Investec Structured Products

Calculus Capital

Investec Structured Products Calculus VCT plc

Ordinary Share Offer
Registration Document

Sponsored by Singer Capital Markets Limited

Promoted by Investec Structured Products and Managed in conjunction with Calculus Capital

Professional Adviser awards 2010 Winner
Best Structured Product Provider 2009 and 2010

Investment Awards 09 FT Investors Chronicle Winner
Structured Product Provider of the Year

Professional Adviser awards 2010 Winner
Best EIS Provider

Investec Structured Products

Calculus Capital

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (''FSMA'').

THIS DOCUMENT CONSTITUTES A REGISTRATION DOCUMENT (''THE REGISTRATION DOCUMENT'') ISSUED BY INVESTEC STRUCTURED PRODUCTS CALCULUS VCT PLC (''THE COMPANY'') DATED 20 SEPTEMBER 2010.

THIS DOCUMENT HAS BEEN PREPARED FOR THE PURPOSES OF COMPLYING WITH THE PROSPECTUS DIRECTIVE, ENGLISH LAW AND THE RULES OF THE UKLA AND THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD BE DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF A JURISDICTION OUTSIDE ENGLAND. ADDITIONAL INFORMATION RELATING TO THE COMPANIES IS CONTAINED IN A SECURITIES NOTE ISSUED BY THE COMPANIES (''THE SECURITIES NOTE''). A BRIEF SUMMARY WRITTEN IN NON-TECHNICAL LANGUAGE CONVEYING THE ESSENTIAL CHARACTERISTICS OF AND RISKS ASSOCIATED WITH THE COMPANY AND THE ORDINARY SHARES OF 1 PENCE EACH IN THE CAPITAL OF THE COMPANY (''ORDINARY SHARES'') WHICH ARE BEING OFFERED FOR SUBSCRIPTION (''NEW ORDINARY SHARES'') (''THE OFFER'') IS CONTAINED IN A SUMMARY ISSUED BY THE COMPANY (''THE SUMMARY''). THE REGISTRATION DOCUMENT, THE SECURITIES NOTE AND THE SUMMARY HAVE BEEN PREPARED IN ACCORDANCE WITH THE PROSPECTUS RULES MADE UNDER FSMA AND HAVE BEEN APPROVED BY THE FINANCIAL SERVICES AUTHORITY (''FSA'') IN ACCORDANCE WITH FSMA.

THIS REGISTRATION DOCUMENT, THE SECURITIES NOTE AND THE SUMMARY TOGETHER COMPRISE A PROSPECTUS ISSUED BY THE COMPANY DATED 20 SEPTEMBER 2010 (''THE PROSPECTUS''). THE PROSPECTUS HAS BEEN FILED WITH THE FSA IN ACCORDANCE WITH THE PROSPECTUS RULES AND YOU ARE ADVISED TO READ THE PROSPECTUS IN FULL. The Prospectus is subject to being updated as required by the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules.

The Company and the Directors (whose names are set out on page 7 accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

INVESTEC STRUCTURED PRODUCTS CALCULUS VCT PLC

Registered in England and Wales under number 07142153

Offer for Subscription
to raise in aggregate up to £10,000,000 by way of an issue of New Ordinary Shares in the Company

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In connection with the Offer, Singer Capital Markets Limited (''Singer'') is acting as sponsor for the Company and Investec Structured Products, a trading name of Investec Bank plc (''Investec Structured Products''), is acting as promoter for the Company and no-other party and neither Singer nor Investec Structured Products shall be responsible to any other party than the Company, subject to the responsibilities and liabilities imposed by FSMA, or the regulatory regime established thereunder for the provision of protections afforded to customers of either Singer or Investec Structured Products respectively nor for the provision of advice in relation to the Offer. Singer and Investec Structured Products are each authorised and regulated in the UK by the FSA.

In connection with the Offer, Investec Structured Products and Calculus Capital Limited (''Calculus Capital'') are acting for the Company as investment managers. Neither Investec Structured Products nor Calculus Capital will be responsible to anyone other than the Company for the provision of protections afforded to customers of Investec Structured Products and Calculus Capital respectively, nor for the provision of advice in relation to the Offer. Investec Bank plc (trading as Investec Structured Products) and Calculus Capital are each authorised and regulated in the UK by the FSA.

The Company's existing Ordinary Shares are listed on the Official List of the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities. Application has been made to the UK Listing Authority for the New Ordinary Shares to be admitted to the Official List and to the London Stock Exchange plc for such New Ordinary Shares to be admitted to trading on its main market for listed securities. It is expected that admission to the Official List will become effective and that dealings in the New Ordinary Shares will commence three Business Days following allotment.

Copies of this Registration Document, the Securities Note and the Summary (and any supplementary prospectus published by the Company) are available free of charge from the offices of each of the Company's managers, Investec Structured Products, 2 Gresham Street, London EC2V 7QP and Calculus Capital, 104 Park Street, London W1K 6NF as well as the Company's sponsor, Singer, One Hanover Street, London W1S 1YZ.

The Offer is not being made, directly or indirectly, in or into the United States, Canada, Australia, Japan or South Africa (each a ''Restricted Territory''). In particular, prospective shareholders who are resident in a Restricted Territory should note that this document is being sent for information purposes only. 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 law of any such jurisdiction. The Application Form is not being and must not be forwarded to or transmitted in or into a Restricted Territory. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation to forward this document and/or the Application Form should read the paragraph entitled ''Overseas Investors'' in paragraph 12 of Part Three of this document before taking any action.

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS ON PAGES 3 TO 6. AN INVESTMENT IN THE COMPANY IS ONLY SUITABLE FOR INVESTORS WHO ARE CAPABLE OF EVALUATING THE RISKS AND MERITS OF SUCH AN INVESTMENT AND HAVE SUFFICIENT RESOURCES TO BEAR ANY LOSS THAT MAY ARISE

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RISK FACTORS

Existing and prospective investors should consider carefully the following risk factors in addition to the other information presented in this document and the Prospectus as a whole. If any of the risks described below were to occur, it could have a material affect on the Company's business, financial condition, result of operations or on the value of the Ordinary Shares. The risks and uncertainties described below are not the only ones the Company, the Board or investors in the Ordinary Shares will face. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believe are not material, may also adversely affect the Company's business, financial condition and result of operations. The value of the Ordinary Shares could decline due to any of these risk factors described below, and investors could lose part or all of their investment. Investors who are in doubt should consult their independent financial adviser.

Investors should consider a shareholding in the Company as a long term investment and any prospective investors need to carefully consider the following risks.

