not less than fourteen days' notice in writing unless it is proposed to pass a resolution of which special notice is required by the Act, in which case 28 days' notice is required. The notice shall be exclusive of the day on which it is given and of the day of the meeting and shall specify the place, the day and hour of meeting, and in case of special business the general nature of such business. The notice shall be given to the members, other than those who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company, to the Directors and to the Auditors. A notice calling an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution or an ordinary resolution as the case may be shall specify the intention to propose the resolution as such.

In every notice calling a meeting of the Company or any class of the members of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of them, and that a proxy need not also be a member. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such time and at such place as the Chair shall appoint. At any such adjourned meeting the member or members present in person or by proxy and entitled to vote shall have the power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days' notice of any meeting adjourned for the want of a quorum and the notice shall state that the member or members present as aforesaid shall form a quorum.

The Chair may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

5.15 Duration of the Company

The Directors shall put an ordinary resolution to the annual general meeting of the Company in 2030 and, if passed, to every fifth subsequent annual general meeting, proposing that the Company should continue as a Venture Capital Trust for a further five year period. If any such resolution is not passed, the Directors shall draw up proposals for the reorganisation, reconstruction or voluntary winding-up of the Company for submission to Shareholders at a general meeting to be convened by the Directors for a date not more than nine months after the date of the annual general meeting at which the continuation vote was proposed and failed. For these purposes, an ordinary resolution will not have been carried only if those members in person or by proxy who vote against the resolution hold in aggregate not less than twenty-five per cent. of the issued capital of the Company at such time entitled to attend and vote at such a meeting.

At the General Meeting to be held on 12 November 2024, Shareholders will be asked to approve a resolution to amend the Company's articles of association to extend the date of the next continuation vote to the annual general meeting of the Company to be held in 2031 in order to seek to protect the VCT tax relief for Investors participating in the Offer.

5.16 Distribution on winding-up

The capital and assets of the Company attributable to the Ordinary Shares shall on a winding up or on a return of capital be distributed amongst the Ordinary Shareholders pro rata according to the nominal capital paid up on their holdings of Ordinary Shares.

6. Directors' interests and other significant shareholdings

- 6.1 As at 4 October 2024 (being the latest practical date prior to the publication of this document), the interests of the Directors and their immediate families (all of which are beneficial) in the share capital of the Company which (i) are or will be notified to the Company in accordance with rule 3 of the Disclosure Guidance and Transparency Rules ("DTR 3") by each Director; or (ii) are interests of a connected person (within the meaning in DTR 3) of a Director which are or will be required to be disclosed under DTR 3 and the existence of which is known to or could with reasonable diligence be ascertained by that Director are or are expected to be as follows:

Director	As at 4 October 2024		After the Offer has closed*	
	Number of Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of issued share capital
David Brock (Chair)	339,336	0.09%	339,336	0.09%
Oliver Bedford	297,890	0.08%	355,894	0.10%
Angela Henderson	9,000	0.00%	9,000	0.00%
Megan McCracken	—	0.00%	—	0.00%
Busola Sodeinde	—	0.00%	—	0.00%
Justin Ward	68,841	0.02%	68,841	0.02%

* Assuming that the Maximum Subscription is achieved in relation to the Offer Shares and that all the allotments are made at an Offer Price based on the NAV per Share as at 31 August 2024.

- 6.2 As at 4 October 2024 (being the latest practical date prior to the publication of this document) and after the Offer has closed, the Company is aware of the following persons who hold or will hold, directly or indirectly, voting rights representing 3 per cent. or more of the issued share capital of the Company to which voting rights are attached (assuming that the Offer is fully subscribed):

Name	As at 4 October 2024		After the Offer has closed*	
	Number of Ordinary Shares	Percentage of voting rights	Number of Ordinary Shares	Percentage of voting right*
Hargreaves Lansdown (Nominees) Limited	13,679,607	3.75%	13,679,607	3.33%
UBS Private Banking Nominees Ltd	12,321,015	3.38%	12,321,015	3.00%

* Assuming that the Maximum Subscription is achieved in relation to the Offer Shares and that all the allotments are made at an Offer Price based on the NAV per Share as at 31 August 2024. These figures assume that the Shareholder listed does not subscribe for any Offer Shares.

- 6.3 Save as disclosed in paragraph 6.2 above, the Company is not aware of any person who will, immediately following Admission, hold (for the purposes of rule 5 of the Disclosure Guidance and Transparency Rules) directly or indirectly voting rights representing 3 per cent. or more of the issued share capital of the Company to which voting rights are attached or could, directly or indirectly, jointly or severally, exercise control over the Company.
- 6.4 The persons, including the Directors, referred to in paragraphs 6.1 and 6.2 above, do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other Shareholder.
- 6.5 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 6.6 Save in respect of the arrangements referred to in paragraph 6.7 below, no Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which were effected by the Company in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.

- 6.7 Oliver Bedford is an employee of the Investment Manager and is also a Director of the Company – as such there may be a potential conflict of interest between his duties owed to the Company and to the Investment Manager in relation to these arrangements. Where a potential conflict of interest does arise, Oliver Bedford does not take part in the Board's decision making process.
- 6.8 Details of those companies (other than the Company) and partnerships of which the Directors have been a member of the administrative, management or supervisory body or a partner at any time in the five years preceding the date of this document are as follows:

Director	Current Directorships/ Partnerships	Past Directorships/ Partnerships
David Brock	ECS Global Group Ltd Leeson Limited Molten Ventures VCT plc	Honest Brew Ltd (dissolved) Primrose Group Limited (dissolved) Puma VCT 12 plc
Oliver Bedford	–	Hargreave Hale AIM VCT 2 plc
Angela Henderson	Macquarie Capital (Europe) Limited Defence Audit and Risk Assurance Committee Polar Capital Global Financials Trust plc Wells Fargo Securities International Limited	CWPLUS Credit Suisse Asset Management Limited Qube Research & Technologies Limited
Megan McCracken	Folk Group Limited Folk2Folk Limited State Street Trustees Limited	GB Bank Limited
Busola Sodeinde	Bearings Point Limited Bearings Point Media Limited Church Commissioners Railpen Limited Sycamore Holdings Ltd The Scouts Trust Alliance Group Limited TR Property Investment Trust plc	Bestx Ltd State Street GIC Holdings Limited State Street Global Markets International Limited State Street Services (UK) Limited
Justin Ward	Schroder British Opportunities Trust plc School Explained Limited The Income & Growth VCT plc	Roehampton Club Limited Roehampton Club Members Limited

The service address of all the Directors is: Hargreave Hale AIM VCT plc, Talisman House, Boardmans Way, Blackpool FY4 5FY.

- 6.9 There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Director was selected as a member of the administrative, management or supervisory bodies or member of senior management of the above companies.
- 6.10 None of the Directors has at any time within the last five years:
- 6.10.1 had any convictions (whether spent or unspent) in relation to offences involving fraud or dishonesty;
 - 6.10.2 been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated recognised professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
 - 6.10.3 save as disclosed in paragraph 6.11 below, been a director or senior manager of a company or partner of a partnership which has been put into receivership, compulsory liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors; or
 - 6.10.4 been the subject of any bankruptcy or been subject to an individual voluntary arrangement or a bankruptcy restrictions order.
- 6.11 Mr Brock was formerly a director of Honest Brew Ltd. Honest Brew Ltd entered administration on 17 June 2022 to complete a sale of its assets and was dissolved on 19 September 2024. Mr Brock was also formerly a director of Primrose Group Limited. Primrose Group Limited entered administration on 26 November 2019 and was dissolved on 4 August 2021.
- 6.12 There are no restrictions agreed by any Director on the disposal within a certain period of time of their holdings in the Company's securities.
- 6.13 There are no outstanding loans or guarantees provided by the Company for the benefit of any of the Directors nor are there any loans or any guarantees provided by any of the Directors for the Company.