Investment in the Company's Ordinary Shares

- The value of and income derived from the Ordinary Shares may fluctuate and investors may not get back the full or any amount originally invested.
- Although the existing Ordinary Shares issued by the Company have been (and it is anticipated that the New Ordinary Shares to be issued pursuant to the Offer will be) admitted to the Official List of the UK Listing Authority and (or will be) traded on the London Stock Exchange's market for listed securities, it is unlikely that there will be a liquid market in the Ordinary Shares as there is a limited secondary market for VCT shares partly due to the holding period required to maintain up-front income tax reliefs. Investors may therefore find it difficult to realise their investments.
- The market price of the Ordinary Shares may not fully reflect, and will tend to be at a discount to, their underlying net asset value. Such a discount may also be exacerbated by the availability of income tax relief on the issue of new VCT shares.
- The net asset value of the Ordinary Shares is dependent on and will reflect the values and performance of the underlying assets in which the Managers have invested. The value of such investments and the income derived from them can rise and fall.
- There can be no guarantee that the Company's objectives will be met and that suitable investment opportunities will be identified in order to meet the Company's objectives or VCT status. In particular, the aim of paying annual dividends of 5.25p per Ordinary Share and the Interim Return will be dependent on the performance of the assets of the Company.
- The past performance of the Managers in their respective fields is not necessarily an indication of the future performance of the Company.
- Any change of governmental, economic, fiscal, monetary or political policy could materially affect, directly or indirectly, the operation of the Company and/or its ability to achieve or maintain VCT status.
- The Company bears the risk that either or both of the Managers will be unable or unwilling to perform their obligations under their applicable investment management arrangements entered into with the Company, which may impact on the performance of the Company and/or its ability to achieve or maintain VCT status.
- In the event of a long term decline in the FTSE 100 Index, there will be no gains from the Structured Products and in the event of a fall of 50 per cent. in the FTSE 100 Index there will be losses on the investments in Structured Products. Structured Products can and may be sold before their maturity date if required for the purposes of making Venture Capital Investments. There may not, however, be a liquid market in the Structured Products and there may never be two competitive market makers. Risk is increased further, where there is a single market maker who is also the Issuer of the Structured Product. Investec Structured Products has, however, agreed to make a market in the Structured Products, should this be required by the Company. The portfolio of Structured Products will be constructed with different Issuers and differing maturity periods to minimise risk and create a diversified portfolio. The Board and its Managers will also review the portfolio of investments on a regular basis to assess asset allocation and the need to realise investments. In the event that the Company is unable to realise funds from its investments in Structured Products (whether this be original capital or gains), the pool of potential Venture Capital Investments is likely to be reduced and the Company may not be able to meet its objectives or maintain VCT status.
- The information contained in this document is based on existing legislation, taxation rules, regulations and practices in the UK. Such information, including rates of tax, other statutory provisions and their interpretation as applicable to the Company or a holding of Ordinary Shares, may be subject to change which may be retrospective in effect.
- If a Qualifying Investor disposes of his Ordinary Shares within five years of subscription, he is likely to be subject to clawback by HM Revenue & Customs of any income tax relief originally obtained on subscription.
- Changes in legislation, including those proposed in the Budget Report 2010 and the Emergency Budget Report 2010, concerning VCTs in general and Venture Capital Investments and qualifying trades in particular, may limit the number of new Venture Capital Investment opportunities and/or reduce the level of returns which would otherwise have been achievable.
- Although the C Shares Fund (if C Shares are issued) will be managed and accounted for separately from the Ordinary Shares Fund, a number of company regulations and VCT requirements are assessed at company level and, therefore, the performance of one fund may impact adversely on the other fund and restrict the ability to make distributions, realise investments and/or meet requirements to meet VCT status.

VCT Status of the Company

- Whilst it is the Directors' intention that the Company will be managed so as to qualify as a Venture Capital Trust, there can be no guarantee that once achieved the Company's status will be maintained.
- VCT status may be lost if the Company is unable to realise sufficient funds from its Structured Product investments to enable it within three years to hold at least 70 per cent. of its investments in Venture Capital Investments.
- A failure by the Company to maintain the qualifying requirements for VCT status could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for Qualifying Investors, including a requirement to repay the income tax relief obtained and could also cause the Company to lose its exemption from corporation tax on chargeable gains.

- HM Revenue & Customs set the qualifying requirements for VCT status and may withdraw a company's status if it fails to continue to meet these qualifying requirements.

Venture Capital Investments

- Realisation of investments in unquoted companies can be difficult and may take considerable time. There may also be constraints imposed upon the Company with respect to such realisations in order to maintain its VCT status and which may restrict the Company's ability to obtain the maximum value from its investments.
- There are detailed restrictions regarding the type of companies in which the Company may invest. To be qualifying holdings, VCT funds raised after 5 April 2006 must invest in smaller companies with gross assets of not more than £7 million prior to the investment and £8 million post investment. In addition, to be qualifying holdings, VCT funds raised after 5 April 2007 must invest in companies which have no more than 50 full time (equivalent) employees and do not obtain more than £2 million of investment from VCTs, companies under the corporate venturing scheme and individuals claiming relief under the Enterprise Investment Scheme in any rolling 12 month period. Such companies generally have a higher risk profile than larger companies.
- Investment in unquoted companies, AiM-traded and PLUS Markets-traded companies by its nature involves a higher degree of risk than investment in companies traded on the main market of the London Stock Exchange. In particular, markets for smaller companies may not be regulated and are often less liquid and there may be difficulties in valuing and disposing of investments in such companies. In addition, such companies and smaller companies generally may have limited product lines, markets or financial resources and may be more dependent on their management or key individuals than larger companies. Disposing of such companies and smaller companies generally through trade sales may be difficult and may not produce hoped for returns and investors could get back less than they invested. Further the valuation of investments and opportunities for realisation depend on stock market conditions.
- Investee companies may compete in global markets. With the limited resources available to investee companies, they may not be able to protect intellectual property or compete effectively against larger companies. Investee companies may also operate in sectors which are subject to rapid change. Unquoted companies, AiM-traded and PLUS Markets-traded companies generally also have limited trading records. These factors may restrict the investee companies' performance and affect the returns achievable.
- Although the Company may receive certain conventional venture capital rights in connection with the Company's investments, as a minority investor it may not be in a position fully to protect the interests of Shareholders.
- Where more than one of the funds managed or advised by Calculus Capital wishes to participate in an investment opportunity, allocations will generally be made in proportion to the net cash available for investment by each fund, other than where investments are proposed to be made in a company where a fund has a pre-existing investment where the incumbent investor will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations such as sector exposure, the proposed structure of the investment and the requirement to achieve or maintain a minimum of 70 per cent. of a particular VCT's portfolio in Qualifying Companies. This may mean that a Company may receive a greater or lesser allocation than would otherwise be the case under the normal co-investment policy.
- Where the Company participates in an investment opportunity, allocations will, where the Company has issued C Shares, generally be made in proportion to the net cash available for investment by the Ordinary Shares Fund and the C Shares Fund, other than where investments are proposed to be made by the Company where one of the funds has a pre-existing investment where the incumbent fund will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations such as sector exposure and the proposed structure of the investment. This may mean that one fund may receive a greater or lesser allocation than would otherwise be the case.

Structured Products

- There is no guarantee that any Structured Product in which the Company invests will meet its objective.
- Structured Products are subject to market fluctuations and the Company may lose some or all of its investment. In addition, Issuers may not make payments on the due date (or at all). Further, a Structured Product may lose value or liquidity if an Issuer's credit rating changes. In addition, investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this document), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Structured Products. The Company cannot predict when these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Structured Products at that time.
- There may not be a liquid market in the Structured Products and there may never be two competitive market makers, making it difficult for the Company to realise its investment. Risk is increased further where there is a single market maker who is also the Issuer.
- Structured Products will represent an investment linked to the economic performance of the relevant underlying index and the return (if any) on investments in the Structured Products will depend upon the performance of such underlying index. Whilst the market value of such Structured Products are linked to such underlying index and will be influenced (positively or negatively) thereby, any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant underlying index will vary over time.
- Fluctuations in the value and/or volatility of the relevant underlying index will affect the value of the relevant Structured Products. Other factors which may influence the market value of Structured Products include interest rates, changes in the method of calculating the relevant underlying index from to time and market expectations regarding the future performance of the relevant underlying index, its composition and such Structured Products.
- The value or level of the underlying index may go down as well as up. Furthermore, the value or level of the underlying index may not reflect its performance in any prior period.
- All of the investments in Structured Products in respect of the Ordinary Shares Fund will either be capital protected or capital at risk on a one to one basis where the FTSE 100 Index falls by 50 per cent. or more and fails to recover at any time during the Structured Products investment term (i.e. if the FTSE 100 Index falls by 50 per cent. during the investment period and on maturity is down 25 per cent., capital within that Structured Product will be reduced by 25 per cent.), save where further purchases of Structured Products in which the Company has already invested are made where the FTSE 100 Index level at the time of purchase may be

(though not materially) lower than the Initial Index Level applicable to the existing investment (i.e. the capital protection may be, though not materially, lower than 50 per cent.).

- All of the Company's investments in Structured Products will be linked to the performance of an underlying index. The level of the relevant underlying index at any time does not include the reinvestment of the yield on the shares comprised in such index. Dividends paid to holder of shares comprised in the relevant underlying index will not be paid to the Company under the Structured Products. Consequently, the investment return on the Structured Products may be less than the return from a direct investment in some or all of the shares comprised in the relevant underlying index of the same amount and duration.
- In recent years the performance of the underlying indices has been volatile. Volatility could have a positive or negative effect on the return on the Structured Products. There can be no assurance as to the future performance of underlying indices.
- The value of the Structured Product will depend on how and when such performance is measured. The times, dates and methods used for determining when the level or price of the underlying index is measured may have a significant impact on the value of the reference item and accordingly on the return on the Structured Product.
- If leverage factors, caps, floors, barrier amounts or thresholds are used in the formula for calculating the redemption price of the Structured Products, an investor in Structured Products may forego returns or suffer losses that are relatively large or relatively small compared to a movement in the value or level of the relevant underlying index.
- The return of the Structured Products may be dependent on the movements in the value or level of the relevant underlying index over the term of the Structured Products, so called path dependency. The Structured Products may have a return that is linked in whole or in part to the average value or level of the relevant underlying index over the entire term of the Structured Products or over another specified period. Alternatively, the return on the Structured Products may be dependent on whether the level or price of the relevant underlying index has breached a specified barrier on or prior to a specified date.
- If an issue of Structured Products includes provisions dealing with the occurrence of certain market or other disruption events and any such event occurs on any date on which a valuation of the underlying index is due to be determined, any consequential postponement of the relevant date or any alternative provisions for valuation provided in any Structured Products may have an adverse effect on the value of such Structured Products.
- Investec Structured Products has discretion to select Structured Products issued by the Approved Issuers subject to compliance with the investment mandate agreed with the Board. Different Structured Products may involve a varying degree of risk and there is no guarantee that the Structured Products actually selected by Investec Structured Products for investment will be the most profitable of those available.
- Neither the Company nor Investec Structured Products shall have any liability to any person for any act or failure to act by an index sponsor in connection with the calculation, adjustment or maintenance of an index. Neither the Issuer nor the Company nor Investec Structured Products has any affiliation with or control over any index or index sponsor or any control over the computation, composition or dissemination of any index. Although the Company and Investec Structured Products will obtain information concerning an index to which the Structured Products are linked from publicly available sources they believe to be reliable, they will not independently verify this information.

Issuers of Structured Products

The following risk factors may result in the value of, and the returns from, the Ordinary Shares being reduced:

- An Issuer may become insolvent impacting on the performance, value and liquidity of the Structured Product and the ability of the Issuer to make payments on that Structured Product.
- An Issuer is subject to substantial regulation and oversight. Regulatory developments could have an effect on how it conducts its business and on its results and condition and may be affected by goodwill impairment.
- The Company will be exposed to the risk of change in tax legislation and its interpretation and to increases in the rate of corporate tax and other taxes which may affect the Structured Product.
- Change of control provisions in certain financing arrangements entered into by some of the Issuers may be triggered by the acquisition of an Issuer by HM Treasury (or any other relevant taxation authority such as the Federal Reserve) and may lead to adverse consequences including tax consequences for the Issuer, which may impact on the terms and/or the value of that Structured Product.
- Each of the Issuers operates within a group. An Issuer Group's operations can have inherent reputational risk and its business and earnings may be affected by geopolitical conditions.
- An Issuer Group may have given certain undertakings in relation to its business in relation to certain open offer agreements and in connection with the asset protection scheme which may serve to limit its operations, which may impact on the terms and/or value of that Structured Product.
- Should an Approved Issuer's rating fall below the minimum credit rating of A, such Issuer will (with the exception of Investec Bank plc, whose credit rating at the date of this document is below the credit rating of A) no longer be granted Approved Issuer status and no further investments will be made in that relevant issuer. If the list of Approved Issuers, as a consequence, is reduced it may limit the number and diversity of issuers in which the Company may invest. If an investment has already been made in an Approved Issuer's whose rating falls below the minimum credit rating of A, the investment may be realised prior to the structured product reaching its maturity date, which, as a result, may reduce the returns achieved and the risks set out in this document in relation to Structured Products may be more likely to occur in respect of that investment.
- Investments in Structured Products are subject to certain risks associated with the Issuers, which may include payments not being made by Issuers on the due dates (or at all) and the risk that the Structured Products may lose value or liquidity, resulting in the value of, and the returns from, the Ordinary Shares being reduced, because of changes in the relevant Issuer's credit rating resulting from the following:
  - Recent developments in the global financial markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector. In particular, governmental and regulatory authorities in the UK and other EU countries are implementing measures to increase regulatory control in their respective banking sectors, including the imposition of enhanced capital requirements and the imposition of conditions on direct capital injections and funding. Any future regulatory changes may restrict the Issuer's operations, mandate certain lending activity and

impose other compliance costs. It is uncertain how the more rigorous regulatory climate will impact financial institutions, including the Issuer, which may affect the value and the liquidity of a Structured Product.

- The inability of the Issuer to anticipate and provide for sufficient funds to meet its financial obligations, whether arising as a result of customer deposits being withdrawn, debt maturities, contractual commitments, asset growth or other factors, could have adverse consequences on the Issuer's ability to meet its obligations when they fall due.

- In certain circumstances, the actions or omissions of the Issuer or sponsor of any underlying index or others outside the control of the Issuer may adversely affect the rights of investors in Structured Products and/or the value of the Structured Products, including actions that may give rise to an adjustment to, or early redemption of, the Structured Products.

- Many of the Approved Issuers are banks within the meaning given in the Banking Act 2009 (''Banking Act''). The Banking Act includes (amongst other things) provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of a UK bank (such as the Approved Issuers). In particular, in respect of UK banks, such tools include share transfer powers (applying to a wide range of securities) and property transfer powers (including powers for partial transfers of property, rights and liabilities), certain ancillary powers (including powers to modify certain contractual arrangements in certain circumstances, including between group companies, and/or disapplication or modification of laws (with possible retrospective effect)) and two new special insolvency procedures (bank insolvency and bank administration) which may be commenced by UK authorities.

- In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the Banking Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial systems of the UK. The Banking Act includes provisions related to compensation in respect of transfer instruments and orders made under it.