7. Directors' remuneration and service agreements

- 7.1 In the financial year ended 30 September 2023, the total remuneration of the Directors was £193,500 (exclusive of VAT if any). From this, David Brock (Chair of the Board) received £39,000, Oliver Bedford received £28,000, Angela Henderson (Chair of the Management and Service Provider Engagement Committee) received £32,000, and Justin Ward (Chair of the Audit Committee) received £33,500. Megan McCracken and Busola Sodeinde, each received £30,500. In the financial year to 30 September 2024, the total remuneration of the Directors was £203,000 (exclusive of VAT if any). From this, David Brock (Chair of the Board) received £41,000, Oliver Bedford received £29,500, Angela Henderson (Chair of the Management and Service Provider Engagement Committee) received £33,500 and Justin Ward (Chair of the Audit Committee) received £35,000. Megan McCracken and Busola Sodeinde, each received £32,000.
- 7.2 None of the Directors has a service contract with the Company and no such contract is proposed. Each of the Directors has been appointed on terms which can be terminated by either party on three months' notice pursuant to letters of appointment between the Company and the directors entered into on 13 December 2016 in relation to Oliver Bedford, 29 October 2019 in relation to Angela Henderson, 12 June 2020 in relation to David Brock, 1 November 2020 in relation to Justin Ward and 1 June 2022 in relation to both Megan McCracken and Busola Sodeinde.
- 7.3 The Company has also entered into qualifying third party deeds of indemnity in favour of each of the Directors.
- 7.4 The Directors are not entitled to compensation on termination of their directorships and no amounts have been set aside or accrued for their pensions, retirement or similar benefits.
- 7.5 In accordance with the AIC Code, the Board has resolved that all Directors will stand for re-election on an annual basis.

8. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company in the two years immediately preceding the date of this document or which are expected to be entered into prior to Admission and which are, or may be, material or which have been entered into at any time by the Company and which contain any provision under which the Company has any obligation or entitlement which is, or may be, material to the Company as at the date of this document:

- 8.1 An offer agreement dated 9 October 2024 between the Company and the Administrator (the "**Offer Agreement**") under which the Administrator was appointed to administer the Offer on behalf of the Company and act as receiving agent in relation to the Offer. The Administrator has appointed Portunus Investment Solutions Limited to act as distributor in relation to the Offer. Under the terms of the Offer Agreement the Administrator will receive a fee of 3.5 per cent. of the gross proceeds of the Offer for providing these services. The Administrator has agreed to discharge commissions payable to Financial Advisers in respect of accepted applications for Offer Shares submitted by them, including any trail commission. The Administrator has also agreed to discharge and/or reimburse all costs and expenses of and incidental to the Offer and the preparation of the Prospectus, including without limitation to the generality of the foregoing, FCA vetting fees in relation to the Prospectus, registrar's fees, sponsor and legal fees, expenses of the Company and CGAM, the Company's tax adviser's fees and expenses, costs of printing, postage, advertising, publishing and circulating the Prospectus and marketing the Offer, including any introductory commission and discounts to Investors. However, the Administrator will not be responsible for the payment of listing fees associated with the admission of the Offer Shares to the Official List and to trading on the main market of the London Stock Exchange. Following the final allotment under the Offer, the Company and the Administrator will agree on the aggregate costs of the Offer. If the aggregate fee paid by the Company to the Administrator exceeds the costs of the Offer by more than £25,000, then CGAM will rebate any surplus to the Company subject to a maximum rebate of £100,000.
- Assuming (i) the Offer is fully subscribed and (ii) a fee of 3.5% applies to all subscriptions, under this Offer Agreement the Administrator will be entitled to a commission of £700,000, which represents 0.45 per cent. of the Company's net assets as shown in its unaudited interim report for the period ended 31 March 2024.

- 8.2 An offer agreement dated 7 September 2023 between the Company and CGWL (the “**2023 Offer Agreement**”) under which CGWL was appointed to administer the 2023 Offer on behalf of the Company and act as receiving agent in relation to the 2023 Offer. Under the terms of the 2023 Offer Agreement CGWL received a fee of 3.5 per cent. of the gross proceeds of the 2023 Offer for providing these services. CGWL agreed to discharge commissions payable to Financial Advisers in respect of accepted applications for 2023 Offer Shares submitted by them, including any trail commission. CGWL also agreed to discharge and/or reimburse all costs and expenses of and incidental to the 2023 Offer and the preparation of the prospectus relating thereto, including without limitation to the generality of the foregoing, FCA vetting fees in relation to the prospectus, registrar’s fees, sponsor and legal fees, expenses of the Company and CGWL, the Company’s tax adviser’s fees and expenses, costs of printing, postage, advertising, publishing and circulating the prospectus and marketing the 2023 Offer, including any introductory commission and discounts to Investors. However, CGWL was not responsible for the payment of listing fees associated with the admission of the 2023 Offer Shares to the Official List and to trading on the main market of the London Stock Exchange. Following the final allotment under the 2023 Offer, the Company and CGWL agreed on the aggregate costs of the 2023 Offer. If the aggregate fee paid by the Company to CGWL exceeded the costs of the 2023 Offer by more than £25,000, then CGWL would rebate any surplus to the Company subject to a maximum rebate of £100,000.
- 8.3 An offer agreement dated 5 September 2022 between the Company and CGWL (the “**2022 Offer Agreement**”) under which CGWL was appointed to administer the 2022 Offer on behalf of the Company and act as receiving agent in relation to the 2022 Offer. Under the terms of the 2022 Offer Agreement CGWL received a fee of 3.5 per cent. of the gross proceeds of the 2022 Offer for providing these services. CGWL agreed to discharge commissions payable to Financial Advisers in respect of accepted applications for 2022 Offer Shares submitted by them, including any trail commission. CGWL also agreed to discharge and/or reimburse all costs and expenses of and incidental to the 2022 Offer and the preparation of the prospectus relating thereto, including without limitation to the generality of the foregoing, FCA vetting fees in relation to the prospectus, registrar’s fees, sponsor and legal fees, expenses of the Company and CGWL, the Company’s tax adviser’s fees and expenses, costs of printing, postage, advertising, publishing and circulating the prospectus and marketing the 2022 Offer, including any introductory commission and discounts to investors. However, CGWL was not responsible for the payment of listing fees associated with the admission of the 2022 Offer Shares to the Official List and to trading on the main market of the London Stock Exchange. Following the final allotment under the 2022 Offer, the Company and CGWL agreed on the aggregate costs of the 2022 Offer. If the aggregate fee paid by the Company to CGWL exceeded the costs of the 2022 Offer by more than £25,000, then CGWL would rebate any surplus to the Company subject to a maximum rebate of £100,000. In addition, (i) where gross proceeds of between £45 million and £50 million were raised under the 2022 Offer, the value of the cap applicable to the rebate would increase by £50,000 (resulting in an aggregate cap at this level of £150,000) and (ii) where gross proceeds of £50 million or more were raised under the 2022 Offer, the value of the cap applicable to the rebate would increase by £100,000 (resulting in an aggregate cap at this level of £200,000).
- 8.4 An agreement dated 7 September 2023 between the Company and the Investment Manager under which the Investment Manager agreed to provide discretionary investment management and advisory services to the Company, as revised by a side letter dated 8 October 2024 clarifying the wording on how the management fee is calculated in practice (the “**Management Agreement**”). Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee equal to 1.7 per cent. of the Net Asset Value of the Company as at the last Business Day immediately preceding the relevant payment date. The management fee is payable quarterly in arrears. The Management Agreement may be terminated by either party on not less than 12 months’ notice in writing.
- 8.5 An agreement dated 7 September 2023 between the Company and CGWL under which CGWL agreed to provide administration services to the Company (the “**Administration Agreement**”). Pursuant to a novation agreement dated 9 October 2024 the Administration Agreement was novated from CGWL to CGAM with effect from 1 October 2024, as part of a group restructuring albeit the terms of the Administration Agreement remained unchanged. Under the terms of the Administration Agreement, the Administrator is entitled to a fee of £250,000 per annum (plus VAT) payable quarterly in arrears on 31 December, 31 March, 30 June and 30 September in each year. The administration fee is subject to review after two years. The agreement may be terminated by either party on not less than six months’ notice in writing.