- If an instrument or order were to be made under the Banking Act in respect of any of the Approved Issuers, such instrument or order may (amongst other things) affect the ability of such entity to satisfy its obligations under the relevant Structured Products and/or result in (i) the transfer of any its obligations under the relevant Structured Products, (ii) the conversion of any its obligations under the relevant Structured Products ''from one form or class to another'' (the scope of which is not clear), and/or (iii) modifications to the terms and conditions of any Structured Products, which may have certain tax implications. In addition, the Banking Act contains particular powers for provision to be included in an instrument or order that such instrument or order (and possibly certain related events) be disregarded in determining whether certain widely defined ''default event'' provisions have occurred (which default events could include certain Events of Default under any Structured Products) and provides for the disapplication or modification of laws (with possible retrospective effect) and/or fiscal consequences in connection with the exercise of powers under the Banking Act, which may affect the ability of such Approved Issuer to satisfy its obligations under the relevant Structured Product.

- At present, the UK authorities have not made an instrument or order under the Banking Act in respect of any of the Approved Issuers and there has been no indication that it will make any such instrument or order but there can be no assurance that this will not change and/or that Company will not be adversely affected by any such instrument or order if made.

CORPORATE INFORMATION

Directors
Christopher Paul James Wightman (Chairman)
Arthur John Glencross
Steven Guy Meeks
Michael O'Higgins
Mark Gary Rayward
Philip Hilary Swatman
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DEFINITIONS

The following definitions are used throughout this document unless the context otherwise requires:

"Adjusted Unaudited NAV"	the unaudited net asset value of the Company calculated in accordance with the Company's normal accounting policies, save that the valuation of the investments in Structured Products included will use the offer price in place of the bid price
"Admission"	the date on which the New Ordinary Shares allotted pursuant to the Offer are listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's main market for listed securities
"AiM"	the Alternative Investment Market
"Application Form"	the application form for use in respect of the Offer set out in this document
"Approved Issuers"	the Issuers selected by the Investec Structured Products team and approved by the Board as set out on page 61
"Articles"	the articles of association of the Company
"Board"	the board of Directors of the Company
"Business Days"	a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London
"C Shareholders"	holders of C Shares (and each a "C Shareholder")
"C Shares"	C ordinary share of 1p each in the capital of the Company (and each a "C Share")
"C Shares Fund"	the net assets of the Company attributable to the C Shares, and if they are issued (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets)
"CA 2006"	the Companies Act 2006 (as amended)
"Calculus Capital"	Calculus Capital Limited, which is authorised and regulated by the FSA
"Capita Registrars"	a trading name of Capita Registrars Limited
"Capita Sinclair Henderson"	Capita Sinclair Henderson Limited, the Company's fund administrator
"close company"	a company which is a close company within the meanings of section 414 of the Income and Corporation Taxes Act 1988
"Company"	Investec Structured Products Calculus VCT plc
"Directors"	the directors of the Company
"Final Index Level"	the closing (or average closing) level of the FTSE 100 Index at the end of the relevant Index Calculation Period for a Structured Product
"FSA"	the Financial Services Authority
"FTSE 100 Index"	a capitalisation weighted index of the 100 most highly capitalised companies traded on the London Stock Exchange
"Index Calculation Period"	the relevant period from when the Initial Index Level is calculated to when the Final Index Level is calculated for a Structured Product
"Initial Index Level"	the closing (or average closing) level of the FTSE 100 Index at the start of the relevant Index Calculation Period for a Structured Product

"Interim Return"	the total of Shareholder Proceeds made or offered for payment on or before the Interim Return Date
"Interim Return Date"	14 December 2015
"Investec Bank plc"	Investec Bank plc, a wholly owned subsidiary of Investec plc, which is part of an international banking group with operations in three principal markets: the UK, Australia and South Africa
"Investec Issued Structured Product(s)"	Structured Product(s) issued by Investec Bank plc
"Investec Structured Products"	the Investec Structured Products team within Investec Bank plc
"IPEVC Guidelines"	the International Private Equity and Venture Capital Valuation Guidelines
"IRR"	internal rate of return, as calculated in accordance with normal accepted practice in the venture capital industry
"Issuer Group"	the Issuer and any company (including for this purpose any undertaking within the meaning of section 1161(1) of the CA 2006) within its group (within the meaning of section 471(1) of CA 2006)
"Issuers"	issuers of Structured Products, which for the avoidance of doubt may also include the provider of a structured deposit (and each an "Issuer")
"Listing Rules"	the Listing Rules of the UK Listing Authority
"London Stock Exchange"	London Stock Exchange plc
"Managers"	Investec Structured Products and Calculus Capital (and each a "Manager")
"Memorandum"	the memorandum of association of the Company
"NAV" or "net asset value"	the net asset value of a company calculated in accordance with that company's normal accounting policies
"New Ordinary Shares"	new Ordinary Shares being offered for subscription pursuant to the Offer (and each a "New Ordinary Share")
"Offer"	the offer for subscription of New Ordinary Shares as described in the Prospectus
"Offer Price"	the offer price of a New Ordinary Share as determined by the Pricing Formula
"Official List"	the official list of the UK Listing Authority
"Ordinary Shares Fund"	the net assets of the Company attributable to the Ordinary Shares (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets)
"Ordinary Shareholders"	holders of Ordinary Shares (and each an "Ordinary Shareholder")
"Ordinary Shares"	ordinary shares of 1p each in the capital of the Company (and each an "Ordinary Share")
"Performance Incentive"	a performance related incentive fee equal to 10 per cent. of any Shareholder Proceeds above 105p per Ordinary Share payable to each of the Managers provided an Interim Return of at least 70p per Ordinary Share has been paid or offered for payment on or before the Interim Return Date, as more particularly detailed on page 38
"PLUS Markets"	'PLUS quoted', a prescribed market for the purposes of section 118 of Financial Services and Markets Act 2000 operated by PLUS Markets Group plc

"Pricing Formula"	the pricing formula used to calculate the price of New Ordinary Shares to be issued pursuant to the Offer as detailed on page 11
"Prospectus"	together the Registration Document, the Securities Note and the Summary
"Prospectus Rules"	the prospectus rules of the UK Listing Authority
"Qualifying Company"	an unquoted (or AiM-listed or PLUS Markets-listed) company which satisfies the requirements of Part 4, Chapter 6 of the Tax Act
"Qualifying Investors"	an individual aged 18 or over who subscribes for Ordinary Shares within the investor's qualifying subscription limit of £200,000 per tax year (and each a "Qualifying Investor")
"Receiving Agent"	Capita Registrars, in its capacity as receiving agent to the Offer
"Registrar"	Capita Registrars, in its capacity as registrars to the Company
"Registration Document"	this document
"Regulations"	the Uncertificated Securities Regulations 1995
"Securities Note"	the securities note issued by the Company dated 20 September 2010 in connection with the Offer
"Shareholder"	a holder of Shares in the Company
"Shareholder Proceeds"	amounts paid by way of dividends or other distributions, share buy backs and any other proceeds or value received by or offered to, or deemed to be received by or offered to, by Shareholders in the Company, excluding any income tax relief on subscription
"Shares"	Ordinary Shares and/or (as the context permits and if they are issued) C Shares
"Singer"	Singer Capital Markets Limited, the Company's sponsor
"Structured Product(s)"	notes and/or deposits and/or securities whose cash flow characteristics reflect the performance of an index or indices (which may or may not be linked to a market)
"Summary"	the summary issued by the Company dated 20 September 2010 in connection with the Offer
"Tax Act"	the Income Tax Act 2007 (as amended)
"Total Return"	the aggregate value of an investment or collection of investments made by the Company comprising net asset value, valued where appropriate in accordance with IPEVC Guidelines, plus the aggregate amount of all distributions (both revenue and capital) made by the Company
"UKLA" or "UK Listing Authority"	the FSA in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its states, territories and possessions (including the District of Columbia)
"VCT Value"	the value of an investment calculated in accordance with section 278 of the Tax Act
"Venture Capital Investments"	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 6, Chapters 3 and 4 to the Tax Act
"Venture Capital Trust" or "VCT"	a venture capital trust as defined in section 259 of the Tax Act

PART ONE – THE OFFER

The Company is seeking to raise up to £10 million (before expenses) by offering a maximum of 15,000,000 New Ordinary Shares for subscription. The Board believes that, by investing funds raised into two distinct asset classes of Structured Products and Venture Capital Investments, attractive returns for Shareholders may be achieved. Further, investors will also benefit from being able to invest in a VCT which has two established managers.

VCTs were introduced on 6 April 1995 with the first Venture Capital Trust appearing in September that year. The intention was to encourage investment in small companies which were finding it hard to raise funds by providing generous tax reliefs to Qualifying Investors. To April 2010, approximately £3.9 billion has been raised by over 100 VCTs (source: 'VCTs: Market Overview' by David Cartwright, http://www.theaic.co.uk/Documents/Member%20Director%20centre/AIC%20Conferences/David CartwrightVCT2010.pps.).

VCTs were created so that their investors could benefit from a spread of Venture Capital Investments under the supervision of professional managers who can, in many cases, contribute valuable experience, contacts and advice to the businesses in which they invest. VCTs, if approved by HM Revenue & Customs, are entitled to exemption from corporation tax on any gains arising on the disposal of their investments and such gains may be distributed tax-free to Qualifying Investors.

The Company has been designed for investors seeking to invest through a tax efficient vehicle in two distinct investment classes:

- Venture Capital Investments which are unquoted (or AiM-listed or Plus Markets-listed) investments in relatively small companies; and
- Structured Products with fixed returns linked to the FTSE 100 Index.

Investments in Structured Products will primarily be capital protected so long as the FTSE 100 Index does not fall by 50 per cent. of the Initial Index Level at any time during the investment period and fails to recover (where this is the case the capital will be at risk on a one to one basis).

Terms of the Offer

The Offer opens on 20 September 2010 and will close (unless extended) by 10 December 2010.

The Offer Price per New Ordinary Share in the Company will be calculated in accordance with the Pricing Formula, this being:

> **the Adjusted Unaudited NAV per Ordinary Share two Business Days prior to the day of allotment divided by 0.95 (to allow for Offer costs of 5.0 per cent.), rounded up to the nearest 0.1p per share.**

The first allotment will take place on 5 October 2010. Thereafter, allotments will be fortnightly on Tuesdays with an Offer Price based on the Adjusted Unaudited NAV as at close of business two days prior to the day of allotment (ie the preceding Friday). The final allotment will take place on 13 December 2010 (or, if the Offer is closed earlier, the next Business Day immediately following the closing date).

By making allotments by reference to an Adjusted Unaudited NAV on specified days, investors have clarity as to when allotments will be made and on what basis. In addition, investors are advised that, to be included in a particular allotment, cleared funds will be required to have been received by midday on the Friday preceding the date of that allotment.

An Adjusted Unaudited NAV is being used so as to include the valuations of the Company's investments in Structured Products at the offer price of the Structured Products rather than their bid price as would normally be the case when calculating the Company's unaudited NAV. The bid/offer spread at which Structured Products (which form the material part of the Company's portfolio) of the same type could be purchased would normally be in the region of 1 to 2 per cent. (including any fees to which Investec Bank plc is entitled on the purchase of Structured Products). By using an Adjusted Unaudited NAV this minimises dilution on existing Shareholders who would otherwise contribute to investment acquisition costs.

The unaudited NAV per Ordinary Share as at 31 August was 94.54p. The Adjusted Unaudited NAV per Ordinary Share as at the same date would have been 95.48p referenced against FTSE 100 close on this date of 5225.22. Based on the Adjusted Unaudited NAV per Ordinary Share as at 31 August 2010, the New Ordinary Shares would be issued at 100.5p per New Ordinary Share. The Offer Price may be higher or lower than this, dependent on the relevant Adjusted Unaudited NAV, which is subject to market conditions and would be expected to be higher or lower where the FTSE 100 is higher or lower.

The Offer Price is determined by the Pricing Formula to avoid dilution to the NAV of each existing Ordinary Share when the New Ordinary Shares are issued. The application of the Pricing Formula also avoids the need to announce repeatedly the Offer Price of the New Ordinary Shares during the Offer period and makes explicit the basis on which the price of the New Ordinary Shares will be determined.

An investor who invests £20,000 pursuant to the Offer will, therefore, receive (ignoring reinvested authorised financial intermediary commission) 19,900 New Ordinary Shares (based on an Offer Price of 100.5p as set out above). The minimum investment by an investor under the Offer is £5,000. The Offer is not underwritten and there is no minimum subscription level so investors can be sure the Offer will proceed.

Fractions of New Ordinary Shares will not be issued. Subscription monies of £1 or more not used to acquire New Ordinary Shares will be refunded.

Applications will be accepted (in whole or part) at the discretion of the Board, but the Board intends to meet applications on a 'first come, first served' basis.

The Offer, therefore, provides the opportunity for existing Shareholders and new investors to invest in the Company at an Offer Price linked to NAV plus costs. Investors will access a number of initial investments already made by the Company as well as being able to participate in the proposed annual dividend of 5.25p per Ordinary Share for the first 5 years of the Company's life (the first of which is expected in July 2011) and a further return of at least 43.75p per Ordinary Share on or before the Interim Return Date by way of a special dividend or a cash tender offer for Ordinary Shares.

Tax Reliefs

On investment in the Company, a Qualifying Investor will be entitled to claim up to 30 per cent. income tax relief on amounts subscribed in VCTs up to a maximum of £200,000 in any tax year (save that a Qualifying Investor's income tax liability may only be reduced to nil).

The following shows the effect of the tax reliefs for a Qualifying Investor who invests £10,000:

Initial investment	£10,000
Less income tax relief	£3,000
Effective cost to a Qualifying Investor	£7,000

(i.e. your investment of £10,000 effectively only costs you £7,000.)

Dividends paid on VCT shares subscribed by a Qualifying Investor (subject to such shares having a value of up to a maximum of £200,000 in any one tax year) will also not be liable to income tax. Disposal of VCT shares subscribed by a Qualifying Investor (subject to such shares having a value of up to a maximum of £200,000 in any one tax year) will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax (subject to being held for five years).

Use of Proceeds

It is intended that the proceeds of the Offer will be used by the Company in accordance with its investment policy set out in Part Three.

Offer Costs

Investec Structured Products has agreed to underwrite all the costs of the Offer (including initial commission to authorised financial intermediaries but excluding annual trail commission) in return for a fee of 5.0 per cent. of the gross funds raised (i.e. £500,000 assuming full subscription under the Offer). Investec Structured Products will be responsible for paying all the costs of the Offer out of this fee (save for annual trail commission which will be borne by the Company).