- 8.6 An agreement dated 8 January 2021 between the Company and JTC (UK) Limited under which JTC agreed to provide company secretarial services to the Company. Under the terms of this agreement, the Company Secretary is entitled to a fee of £68,750 per annum (plus VAT) payable quarterly in arrears and adjusted for the UK Retail Price Index rate annually, commencing on the first anniversary of the effective date of the agreement. The agreement may be terminated by either party on not less than six months' notice in writing or such shorter notice period as may be agreed in writing between the parties.
- 8.7 An agreement dated 5 April 2019 (as amended) between the Company and CGWL under which the Custodian agreed to provide the Company with custody services in respect of the Company's assets. Under the terms of this agreement, the Custodian is entitled to a fee of £30,000 per annum (inclusive of VAT if applicable) payable quarterly in arrears on 31 December, 31 March, 30 June and 30 September in each year. The fee will be reviewed by the parties on an annual basis. The agreement may be terminated by either party on not less than six months' notice in writing.
- 8.8 An agreement dated 30 June 2021 between the Company and Equiniti Limited under which Equiniti agreed to provide registrar services to the Company. Under the terms of this agreement, the Registrar is entitled to a fee of £25,500 per annum (plus VAT) payable quarterly in arrears (plus an annual adjustment for the Whole Economy Average Weekly Earnings Index). The agreement may be terminated by either party on not less than six months' notice in writing.

9. Related party transactions

Other than the agreements and dealings referred to in paragraph 8 above, there have been no related party transactions relating to the Company between 1 October 2023 and the date of this document.

10. Specific disclosures in respect of closed-ended funds

- 10.1 The Company is not regulated to conduct investment business under FSMA, nor authorised by the FCA although it is registered with the FCA as a small UK registered AIFM.
- 10.2 The Investment Manager intends to structure the Company's investments in accordance with the Company's objectives of spreading investment risk and in accordance with the published investment policy as set out in paragraph 2.1 of Part 2 of this document. The investment policy is in line with the VCT Rules and the Company will not deviate from it in any material respect without prior Shareholder approval.
- 10.3 The Company is not authorised by the FCA (or an equivalent overseas regulator) although VCTs need to meet a number of conditions set out in tax legislation in order for the VCT tax reliefs to apply. The Company must also comply with the continuing obligations of listed companies under the UK Listing Rules and the Disclosure Guidance and Transparency Rules.
- 10.4 The Company is regulated by the VCT Rules in respect of the investments it makes as described in Part 5 of this document. The Company has appointed Philip Hare & Associates LLP as its VCT status adviser. Philip Hare & Associates LLP will report twice yearly to the Directors as a part of the Company's annual and interim reporting obligations. In respect of any breach of the VCT Rules, the Company, together with Philip Hare & Associates LLP, will report directly and immediately to HMRC to rectify the breach and announce the same immediately to Shareholders through a Regulatory Information Service.
- The Company will not conduct any trading activity which is significant in the context of its group (if any) as a whole. No more than 10 per cent., in aggregate, of the value of the total assets of the Company at the time an investment is made may be invested in other listed closed-ended investment funds, except where those funds themselves have published investment policies which permit them to invest no more than 15 per cent. of their total assets in other listed closed-ended investment funds. The Company will, at all times, invest and manage its assets in a way which is consistent with its objectives of spreading investment risk and in accordance with its published investment policy. The Company will also invest and manage its assets to ensure compliance with the UK Listing Rules, the Prospectus Regulation Rules and the VCT Rules and restrictions.
- 10.5 The Board acts independently of the Investment Manager and a majority of the Directors (including the Chair) are considered to be independent of the Investment Manager.

- 10.6 The Company will not:
- 10.6.1 invest more than 15 per cent. of its gross assets in any single company, in accordance with the VCT Rules, nor will the Company control the companies in which it invests in such a way as to render them subsidiary undertakings;
 - 10.6.2 invest directly in physical commodities;
 - 10.6.3 invest in any property collective investment undertaking; or
 - 10.6.4 invest in any derivatives, financial instruments, money market instruments or currencies other than for the purposes of efficient portfolio management (i.e. solely for the purpose of reducing, transferring or eliminating investment risk in the underlying investments of the collective investment undertaking, including any technique or instrument used to provide protection against exchange and credit risks).
- 10.7 The Administrator is responsible for the determination and calculation of the Net Asset Value of the Company on a weekly basis. The Net Asset Value of the Company will be communicated to Shareholders through a Regulatory Information Service provider with the same frequency as the determinations. The calculation of the Net Asset Value of the Company 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. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

11. Mandatory takeover and/or squeeze-out and sell-out rules

The Company is subject to the City Code on Takeovers and Mergers (the “Code”). Under Rule 9 of the Code, if:

- any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or
- any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he or she is interested,

then, unless that person, and where appropriate any concert parties, have obtained the consent of the Panel on Takeovers and Mergers (the “Panel”), the acquirer will be required to make a cash offer for the outstanding shares of the company at a price not less than the highest price paid by the acquirer, or a concert party, for shares in the company in the preceding 12 month period.

The Company is also subject to sections 974-991 of the Act. Under these sections, where a takeover offer is made, and the offeror acquires or contracts to acquire, not less than 90 per cent. of the shares to which the offer relates (where the 90 per cent. is both value of shares and voting rights) then the offeror is entitled to require the holders of any shares who have not accepted the offer to compulsorily transfer those shares to the offeror. The consideration offered to those who have not accepted any offer and whose shares are being compulsorily acquired must, generally, be the same as that offered under the earlier offer.

In addition to the above, under sections 983-985 of the Act, where a successful takeover offer is made, or the offeror acquires or contracts to acquire 90 per cent. of the shares (both as to value and voting rights) then a holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire those shares on the terms of the offer or on such other terms as may be agreed. The offeror is required within one month of such right arising to notify a shareholder who has not accepted the offer notice in the prescribed manner.

Other than as provided for by the Act, the Company is not subject to any other rules relating to mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the Shares.

As at the date of this document, the Company is not aware of the existence of any mandatory take-over bids or any attempt to acquire Shares under any squeeze-out or sell-out rules.

12. Disclosures under the market abuse regulation

The table below sets out a summary of the information disclosed by the Company under the Market Abuse Regulation over the 12 month period preceding the date of this document and which is relevant as at the date of this document.

Date	Title of Announcement	Disclosure
22 March 2024	Close of offer to further applications	The Company announced its 2023/24 offer for subscription was fully subscribed and closed to further applications

13. Further information on the investment manager

- 13.1 The Investment Manager is regulated and authorised by the Financial Conduct Authority. It was incorporated as a private limited company in England and Wales on 16 January 1996 under number 03146580 and operates under the Act and the regulations made under the Act. The Investment Manager is domiciled in the UK. Its registered office is at 88 Wood Street, London, EC2V 7QR. The telephone number is 0207 523 4837.

14. Litigation

In the 12 months preceding the date of this document there has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

15. General

- 15.1 The statements attributed to the Investment Manager and the Administrator in this document have been included in the form and context in which they appear with the consent and authorisation of the Investment Manager and Administrator, as applicable. The Investment Manager and the Administrator accept responsibility for those statements attributable to them, as applicable, and to the best of the knowledge of the Investment Manager and Administrator (having taken all reasonable care to ensure that such is the case) those statements are in accordance with the facts and contain no omission likely to affect their import.
- 15.2 All third party information in this Prospectus has been identified as such by reference to its source and in each instance has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by the relevant party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 15.3 The Company and its Directors consent to the use of this document, and accept responsibility for the content of this document, with respect to any subsequent resale or final placement of Ordinary Shares by financial intermediaries. The offer period within which any subsequent resale or final placement of Ordinary Shares by Financial Intermediaries can be made and for which consent to use this document is given is from the date of this document until 12.00 p.m. on 12 August 2025. There are no conditions attaching to this consent. This document can only be used within the United Kingdom.

In the event of an offer being made by a financial intermediary, the financial intermediary must give investors information on the terms and conditions of the offer being made by the financial intermediary at the time they introduce such offer to investors. Any financial intermediary using this document has to state on its website that it uses this document in accordance with the consent and the terms and conditions of the Offer at the time they introduce the Offer to investors. Any application made by investors to any intermediary is subject to the terms and conditions imposed by each intermediary.

- 15.4 Howard Kennedy Corporate Services LLP has its principal place of business at No.1 London Bridge, London, SE1 9BG. Howard Kennedy Corporate Services LLP is regulated by the FCA and is acting in the capacity of Sponsor to the Company. Howard Kennedy Corporate Services LLP has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

- 15.5 In this document, where reference is made to a percentage gain with tax relief the calculation is based on the following formula:

$$\left(\frac{(\text{Total Return} - \text{Subscription net of initial income tax relief})}{(\text{Subscription net of initial income tax relief})} \right) \times 100$$

16. Documents available for inspection

Copies of the following documents will be available for inspection at any time on the Company's website at www.hargreaveaimvcts.co.uk or in person during normal business hours on any Business Day at the registered office of the Company at Talisman House, Boardmans Way, Blackpool FY4 5FY whilst the Offer remains open:

- 16.1 the Articles of Association of the Company;
- 16.2 the audited annual report of the Company for the financial year ended 30 September 2023 and the unaudited interim report of the Company for the periods ended 31 March 2024 and 30 March 2023; and
- 16.3 this Prospectus.

17. Availability of this prospectus

This Prospectus is available for inspection at www.hargreaveaimvcts.co.uk and <https://data.fca.org.uk/nsm/nationalstoragemechanism> and, whilst the Offer remains open, copies are available for collection, free of charge, from the registered office of the Company at Talisman House, Boardmans Way, Blackpool FY4 5FY on any Business Day.

Dated: 9 October 2024



Down to
earth detail

Part 7: Terms and conditions of the Offer

The following terms and conditions apply to the Offer.

Save where the context otherwise requires, words and expressions defined in the Prospectus have the same meanings when used in these terms and conditions and in the Application Form. Words importing one gender (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa.

The Application Form forms part of these terms and conditions of the Offer.

1. The maximum amount to be raised under the Offer is £20 million.
2. The contract created by the acceptance of applications under the Offer (in whole or in part) in the manner set out herein will be conditional upon (i) the Offer Agreement referred to in paragraph 8.1 of Part 6 of the Prospectus becoming unconditional and not being terminated in accordance with its terms; (ii) the passing of Resolution 1 and Resolution 2 which will be put to Shareholders at the General Meeting and (iii) Admission of the Offer Shares conditionally allotted pursuant to the Application Form and Subscription becoming effective.
3. In the event that the Offer does not proceed due to relevant conditions not being satisfied, any application monies received in respect of the Offer will be returned, without interest, at the risk of the person entitled thereto.
4. The Company and its agents may treat Application Forms as valid and binding even if not made in all respects in accordance with the prescribed instructions or not complying fully with these terms and conditions and the Company and its agents may, at their discretion, accept an Application Form in respect of which payment is not received by the Company prior to the closing of the Offer. The Company and its agents reserve the right to waive in whole or in part any of the provisions of these terms and conditions, either generally or in respect of one or more applications. In particular, but without limitation, the Company may accept an application made otherwise than by way of the Application Form where the Investor has agreed in some other manner satisfactory to the Company and its agents to subscribe in accordance with these terms and conditions. If any application is not accepted in full or any contract created by acceptance does not become unconditional, the subscription monies or, as the case may be, the balance thereof will (save where the amount is less than £3.00, in which case you authorise such amount to be paid to the Company and used for its own purpose) be returned (without interest) in Sterling by bank transfer, at the risk of the person entitled thereto, to the same bank account from which the monies were received as identified in the Application Form. In the meantime, Subscription monies will be retained by the Receiving Agent in a separate account. Monies which are not sufficient to buy one Offer Share under the Offer will not be returned to Investors but will be retained by the Company and fractions of Offer Shares will not be issued.
5. CGAM is acting as Receiving Agent in relation to the Offer.
6. The Offer is not underwritten. The allotment of Offer Shares will be subject to having the requisite authorities from Shareholders from time to time. The Offer will be suspended if at any time the Company is prohibited by statute or other regulations from issuing Offer Shares or to the extent that the Company has insufficient Shareholder authority to issue Offer Shares.
7. The Company reserves the following rights:
 - 7.1 To change the basis of allocation under the Offer at the discretion of the Directors after consultation with the Investment Manager and the Sponsor, and to reject in whole or in part and scale down and/or ballot any application or any part thereof. Application Forms which are not accompanied by a valid payment will be dealt with at the Directors' discretion. If any dispute arises as to the date or time on or at which an application is received, the Directors' determination shall be final and binding. Multiple applications under the Offer from the same Investor in the same tax year will not be accepted as a means to achieving the minimum subscription.
 - 7.2 To scale down the number of Offer Shares available for subscription under the Offer at any time prior to the closing of the Offer.
 - 7.3 To close the Offer earlier than the closing date if fully subscribed.
 - 7.4 To accept Application Forms and to allot and arrange for the listing of Offer Shares in respect of applications received under the Offer on or prior to the stated closing date of the Offer as the Directors see fit.

- 7.5 To withdraw the Offer at any time prior to satisfaction of the applicable conditions set out in paragraph 2 of this Part 7.
8. By completing and delivering an Application Form you:
- 8.1 irrevocably offer to subscribe for Offer Shares at the relevant Offer Price representing the amount in Sterling specified in section 7 of your Application Form (or such lesser number for which your application is accepted) on the terms of and subject to the conditions of the Prospectus including these Terms and Conditions of the Offer (and the Terms and Conditions of the Adviser Charges Agreement available at www.hargreaveaimvcts.co.uk, if applicable) and the Articles of Association of the Company;
 - 8.2 agree that, in consideration for the Company agreeing that it will not issue or allot any Ordinary Shares which are subject to the Offer to any person other than by means of the procedures referred to in the Prospectus, your application shall not be revoked (save in accordance with 'withdrawal rights' under section 87Q of FSMA and Prospectus Regulation Rule 3.4.1 where a supplementary prospectus to the Prospectus is issued by the Company) and this paragraph shall constitute a collateral contract between you and the Company which will become binding upon submission of the Application Form;
 - 8.3 warrant that your remittance will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive a share certificate, or have Offer Shares allotted to your CREST account (as the case may be), in respect of the Offer Shares applied for unless and until you make payment in cleared funds for such Offer Shares and such payment is accepted by the Company in its absolute discretion (which acceptance may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company, it may (without prejudice to other rights) avoid the agreement to allot such Offer Shares and may allot such Ordinary Shares to some other person, in which case you will not be entitled to any payment in respect of such Offer Shares;
 - 8.4 agree that if, following the issue of all or any Offer Shares applied for pursuant to the Offer your remittance is not honoured on first presentation, the Offer Shares may, subject to the Articles and forthwith upon payment by CGAM of the Offer Price of the Offer Shares to the Company, be transferred to CGAM at the relevant Offer Price per Offer Share and any director of CGAM is hereby irrevocably appointed and instructed to complete and execute all or any form(s) of transfer and/or any other documents in relation to the transfer of the Offer Shares to CGAM or such other person as CGAM may direct and to do all such other acts and things as may be necessary or expedient, for the purpose of or in connection with, transferring title to the Offer Shares to CGAM or such other person, in which case you will not be entitled to any payment in respect of such Offer Shares;
 - 8.5 agree that, in respect of those Offer Shares for which your application has been received and is not rejected, acceptance of your application shall be constituted, at the election of the Company either (i) by notification to the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the Receiving Agent;
 - 8.6 agree that any share certificate to which you may become entitled may be retained by the Registrar and any monies refundable to you may be retained by the Receiving Agent pending clearance of your remittance and any investigation of any suspected breach of these terms and conditions and pending any verification of identity which is, or which the Company or the Receiving Agent may consider to be, required for the purposes of (i) the UK Money Laundering Regulations, as amended, updated, replaced or superseded from time to time, (ii) the Common Reporting Standard and/or (iii) FATCA, and that such monies will not bear interest;
 - 8.7 subject as provided in paragraphs 8.3 and 8.4, authorise the Registrar to send a share certificate, or have Ordinary Shares allotted to your CREST account (as the case may be) in respect of the number of Ordinary Shares for which your application is accepted and/or to return electronic payments by bank transfer, at the risk of the person entitled thereto, to the same bank account from which the monies were received;
 - 8.8 warrant that if you sign the Application Form on behalf of somebody else you have due authority to do so on behalf of that other person and such person will also be bound accordingly and will be deemed

also to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor with the Application Form;