The net proceeds of the Offer, assuming full subscription will, therefore, amount to approximately £9,500,000.

Adviser Commission

Authorised financial intermediaries will be entitled to receive an initial commission of either 3.25 per cent. or 2 per cent. (depending on whether they wish to receive annual trail commission) of the amount invested by their clients pursuant to the Offer for New Ordinary Shares. Intermediaries who elect to take an initial commission of 2 per cent. will additionally, provided that the intermediary continues to act for the client and the client continues to be the beneficial owner of the New Ordinary Shares, be paid an annual trail commission by the Company of 0.5 per cent. of the net asset value of their client's holding in New Ordinary Shares (subject to, in respect of the cumulative annual trail commission, a cap of 2.5 per cent. of the Offer Price of such New Ordinary Shares). Trail commission will be paid annually in July (commencing July 2011) based on the audited net asset value at the preceding 28 February.

Initial commission may be waived by financial intermediaries. If this is the case then the investor's application will be increased by the amount of the commission waived.

Illustrative Returns

Set out below is a table illustrating the hypothetical returns to investors at four different potential levels of Shareholder Total Return (Interim Return plus NAV per Ordinary Share) at the Interim Return Date. Returns after this date will be dependent on the performance of the Venture Capital Investments portfolio.

Shareholders' and Managers' interests are aligned through the Performance Incentive (see page 38 for details). The Performance Incentive is only triggered if Shareholders have received or been offered an Interim Return totalling at least 70p per Ordinary Share on or before the Interim Return Date. If Shareholders have received or been offered an Interim Return of at least 70p per Ordinary Share for payment on or before the Interim Return Date, then the Managers will each receive a performance fee of 10 per cent. of all dividends and distributions paid (including the relevant distribution being offered) to Shareholders above a level of 105p per Ordinary Share.

	70p (26.25+43.75+0)	100p (26.25+43.75+30)	116p (26.25+43.75+46)	130p (26.25+43.75+60)
Less net cost of investment (assuming 30% income tax relief)	(70p)	(70p)	(70p)	(70p)
Tax-free cash profit	0p	30p	46p	60p
Tax-free profit (as a % of net cost of investments)	+0%	+43%	+66%	+86%
Net Return*	0% p.a.	7.66% p.a.	10.90% p.a.	13.42% p.a.
Gross Equivalent Return** (to a 40% taxpayer)	0% p.a.	12.77% p.a.	18.17% p.a.	22.37% p.a.

The returns set out above are for illustrative purposes only and assumes an Offer Price of 100p per Ordinary Share. No forecast or projection is implied or should be inferred. Returns are not guaranteed and will be dependent on the performance of the investments in Structured Products and the Venture Capital Investments.

* The Net Return is the internal rate of return based on an investment of 100p deemed to be made on launch of the Offer, 30p income tax relief deemed to be received seven months later in or around July 2011 and either 70p, 100p, 116p or 130p of Shareholder Total Return, comprising dividends of 5.25p payable on 30 July in each year from 2011 to 2015, 43.75p paid by way of a special dividend or tender offer for shares on 14 December 2015 (the Interim Return Date) and the balance as the NAV of the remaining funds (assumed to be Venture Capital Investments continuing to be held at cost) as at the Interim Return Date.

** The gross equivalent return to a 40 per cent. taxpayer is calculated by dividing the Net Return by 0.6.

PART TWO – THE DIRECTORS AND THE MANAGERS

The Board comprises seven non-executive directors, four of whom are independent of the Managers. The Board has substantial experience of venture capital businesses and overall responsibility for the Company's affairs, including determining the investment policy of the Company. Ian Wohlman is a director of Investec Bank plc, John Glencross is a director of Calculus Capital and Steve Meeks is a former consultant to Investec Structured Products.

(A) THE DIRECTORS

Chris Wightman (51) (Chairman)

Chris was appointed non-executive chairman of the board of directors of Puricore PLC in August 2002 and executive chairman in June 2010. Puricore completed a successful IPO raising £30 million in June 2006. Chris is chairman or director of a number of private UK companies including ASI Solutions plc, Clickstream Technologies plc, and Equinox Capital Ltd. He is also a partner in Mount Row Capital LLP. He previously spent 14 years in the investment banking industry with Goldman Sachs, Bankers Trust, NatWest, and NationsBank. He read law at Nottingham University before joining Arthur Andersen & Co., where he qualified with the Institute of Chartered Accountants.

Michael O'Higgins (56)

Michael became Chairman of Alexander Mann Solutions in August 2009 and has been chairman of the Audit Commission since October 2006. He is also a non-executive director of HM Treasury and chair of the Treasury Group Audit Committee. He is also Chair of the charity Centrepoint, having been on its Board of Trustees since 2002. Until his retirement in September 2006, Michael was a Managing Partner with PA Consulting, leading its Government and IT Consulting Groups, latterly as a director on its International Board. Prior to that he was a partner at Price Waterhouse, worked at the Organisation for Economic Co-operation and Development in Paris and held academic posts at the University of Bath, the London School of Economics, Harvard University and the Australian National University. He was recently appointed a Visiting Professor of Economics at the University of Bath.

Mark Rayward (48)

Mark worked for Newton Investment Management for 23 years from 1986 to November 2009. He was most recently Deputy Chief Executive and Chairman of the Newton Risk and Compliance Committee. From 2001 he was Managing Director of Newton Private Investment Management which had approximately £8 billion under management. Until his resignation from Newton, Mark was also a director of Bank of New York Mellon Newton Fund Managers which is the authorised director for Mellon Newton unit trusts and quoted UK funds.

Philip Swatman (60)

Philip was appointed chairman of Merlin Corporate Reputation Management, a financial and business communications consultancy group, in March 2009. Previously, Philip was vice-chairman of Investment Banking at NM Rothschild from 2001 until his retirement in September 2008, having originally joined NM Rothschild in 1979 as a Corporate Financier, becoming a Director in 1986. He subsequently became a Managing Director and later Co-Head of Investment Banking. He was accordingly involved in numerous transactions, including the sale of Chubb to Williams, Northern Foods' acquisition of Express Dairies, the IPOs of Vodafone and William Hill, the defence of BPB plc against a hostile bid from St Gobain, and the sale of Abbot Group plc to First Reserve. Philip qualified as a Chartered Accountant with KPMG after graduating from Christ Church, Oxford and is a Fellow of the Institute of Chartered Accountants.

Ian Wohlman (55)

Ian joined Allied Trust Bank Limited plc (now Investec Bank plc) in 1987 as an accounts manager. During his extensive time at Investec Bank plc he has been appointed to various executive positions, which include an Executive of both the Board Risk Review Committee and Risk Review Forum. He is also chairman of the PLC Credit Committee, Group Asset and Liability Committee, Audit Compliance Forum and Investment Committee. Prior to joining Investec Bank plc, Ian was at Royal Bank of Scotland initially as a branch manager and subsequently as a supervisor within the Business Development Lending group. Ian is FSA authorised both as a director and in relation to systems and controls.