- 8.9 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 8.10 confirm that in making such application you are not relying on any information or representation in relation to the Company other than the information contained in the Prospectus (as may be supplemented by a supplementary prospectus), or any part thereof and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof shall have any liability for any such other information or representation and you acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in the Prospectus (as may be supplemented by a supplementary prospectus) and, if given or made, any information or representation must not be relied upon as having been authorised by the Company or any of its agents;
- 8.11 confirm that in making such application you have considered the Target Market Assessment undertaken by the Investment Manager, which is available on the Company's website at www.hargreaveaimvcts.co.uk and that you understand the profile of a typical investor in the Ordinary Shares as contained in Part 3 of the Prospectus;
- 8.12 authorise the Receiving Agent, or any persons authorised by it, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by you into your name or into the name of any person in whose favour the entitlement to any such Ordinary Shares has been transferred and authorise any representative of the Receiving Agent to execute any document required therefor;
- 8.13 agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the Offer Shares contained therein;
- 8.14 confirm that you have reviewed the restrictions contained in paragraphs 10 and 11 below and warrant that you are not a **"US Person"** as defined in the US Securities Act, as amended, nor a resident of Canada, Australia, Japan, New Zealand or the Republic of South Africa and that you are not applying for any Offer Shares with a view to their offer, sale or delivery to or for the benefit of any US person or a resident of Canada, Australia, Japan, New Zealand or the Republic of South Africa; nor will you offer, sell, renounce, transfer or deliver directly or indirectly any of the Offer Shares to any such person;
- 8.15 warrant that you are not currently targeted by any form of UK, US or EU sanctions or restrictive measures including: blocking; asset freezes; restrictions on dealings, issuing, or trading in debt, equity, derivatives, or other securities; or any other prohibition or restriction on exercising any rights or performing any obligations you may have in connection with any third party and that you will inform the Company and Receiving Agent or Registrar immediately of any circumstances or changes whilst you are an applicant or a Shareholder that could impact this warranty;
- 8.16 agree to the Receiving Agent carrying out the necessary enquiries to verify your identity (including an electronic identity check) to ensure compliance with the UK Money Laundering Regulations, the Common Reporting Standard or FATCA;
- 8.17 confirm that you are not applying on behalf of a person engaged in money laundering, drug crimes, terrorist financing, terrorism or are the subject of sanctions;
- 8.18 agree on request by the Company or the Receiving Agent on behalf of the Company to disclose promptly in writing to either of them such information as the Company or the Receiving Agent may reasonably request in connection with your application for Offer Shares including, without limitation, any information which either may request in order to comply with Venture Capital Trust or other relevant legislation, satisfactory evidence of identity to ensure compliance with the UK Money Laundering Regulations and information required under the Common Reporting Standard and/or

- FATCA, and authorise the Company and the Receiving Agent to retain and disclose any information relating to your application as it considers appropriate, subject to paragraph 21 below;
- 8.19 agree that Howard Kennedy Corporate Services LLP will neither treat you as its customer by virtue of your Application Form being accepted nor owe you any duties or responsibilities concerning the price of the Offer Shares or the suitability for you of Offer Shares or be responsible to you for providing the protections afforded to its customers;
 - 8.20 declare that the Application Form has been completed to the best of your knowledge and that the details relating to you as set out in your Application Form are correct;
 - 8.21 agree that a failure to receive, process or accept your application for Offer Shares does not give rise to any right of action by any person against the Company, the Directors, the Investment Manager, Howard Kennedy Corporate Services LLP, the Receiving Agent or any other person;
 - 8.22 acknowledge that the information provided in connection with your application will be provided to the Receiving Agent, the Investment Manager (and its delegates) and the Registrars to process Application Forms and shareholding details and send notifications to you;
 - 8.23 warrant that you are not under the age of 18;
 - 8.24 agree that you will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your Application Form (provided that this does not affect any other right you may have);
 - 8.25 subject to paragraph 8.18 above, acknowledge that the Receiving Agent, the Investment Manager, Howard Kennedy Corporate Services LLP and/or the Company (or their delegates and agents) may, if necessary, disclose information to HMRC and the IRS to satisfy their FATCA or CRS obligations or to other regulatory bodies if required, or considered obliged, to do so in accordance with any statute or regulation or by governmental, judicial and law enforcement bodies; and
 - 8.26 agree that all documents sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto.
9. The Company reserves the absolute right to inspect (either itself, through the Receiving Agent and/or the Investment Manager or through other agents) all Application Forms, and may consider void and reject an Application Form that does not in the sole judgement of the Company satisfy the terms and conditions of the Offer. If an Application Form is not completed or in the Company's determination (in its absolute discretion) has not been validly completed, provided that the Application Form is otherwise in order and is accompanied by the appropriate Subscription monies, the application for Offer Shares may be accepted as a valid application in whole or in part at the Company's discretion.
 10. No person receiving a copy of the Prospectus or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to them, nor should they in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to them or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy themselves as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
 11. Share certificates may be registered directly to an Investor's nominee company and deposited to CREST, however, the Application Form must be completed in the name of the Investor, rather than that of the nominee company. Where Ordinary Shares are held in the name of a nominee company, the nominee company must do all such acts and procure that the underlying Investor does all such acts, at no expense to the Company, as may from time to time reasonably be required in order for the Investor to comply with these terms and conditions.
 12. The Ordinary Shares have not been and will not be registered under the US Securities Act, as amended, and, subject to certain exceptions, the Ordinary Shares may not be offered, sold, renounced, transferred or delivered, directly or indirectly, in the United States or to any person in the United States. Persons subscribing for Ordinary Shares shall be deemed, and (unless the Company is satisfied that their respective Ordinary

Shares can be allotted without breach of United States securities laws) shall be required, to represent and warrant to the Company that they are not a US Person, being a person in the United States (“**US Person**”) and that they are not subscribing for such Ordinary Shares for the account of any such person and will not offer, sell, renounce, transfer or deliver, directly or indirectly, such Ordinary Shares in the United States or to any such person. As used herein, “**United States**” means the United States of America (including each of the States and the District of Columbia), its territories or possessions or other areas subject to its jurisdiction. In addition, the Company has not been and will not be registered under the US Investment Company Act. The Investment Manager is not registered under the United States Investment Advisers Act of 1940, as amended.

13. Investors will be separately liable for any Adviser Charges that they have agreed with their Financial Intermediary and the Company shall have no responsibility to any Investor or Financial Intermediary in respect of any such Adviser Charges. Any facilitation of the payment of such Adviser Charges by the Company shall be subject to the Application Form and in particular to the Terms and Conditions of the Adviser Charges Agreement available at www.hargreaveaimvcts.co.uk. To the extent that an Investor wishes the Company to facilitate the payment of any Adviser Charges, such Investor should complete the relevant sections of the Application Form, in which case the Terms and Conditions of the Adviser Charges Agreement shall apply. It should be noted that any amount of Adviser Charges which may be facilitated by the Company should not be considered as implying an appropriate level of Adviser Charges. Adviser Charges are for the Investor and the Financial Intermediary to agree, depending on the level of advice and service being provided.
14. If (i) no advice has been provided by an authorised Financial Intermediary to an Investor in respect of their application for Offer Shares (i.e. the Investor is ‘execution only’) or (ii) only restricted advice has been provided to an Investor that is a Professional Client (as defined in COBS 3.5), the Receiving Agent offers to pay introductory commission to the Financial Intermediary at the rate of one per cent. on the value of successful applications submitted through them or introductory commission of 0.5 per cent. plus trail commission of 0.375 per cent. of the amount subscribed by an Investor per annum (limited to five years). The introductory commission may be waived by joint agreement between the Receiving Agent and the Financial Intermediary and reinvested by the Financial Intermediary on behalf of its clients in additional Offer Shares (the rebate in each case may be in whole or in part in 25 per cent. increments). If the Financial Intermediary agrees to waive and reinvest introductory commission on behalf of its client, the Investor will be issued additional Offer Shares, at the relevant Offer Price, which in aggregate represent the amount of introductory commission waived by the Financial Intermediary. No further fees or commission will be paid in respect of such additional Offer Shares.

Such commissions will only be paid if, and to the extent that, it is permitted under legislation and regulations and will be paid by the Receiving Agent. ‘Execution only’ Financial Intermediaries should keep a record of Application Forms submitted bearing their FCA number to substantiate any claim for commission.

Annual trail commission will be paid annually by the Receiving Agent on or around the annual anniversary date of allotment and further provided that no personal recommendation or financial advice is provided by the Financial Intermediary to the client (where the client is a UK retail investor). The administration of annual trail commission will be managed by CGAM which will maintain a register of Financial Intermediaries entitled to trail commission.

For the avoidance of doubt, should an Existing Shareholder decide to seek financial advice from their existing ‘execution only’ Financial Intermediary in respect of participating in the Offer or otherwise, any trail commission which is currently being paid to that Existing Shareholder’s Financial Intermediary pursuant to an existing holding in the Company must cease and either the Company or CGAM must be notified accordingly.

15. Investors and ‘execution only’ Financial Intermediaries should note that annual trail commission will not be payable if the relevant Financial Intermediary subsequently gives personal recommendations or advice in respect of a holding to a UK retail client. Either the Company or CGAM must be immediately notified that annual trail commission payments should cease. It is the responsibility of the Investor and the Financial Intermediary to notify the Company if a personal recommendation or advice is given and payments for this (or for any other reason) must cease (though the Company and CGAM also reserve the right to cease payments if they believe advice may have been given or for any other reason in their absolute discretion). In respect of existing trail commission arrangements with Financial Intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if (in the case of UK retail clients)

subsequent financial advice or personal recommendations in respect of the holding is given. As a result, should an Existing Shareholder decide to seek financial advice from their existing 'execution only' Financial Intermediary in respect of participating in the Offer, any annual trail commission which is currently being paid to that Financial Intermediary in respect of an existing holding by that Shareholder in the Company must cease and either the Company or CGAM should be notified accordingly (though the Company and CGAM also reserve the right to cease payments if either of them believe advice may have been given or for any other reason in their absolute discretion).

If a Shareholder ceases to be a client of an 'execution only' Financial Intermediary and becomes a client of another 'execution only' intermediary, the new 'execution only' intermediary firm will not be entitled to receive trail commission in respect of the client's shareholding, except where the new intermediary has undertaken a business acquisition of the original intermediary firm and a novation agreement (or agreement of similar effect) is in place in respect of the client.

16. The Company (after consultation with the Receiving Agent) may change the arrangements in respect of the Receiving Agent and the availability and terms of commission payable and if such changes are made, the Company will release an announcement through a Regulatory Information Service. The Company may also provide or publish one or more amended Application Forms pursuant to which applications under the Offer will be accepted.
17. Where commission is payable, the Receiving Agent will collate the Application Forms bearing the Financial Intermediaries' stamps (or other applicable method of authentication if submitting an electronic Application Form) and full address details and calculate and pay the introductory and any trail commission payable by the Receiving Agent.
18. The Receiving Agent will seek confirmation annually from all Financial Intermediaries receiving commission (both introductory and trail commissions) from the Receiving Agent as to their continued ability to receive commission payments. The Receiving Agent reserves the right to terminate such commission payments if Financial Intermediaries do not provide such annual confirmation to the Receiving Agent's satisfaction, in its sole discretion.
19. If the Company is required to publish a supplementary prospectus, subscribers who have yet to be entered on to the Company's register of members will be given two business days to withdraw from their application under the Offer. In the event that notification of withdrawal is given by post, such notification will be effected at the time the subscriber posts such notification rather than at the time of receipt by the Company.
20. In the event that applications are received for an amount in excess of the Maximum Subscription, the Directors reserve the right to exercise their discretion in the allocation of successful applications although the allocation will usually be on a first come first served basis. The right is also reserved to reject in whole or in part any application or any part thereof and to treat as valid any application not in all respects completed in accordance with the instructions relating to the Application Form.
21. The Company (and third parties acting on the Company's behalf including the Receiving Agent and/or the Registrar) may hold personal data relating to past and present Shareholders in accordance with the UK GDPR and other relevant data protection legislation and regulatory requirements (together, "**Data Protection Legislation**"). In these terms and conditions, "data subject", "personal data" and "processing" have the meanings given to them in the UK GDPR.

Personal data will be processed by the Company in accordance with Data Protection Legislation and the Company's privacy notice (available at www.hargreaveaimvcts.co.uk/document-library/). Without limiting the foregoing, personal data held by the Receiving Agent and/or the Registrar may be used to process basic changes to Investor or Shareholder records, process bank account information for processing dividend payments, and to carry out other ancillary processing functions in order to ensure that the Receiving Agent and/or Registrar is able to discharge its obligations under the Offer Agreement or Registrar Agreement respectively; and may be disclosed to any person with legal, administrative or regulatory power over the Receiving Agent and/or Registrar in respect of the services provided by the Receiving Agent and/or Registrar under the Offer Agreement or Registrar Agreement respectively, the Receiving Agent's or Registrar's affiliates, and to any third parties who are involved in carrying out functions related to the services provided under the Offer Agreement and/or Registrar Agreement. Personal data may be disclosed to third parties, including affiliates of the Receiving Agent and/or Registrar, outside of the UK and the EEA in countries which

do not have similar protections in place regarding personal data and its use (provided that the Company, Receiving Agent and/or Registrar (as applicable) shall ensure that any third parties outside the UK and the EEA to whom personal data is disclosed have put in place proper security measures to ensure at least the same level of protection of the personal data as is required under Data Protection Legislation in the UK).

By becoming registered as a holder of Ordinary Shares or otherwise providing the Company with personal data, a person becomes a data subject and acknowledges that the processing by the Company, Receiving Agent and/or the Registrar of any personal data relating to them will take place in the manner described above. Data subjects have certain rights in relation to their personal data, including the right to receive a copy of the information that is held about them. For more details, please see the privacy notice referred to above.

22. To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Offer Shares and the Offer.
23. The rights and remedies of the Company and its agents under these terms and conditions of the Offer are in addition to any rights and remedies which would otherwise be available to them and the exercise or partial exercise of one will not prevent the exercise of others.
24. The dates and times referred to in these terms and conditions of the Offer may be altered by the Company with the agreement of the Investment Manager, the Receiving Agent and the Sponsor.
25. The application of the proceeds of the Offer is subject to the absolute discretion of the Directors.
26. Without prejudice to any of the foregoing terms set out in these terms and conditions, the Company may make non-material amendments to these terms and conditions of the Offer for the purpose of expedient processing of Subscriptions or Application Forms, or in order to comply with applicable law and regulation.
27. Save where the context otherwise requires, words and expressions defined in the Prospectus have the same meaning when used in the Application Form and any explanatory notes in relation thereto.

Lodging of Application Forms and dealing arrangements

28. The Offer will open on 9 October 2024 subject to the conditions set out above. The first allotment under the Offer is expected to be on or around 13 November 2024. Thereafter, the Directors reserve the right to allot Offer Shares at any time whilst the Offer remains open.
29. The closing date for the Offer in respect of the 2024/25 tax year will be at 5.00 p.m. on 21 March 2025. If the Offer is not fully subscribed at that time, the Directors reserve the right to allow the Offer to remain open for at least part of the 2025/26 tax year, but not beyond 12.00 p.m. on 12 August 2025.
30. The results of the Offer will be announced through a Regulatory Information Service. Dealings in Offer Shares are expected to commence within 5 Business Days of the relevant allotments.
31. Application Forms available on the Company's website at www.hargreaveaimvcts.co.uk will be automatically submitted once complete. Payment is only permitted to be made by electronic means. The Board may, at its sole discretion, treat as invalid Application Forms in respect of which a cheque or banker's draft is presented for payment.
32. The minimum subscription per Investor under the Offer is £5,000 in aggregate across both the 2024/2025 and 2025/2026 tax years. Applications in respect of less than £5,000 in aggregate will not be accepted and amounts transferred in relation to such applications will not be processed. Multiple applications under the Offer from the same Investor in the same tax year will not be accepted as a means to achieving the minimum subscription. The Offer Price will be calculated by reference to the Pricing Formula (calculated in pence to two decimal places). The Offer Shares to be issued pursuant to the Offer will rank *pari passu* with the existing Ordinary Shares of the Company (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the relevant allotment).
33. In the case of Investors requesting share certificates, it is intended that definitive share certificates will be despatched within 15 Business Days of allotment of the relevant Offer Shares. Prior to despatch of definitive share certificates, transfers will be certified against the register. No temporary documents of title will be issued. Dealings prior to receipt of share certificates will be at the risk of Investors. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all.

34. Investors who wish to take advantage of the ability to trade in Offer Shares in uncertificated form, and who have access to a CREST account, may arrange to have their Offer Shares allotted directly to their CREST account, or subsequently to convert their holdings into dematerialised form in CREST. Investors should be aware that Offer Shares delivered in certificated form are likely to incur higher dealing costs when sold than those in respect of Offer Shares held in CREST. The Company's share register will be kept by the Registrar (Equiniti Limited) at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Share issues made close to the end of the tax year may need to be in certificated form to allow the investment to be made within the required tax year.