Steve Meeks (53)

Steve is a consultant specialising in structured products. Steve joined NatWest as a graduate recruit in 1978 and spent nine years working for the wholesale banking arm of the NatWest group, including five years working in the group's Executive Office for North America based in New York. Upon returning to the UK, he transferred to the group's investment bank, County NatWest, working in the capital markets origination team. In 1993, he was recruited by Union Bank of Switzerland and spent the next five years as an executive director with responsibility for marketing equity derivatives to leading UK life offices. In 2005, he finished a six year consultancy with Abbey Financial Markets working on a part time basis in their structured products team; during this time he designed and established Guaranteed Investment Products 1 PCC an investment vehicle for Abbey Group's structured products that now has in excess of £5 billion under management across 131 different structured products. Steve is also a former consultant to Investec, having assisted the Investec Structured Products team with the launch of the Company. He is a non executive director of five Guernsey incorporated investment companies including Guaranteed Investment Products 1 PCC.

John Glencross (57)

John co-founded Calculus Capital in 1999. In 2000, he structured and launched the UK's first HM Revenue & Customs approved EIS Fund with Susan McDonald. Since that time, he has successfully launched and closed two VCT issues and eight further EIS funds. He is also a director of Neptune-Calculus Income and Growth VCT plc and Terrain Energy Limited. His professional experience spans private equity, investment banking and corporate restructuring and he has invested in, advised on or negotiated more than 100 transactions. Prior to founding Calculus Capital he was an Executive Director in the Corporate Finance Division of UBS Securities and a founding member of the Corporate Finance Division of Deloitte Haskins and Sells, specialising in services to small and medium size businesses. He qualified as a Chartered Accountant with Peat Marwick Mitchell (now KPMG) and has an MA (Hons) from the University of Oxford.

Current and Past Directorships

The Directors are currently or have been within the last 5 years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

Name	Current	Past 5 Years
Chris Wightman	ASI Solutions plc Asphalt Systems International Limited Clickstream Technologies plc Equinox Capital Investments plc Equinox Capital Limited Equinox Capital Management Limited Equinox Securities Limited Investec Structured Products Calculus VCT plc Mount Row Capital Limited Mount Row Capital Partners LLP Puricore plc Stowe School Limited	Equinox VCT plc Hyde Park Investment Limited
Michael O'Higgins	Alexander Mann Solutions ANU (UK) Foundation Centrepoint Soho Investec Structured Products Calculus VCT plc Oxford Medical Diagnostics Limited Millers Wharf Management Company Limited National Centre for Social Research	Ideal future Property Management Limited PA Holdings Limited PA Consulting Group

Name	Current	Past 5 Years
Mark Rayward	Consort Confectionary Limited Consort Frozen Foods Limited Investec Structured Products Calculus VCT plc	BNY Mellon Fund Managers Limited Newton Investment Management Limited Newton Management Limited
Philip Swatman	Cardinal Advisers LLP Cardinal Partners Limited Investec Structured Products Calculus VCT plc Kingston Central Two (Kingston) Management Company Limited New England Seafood International Limited Nomina No 115 LLP Raigersfield Capital Limited	Atrium Underwriting Group Limited Carillion (AM) Limited (formerly Alfred McAlpine plc) Carwash Cafe (UK) plc George Road (Kingston) Management Company Limited N M Rothschild Corporate Finance Limited
Ian Wohlman	Guinness Mahon & Co. Limited Guinness Mahon Investments Limited Human Resource Solutions (Bucks) Limited Investec Asia Limited Investec Asset Finance plc Investec Asset Finance (Capital) Limited Investec Asset Finance (Capital No.3) Limited Investec Asset Finance (Management) Limited Investec Bank plc Investec Bank (Nominees) Limited Investec Finance (Ireland) plc Investec Overseas Investments Limited Investec Structured Products Calculus VCT plc Leasedirect Finance Limited Kensington Group plc Omni Films 2 LLP SMAH 1 Limited	Commercial Debt Recoveries Limited Dynamo Construction Limited Guinness Mahon Leasing No.1 Limited Guinness Mahon Mortgage Company Limited Guinness Mahon Property Investments Limited Guinness Mahon Property Managers Limited Kirkgate Developments Limited Mithras Leasing (No. 1) Limited Start Mortgages Holdings Limited
Steve Meeks	Canley Consulting Limited Dedicated Engines Limited Guaranteed Investment Products 1 plc Investec Structured Products Calculus VCT plc The Commercial Property Growth Fund Limited The Commercial Property Income Fund Limited The Westbury Commercial Property Fund Limited WCP Holdings Limited	Clickstream Technologies plc Postged O2 Limited
John Glencross	Calculus Advisory Limited Calculus Asset Management Limited Calculus Capital Limited Calculus Capital Partners Limited Calculus Holdings Limited Calculus Nominees Limited Chepstow Place Limited Investec Structured Products Calculus VCT plc McDonald Glencross Limited Terrain Energy Limited	Equity Holdings Limited Mechadyne plc Mechadyne International Limited Neptune-Calculus Income and Growth VCT plc

(B) THE MANAGERS

The Board believes that the success of any VCT is reliant upon the judgement, experience and skills of its investment managers. The Board has sought to diversify investment risk by appointing two investment managers to manage two distinct investment portfolios. The VCT qualifying Venture Capital Investments will be managed by Calculus Capital, whilst the Investec Structured Products team has been appointed to manage the Company's portfolio of non-VCT qualifying Structured Products.

CALCULUS CAPITAL

Calculus Capital is the Venture Capital Investments portfolio manager.

Calculus Capital was established in 1999 and is authorised and regulated by the FSA. Its core investment team of Susan McDonald and John Glencross has been making tax efficient investments in unquoted companies since 1997. In 2000, Calculus Capital launched the first Enterprise Investment Scheme (EIS) fund approved by HM Revenue & Customs. Since that time, it has structured, launched and closed for subscription a further nine EIS funds and three VCT offers for subscription (including the offer for subscription on launch of the Company). As at 31 July 2010, it had approximately £31.3 million of funds under management or advice (including the assets of the Neptune-Calculus Income and Growth VCT plc and the assets of the Company) and had returned approximately £7.5 million to investors by way of cash distributions or distributions *in specie*, as well as having completed 64 investments in VCT and EIS qualifying companies. It has been recognised as a leading manager of Venture Capital Investments, being awarded the EIS Association Best EIS Fund Manager Award for 2009 and the Professional Adviser Best EIS Provider Award in 2010.

Calculus Capital has extensive experience of investing in energy, energy services, energy technology, leisure and catering, transportation and healthcare and these sectors are likely to be the target of investments by the Company. At the same time, Calculus Capital will also take advantage of value opportunities in other sectors as they arise.

Since its establishment in 1999 to December 2009, Calculus Capital has achieved an annual compounded rate of return of 6.3 per cent. and a multiple of invested capital of 1.7x from the investments in EIS and VCT qualifying unquoted investments. These figures include both VCT and EIS unquoted qualifying investments and exclude all tax benefits and fees. Further, the figures cover companies which were at the time of first investment either private or quoted on PLUS Markets but excluding AiM companies and investments under one year.

The Calculus Capital Team

John Glencross

Details for John Glencross can be found on page 15.

Susan McDonald

Susan co-founded Calculus Capital in 1999. In 2000 she structured and launched the UK's first HM Revenue & Customs approved EIS Fund with John Glencross. Since that time, she has successfully launched and closed three (including the offer for subscription on launch of the Company) VCT issues and nine further EIS funds. She has been involved in investing in approximately 50 qualifying investments in unquoted companies in the last 10 years. She was previously Director and Head of Asian Equity Sales at Banco Santander. Prior to this, she had over twelve years' experience in company analysis, equity sales and new issues with Jardine Fleming, Robert Fleming and Peregrine Securities (UK) Ltd, where she led over 30 placements and new issues. Prior to entering finance, Susan worked for Abbott Laboratories and Conoco. She has an MBA from University of Arizona.