Money laundering notice

In order to comply with the UK Money Laundering Regulations, the Receiving Agent will conduct an electronic identity check on all Investors, regardless of the size of the consideration or payment method. The identity of the Investor will need to be verified in accordance with the UK Money Laundering Regulations.

In addition, the Company reserves the right to request that an Investor provides any documentary evidence required for the Company to verify the identity of the Investor. The Company may reject the application of any Investor on the basis of the results of any electronic identity check or if it is not satisfied that the necessary documentation has been provided, where requested, to allow it to verify the identity of the Investor.

Availability of this prospectus

Copies of the Prospectus and the Application Form are available until the close of the Offer from the Company's website at www.hargreaveaimvcts.co.uk.

Supporting new growth



Part 8: Definitions

"Act"	the Companies Act 2006, as amended
"Admission"	the admission of any Offer Shares to the Official List and to trading on the main market of the London Stock Exchange becoming effective in accordance with the UK Listing Rules and the admission and disclosure standards of the London Stock Exchange respectively
"Adviser Charges"	a charge due to a Financial Intermediary from an Investor in relation to the provision of advice and/or related services provided or to be provided by the Financial Intermediary to such Investor in connection with an investment in the Company which is agreed between the Financial Intermediary and the Investor in accordance with applicable laws
"AIC"	the Association of Investment Companies
"AIC Code"	the AIC's Code of Corporate Governance for investment companies (February 2019), as amended from time to time
"AIFM"	an alternative investment fund manager, within the meaning of the UK AIFMD Laws (as applicable)
"AIM"	the AIM Market operated by the London Stock Exchange
"Annual Running Costs"	the running costs of the Company, including the management fees payable to the Investment Manager, accounting and administration fees, Directors' fees, other professional adviser fees such as those of the auditors, taxation advisers, Sponsor and Registrar, and the costs of communicating with Shareholders; however, such costs shall exclude any VAT payable thereon (the payment of which is the responsibility of the Company)
"Application Form"	the electronic application form for use in connection with the Offer, which is available at www.hargreaveaimvcts.co.uk
"AQSE Growth Market"	the Growth Market of the Aquis Stock Exchange, a recognised investment exchange for growth companies operated by Aquis Exchange PLC
"Articles of Association" or "Articles"	the articles of association of the Company, as amended from time to time
"Auditors"	BDO LLP
"Black Scholes"	the commonly used model for pricing options contracts, amongst other things
"Board"	the board of directors of the Company
"Business Day"	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business

"certificated" or "in certificated form"	a share or other security which is not in uncertificated form
"CGWL" or "Custodian"	Canaccord Genuity Wealth Limited, which is authorised and regulated by the FCA
"Circular"	the circular to Shareholders issued by the Company on or around the date of this Prospectus convening the General Meeting to approve, inter alia, additional share issuance authority in connection with the Offer
"COBS"	the 'Conduct of Business Sourcebook' as set out in the FCA Handbook of rules and guidance
"Common Reporting Standard" or "CRS"	the global standard for the automatic exchange of financial information between tax authorities developed by the Organisation for Economic Co-operation and Development
"Company"	Hargreave Hale AIM VCT plc
"Company Secretary"	JTC (UK) Limited
"Consumer Duty"	the FCA's Consumer Duty rules and principles
"CREST"	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations, in accordance with which Shares may be held in uncertificated form
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI No. 2001/3755), as amended from time to time
"Directors"	the directors of the Company from time to time, and "Director" shall be construed accordingly
"Disclosure Guidance and Transparency Rules" or "DTR"	the Disclosure Guidance and Transparency Rules published by the FCA from time to time
"Dividend Reinvestment Scheme" or "DRIS"	the Company's dividend reinvestment scheme established in accordance with the DRIS Terms and Conditions
"DRIS Terms and Conditions"	the terms and conditions relating to the Dividend Reinvestment Scheme available on the Company's website at www.hargreaveaimvcts.co.uk
"Eligible Shares"	shares in Qualifying Companies which do not carry preferential rights to dividends, assets on a winding up or redemption
"EEA"	the European Economic Area
"EU AIFM Delegated Regulation"	the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision

"EU AIFM Directive"	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, and the EU AIFM Delegated Regulation
"EU PRIIPs Regulation"	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products ("PRIIPs") and its implementing and delegated acts
"Euroclear"	Euroclear UK and International Limited, the operator of CREST
"European Union" or "EU"	the European Union first established by the treaty made at Maastricht on 7 February 1992
"EUWA"	European Union (Withdrawal) Act 2018, as amended
"Existing Shareholder"	a holder of Ordinary Shares as at the date of this document
"FATCA"	sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act of 2010 (together with any regulations, rules and other guidance implementing such US Tax Code sections and any applicable intergovernmental agreement or information exchange agreement and related statutes, regulations, rules and other guidance thereunder)
"FCA"	the Financial Conduct Authority in the United Kingdom and/or any successor or replacement body or bodies from time to time
"Financial Intermediary" or "Financial Adviser"	in relation to an Investor, his/her financial intermediary as identified at section 14 of the Application Form
"FSMA"	the Financial Services and Markets Act 2000, as amended from time to time
"General Meeting"	the general meeting of the Company to be held on 12 November 2024 (or any adjournment thereof) convened by a notice contained in the Circular
"HMRC"	HM Revenue & Customs
"IFSL Marlborough Special Situations Fund"	the IFSL Marlborough Special Situations Fund launched on 12 July 1995 being an authorised collective investment scheme as defined in FSMA
"IFSL Marlborough UK Micro-Cap Growth Fund"	the IFSL Marlborough UK Micro-Cap Growth Fund launched on 9 September 2004 being an authorised collective investment scheme as defined by FSMA
"Investment Manager", "CGAM", "Administrator" or "Receiving Agent"	Canaccord Genuity Asset Management Limited which is authorised and regulated by the FCA
"Investor(s)"	a subscriber for Offer Shares under the Offer

"IPEV Guidelines"	the International Private Equity and Venture Capital Valuation Guidelines
"ITA"	Income Tax Act 2007, as amended
"KID" or "Key Information Document"	the key information document relating to the Ordinary Shares produced pursuant to the UK PRIIPs Laws, as amended and updated from time to time
"London Stock Exchange"	London Stock Exchange plc
"Management Agreement"	the agreement dated 7 September 2023, as amended, between the Company and CGAM, governing the management of the Company's investments
"Market Abuse Regulation"	the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which is part of UK law by virtue of the EUWA
"Maximum Subscription"	the receipt of the maximum subscription monies under the Offer, being an aggregate amount of £20,000,000
"MiFID II Product Governance Requirements"	has the definition given in the section titled "Information to Distributors" in the Part titled "Important Information" of this document
"NAV per Share"	the NAV calculated on a per Ordinary Share basis
"Net Asset Value" or "NAV"	the aggregate of the gross assets of the Company less its total liabilities calculated in accordance with the Company's accounting policies
"Non-Qualifying Investment"	an investment which is not a Qualifying Investment and which is permitted under the VCT Rules
"Offer"	the offer for subscription for Offer Shares by the Company as described in this document
"2022 Offer"	the offer for subscription for offer shares by the Company as described in the Company's prospectus dated 5 September 2022
"2022 Offer Agreement"	the offer agreement in respect of the 2022 Offer
"2023 Offer"	the offer for subscription for offer shares by the Company as described in the Company's prospectus dated 7 September 2023
"2023 Offer Agreement"	the offer agreement in respect of the 2023 Offer
"Offer Agreement"	the offer agreement detailed in paragraph 8.1 of Part 6 of this document
"Offer Price"	the relevant offer price for the Offer Shares as determined by the Pricing Formula

"Offer Shares"	the new Ordinary Shares in the Company to be issued pursuant to the Offer
"2022 Offer Shares"	the new ordinary shares in the Company issued pursuant to the 2022 Offer
"2023 Offer Shares"	the new ordinary shares in the Company issued pursuant to the 2023 Offer
"Official List"	the Official List of the FCA
"Ongoing Charges Ratio"	the ongoing costs of managing and operating the Company divided by its average NAV, calculated in accordance with AIC guidance and excluding non-recurring costs
"Ordinary Shares" or "Shares"	ordinary shares of 1 penny each in the capital of the Company, including, the Offer Shares where the context requires
"Pricing Formula"	the NAV per Share (with an appropriate adjustment for any dividends declared and not yet paid on the existing Ordinary Shares if the allotment occurs whilst the Ordinary Shares are classified as ex-dividend) as last published by the Company prior to the date of allotment divided by 0.965 to allow for issue costs of 3.5 per cent. calculated, in pence, to two decimal places
"Prospectus"	this document dated 9 October 2024
"Prospectus Regulation"	the UK version of Regulation (EU) 2017/1129 as amended from time to time and any successor or replacement regulation, which is part of UK law by virtue of the EUWA
"Prospectus Regulation Rules"	the prospectus regulation rules made by the FCA under Part VI of FSMA, as amended from time to time
"Qualifying Company"	an investment made by a Venture Capital Trust in a trading company which meets a financial health requirement and which comprises a Qualifying Holding under Chapter 4 of Part 6 of ITA
"Qualifying Holding"	shares in, or securities of, a Qualifying Company held by a VCT which meets the requirements described in Part 6 of ITA
"Qualifying Investment"	an investment in a Qualifying Holding
"Qualifying Trade"	a trade complying with the requirements of section 300 ITA
"Registrar" or "Equiniti"	Equiniti Limited
"Registrar Agreement"	the agreement between the Company and the Registrar
"Regulation S"	Regulation S under the US Securities Act
"Regulatory Information Service" or "RIS"	a regulatory information service that is on the list of regulatory information services maintained by the FCA

"Resolution 1"	the ordinary resolution to be proposed at the General Meeting which, if passed, will grant the Directors the authority to allot Ordinary Shares pursuant to the Offer
"Resolution 2"	the special resolution to be proposed at the General Meeting which, if passed, will grant the Directors the authority to disapply pre-emption rights in relation to Ordinary Shares issued under the Offer
"Restricted Jurisdiction"	any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Offer (including this document) is sent or made available to a person in that jurisdiction
"Risk Finance Guidelines"	the guidelines on state aid to promote risk finance investments published by the European Commission
"Risk Finance State Aid"	State Aid received by a company as defined in Section 280B (4) of ITA
"Shareholder"	a holder of Ordinary Shares
"Sponsor"	Howard Kennedy Corporate Services LLP, which is authorised and regulated by the FCA
"State Aid"	State Aid received by a company as defined in Section 280B (4) of ITA
"Sterling" or "£"	pound sterling, being the lawful currency of the United Kingdom
"Subscription"	the amount in Sterling that an Investor has subscribed for Offer Shares under the Offer
"Target Market Assessment"	has the definition given in the section titled "Information to Distributors" in the Part titled "Important Information" of this Prospectus
"Terms and Conditions of the Adviser Charges Agreement"	the terms and conditions of the adviser charges agreement in relation to the facilitation by the Company of the payment of Adviser Charges to a Financial Intermediary on behalf of an Investor
"Terms and Conditions of the Offer for Subscription"	the terms and conditions of application in respect of the Offer, as set out in Part 7 of this document
"Total Return"	in respect of an Ordinary Share, the sum of (i) the most recent published NAV per Share plus (ii) all dividends paid
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK AIFMD Laws"	(i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose EU AIFM Directive in to 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

	(ii) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the EUWA 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)
"UK Code"	the City Code on Takeovers and Mergers, as amended from time to time
"UK GDPR"	the UK version of the EU GDPR (2016/679) which is part of UK law by virtue of the EUWA, as amended and supplemented from time to time including by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 (as amended)
"UK Listing Rules"	the listing rules made by the FCA under Part VI of FSMA, as amended from time to time
"UK MiFID II"	the UK's implementation of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFID), together with the UK version of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MiFIR), which forms part of the domestic law of the United Kingdom by virtue of the EUWA
"UK MiFID II Delegated Regulation"	Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive, as it forms part of the domestic law of the United Kingdom by virtue of the EUWA
"UK Money Laundering Regulations"	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692) as amended and supplemented from time to time including by the Money Laundering and Transfer of Funds (Information) (Amendment) (EU Exit) Regulations 2019
"UK PRIIPS Laws"	the UK version of the EU PRIIPs Regulation which is part of UK law by virtue of the EUWA, as amended and supplemented from time to time including by the Packaged Retail and Insurance-based Investment Products (Amendment)(EU Exit) Regulations 2019 (February 2019); and the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019
"in uncertificated form"	a share or other security title to which is recorded in the register of the share or other security concerned as being held in uncertificated form (i.e. in CREST) and title to which may be transferred by using CREST

"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction
"US Investment Company Act"	the United States Investment Company Act of 1940, as amended
"US Persons"	a US Person within the meaning of Regulation S
"US Securities Act"	the United States Securities Act of 1933, as amended
"US Tax Code"	the US Internal Revenue Code of 1986, as amended
"VAT"	value added tax
"VCT" or "Venture Capital Trust"	venture capital trust as defined in section 259 ITA
"VCT Rules"	all rules and regulations that apply to VCTs from time to time, including the ITA

Applying under the Offer

An application to subscribe for Shares under the Offer must be made using the electronic Application Form which is available to complete via the Company's website at www.hargreaveaimvcts.co.uk.

Instructions on how to complete the Application Form are also available on the Company's website, these should be read in conjunction with the Terms and conditions of the Offer set out on pages 80 to 87 the Prospectus and the Terms and Conditions of the Adviser Charges Agreement available at www.hargreaveaimvcts.co.uk.

Share certificates may be registered directly to an Investor's nominee company and deposited to CREST, however, the Application Form must be completed in the name of the Investor, rather than that of the nominee company. The Company's website includes specific Application Forms in relation to nominees and financial advisers.

Before completing the Application Form you must read the Prospectus in full, but in particular the Risk Factors, the Terms and Conditions of the Offer and this section "Applying under the Offer". You should also read the Terms and Conditions of the Adviser Charges Agreement. The Company, the Investment Manager and the Receiving Agent will not accept responsibility if any details provided by you in the Application Form are incorrect.

Application Forms must be received no later than 5.00 p.m. on 21 March 2025 for investment in the 2024/25 tax year and no later than 12.00 p.m. on 12 August 2025 for investment in the 2025/26 tax year. The Offer will close at 12.00 p.m. on 12 August 2025, unless the Offer is fully subscribed before this time and/or the Board decides, in its sole discretion, to close the Offer earlier. **Applicants should allow at least three working days for funds to clear.**

Please note that the number of Offer Shares to be allotted to a successful Investor will be determined by the Offer Price in respect of each allotment and the amounts applied for under the Offer by Investors. The Offer Price in respect of each allotment will be the last published NAV per Share prior to the date of the relevant allotment (adjusted as necessary for dividends declared but not yet paid if the allotment occurs whilst the existing Ordinary Shares are classified as ex-dividend) plus a premium of 3.5 per cent. to such last published NAV per Share. Details on how the Offer Price will be calculated, together with details relating to Financial Intermediary commission and facilitation of Adviser Charges, are set out in Part 3 of the Prospectus.

The Company will decide, in its absolute discretion, to accept or reject the Application Form (notification of which will be through the allotment of Offer Shares or the return of Subscription monies).

In order to comply with the UK Money Laundering Regulations, the Receiving Agent will conduct an electronic identity check on all Investors, regardless of the size of the consideration or payment method. The identity of the Investor will need to be verified in accordance with the UK Money Laundering Regulations and the Company's own AML policy.

In addition, the Company reserves the right to request that an Investor provides any documentary evidence required for the Company to verify the identity of the Investor. The Company may reject the application of any Investor on the basis of the results of any electronic identity check or if it is not satisfied that the necessary documentation has been provided, where requested, to allow it to verify the identity of the Investor.

The Board is of the view that the electronic Application Form is the most efficient and cost-effective way for Investors to participate in the Offer, therefore there will not be an option for Investors to submit a paper Application Form. Electronic Application Forms completed via the Company's website will be automatically submitted once complete and a signed copy will be forwarded via email to the Investor and Financial Intermediary, if applicable.

If you have any queries on the procedure for application and payment, you should contact CGAM (telephone 01253 376 622) or your normal Financial Adviser.

Hargreave Hale AIM VCT plc
(Incorporated in England and Wales
under the companies act 1985
with registered number 05206425)



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