Lesley Watkins

Lesley joined Calculus Capital in 2002. She has over 18 years' experience in investment banking and held senior posts at three international investment banks, where her responsibilities included advising several companies in the FTSE 100. Previously, she was a Managing Director, Global Investment Banking at Deutsche Bank and spent 14 years at UBS, where she was a Managing Director in the Corporate Finance Division. She has extensive experience of fundraising, flotations, mergers and acquisitions, disposals and restructurings for her clients. In 2009, Lesley was appointed Non-Executive Council Member of the Competition Commission. She is a fellow of the Institute of Chartered Accountants. She qualified as a Chartered Accountant (with Price Waterhouse (now PricewaterhouseCoopers) and has a BSC (Hons) in Mathematics from Southampton University.

Diane Seymour-Williams

Diane is chairman of the Calculus Capital Investment Committee. She has an MA in Economics from Cambridge University. She joined Morgan Grenfell/Deutsche Asset Management in 1981 and specialised in investing in Asian and Global equity markets for institutional and mutual fund clients. Diane was based in Singapore from 1993-96 as CEO and CIO of Asia ex Japan and responsible for offices in Singapore, Hong Kong and a joint venture in Thailand. After leaving Deutsche Asset Management in 2005, Diane advised on developing a global equity business for WP Stewart and establishing Spencer House Capital Management for Lord Rothschild. She joined Lloyd George Management in 2007 as Head of Client and Business Strategy. Diane was a director of the China Fund (1993-2005), the Pakistan Fund (1993-96), Batavia Fund (1993-96) and Chairman of the Greater Korea Trust Advisory Board (1993-97).

Paul Younger

Paul joined Calculus Capital in 2009. He is responsible for fund operations and administration including communications. Most recently, he worked at AdvantHedge Capital Advisors LLP, a provider of global marketing services for elite hedge fund managers. Paul qualified as a Chartered Accountant in 2007 with Rees Pollock where he worked as a senior auditor, specialising in FSA regulated firms. He graduated from the University of Durham in July 2004 and holds a BA in Business Economics.

Alexandra Lindsay

Alexandra joined Calculus Capital in 2008. She is focused on screening new proposals, conducting research and supporting the investment team. Most recently, she worked on the hedge fund team at Apollo Management International where she conducted research into companies and markets. She graduated from University College London with a first class degree in History of Art having previously studied Engineering Science at Wadham College, Oxford.

INVESTEC STRUCTURED PRODUCTS

The team at Investec Structured Products (a trading name of Investec Bank plc, which is part of the Investec group of companies) is the Structured Products portfolio manager.

The Investec group is an international specialist banking organisation that provides a diverse range of financial products and services to a niche client base in three principal markets, the UK, South Africa and Australia, as well as certain other countries. The group was established in 1974 and currently has approximately 5,600 employees.

The Investec group focuses on delivering distinctive profitable solutions for its clients in five core areas of activity: Capital Markets, Private Client Activities, Investment Banking, Asset Management and Property Activities.

Investec Structured Products has received investments from UK clients in excess of £1.375 billion in over 200 different Structured Products managed by it since May 2008, and have been recognised as a leading provider of Structured Products being awarded the Professional Adviser Best Structured Products Provider Award 2009 and 2010.

The Investec Structured Products Team

The key individuals within the Investec Structured Products team are:

Rob Reid

Rob joined Investec Bank plc in the summer of 2007 as part of a team to build an equity derivative and structured product business. Prior to that he spent 9 years at Abbey Financial Markets (now Banco Santander Global Markets) where he was one of the founder members of the equity derivative business. He worked in various roles including risk management, derivative trading and structuring. Before that he worked in risk management at NatWest Markets and started out as an actuary with Watson Wyatt. Rob has a total of 14 years experience in the derivatives and structured product industry.

Andrew Brogden

Andrew joined Investec Bank plc in the summer of 2007 to build its equity derivative and structured product business. Prior to that he worked for 9 years at Abbey Financial Markets (now Banco Santander Global Markets). One of the founder members of Abbey's equity derivative business, he finished his time there as Global Head of Equity, Commodity & Property Derivatives. Before that he worked at HSBC as a derivatives trader, having previously been a quantitative analyst, and before that, a management consultant. Andrew has a total of 14 years experience in the derivatives and structured product industry.

Mark Simmons

Mark joined Investec Bank plc in 2008 to head-up the Financial Modelling Group supporting the structured product aspect of the business. Prior to that he acted as head of Equity Derivatives Risks at Abbey Financial Markets (now Banco Santander Global Markets) for 8 years. Before that Mark worked for NatWest, Swiss Bank and Morgan Stanley within their respective equity derivative and risk management teams and started out as an actuary analyst. In total, Mark has over 25 years experience in the derivatives and structured product industry.

PART THREE – GENERAL INFORMATION ON THE COMPANY

1. Incorporation and Registered Office

1.1 The legal and commercial name of the Company is Investec Structured Products Calculus VCT plc.

1.2 The Company was incorporated and registered in England and Wales as a public company with limited liability on 1 February 2010 with registered number 07142153. The Company was issued with a trading certificate under section 761 of CA 2006 on 18 February 2010.

1.3 The principal legislation under which the Company operates is the CA 2006 and regulations made thereunder.

1.4 The Company's registered office and principal place of business is at Beaufort House, 51 New North Road, Exeter EX4 4EP. The Company is domiciled in England. The Company does not have, nor has it had since incorporation, any subsidiaries or employees.

1.5 HM Revenue & Customs has granted provisional approval of the Company as a VCT under section 259 of the Tax Act effective from Admission. The business of the Company has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval.

1.6 In order for the future of the Company to be considered by the members, the Directors shall procure that a resolution will be proposed at the tenth annual general (and thereafter at five yearly intervals) to the effect that the Company shall continue as a venture capital trust. If, at such meeting, the resolution is not passed, the Directors shall, within nine months of the meeting, convene a general meeting to propose a special resolution for the re-organisation or reconstruction of the Company and a resolution to wind up the Company voluntarily. If the resolution to wind up the Company is not passed the Company shall continue as a venture capital trust.

1.7 The Company is an investment company under section 833 of CA 2006. The Company has given notice to the Registrar of Companies pursuant to section 833 of the CA 2006 Act of its intention to carry on business as an investment company. This gives the Company an additional basis on which to make a distribution, namely, out of its accumulated realised revenue profits (so far as not previously distributed or capitalised) less its accumulated revenue realised or unrealised losses (so far as not previously written off in a reduction or repayment of capital) subject to certain other conditions set out in section 832 of the CA 2006. Assuming the Company maintains this status, the Company's ability to make revenue distributions to its Shareholders will not be affected by a capital loss. However, a revenue loss could prevent an immediate distribution (in whole or in part) of a capital profit. The Directors, are therefore preparing to cancel the amount currently standing in the Company's share premium account and intend to further cancel the share premium account of the Company following the close of the Offer, which in both cases will create a special reserve to which capital losses can be written off to enable the Company, should it revoke investment company status, to pay a capital dividend and to continue paying out revenues as and when it is able.

1.8 The Company is not authorised and/or regulated by the FSA or an equivalent overseas regulator. The Company is subject to the requirements for VCTs and, as an entity listed on the main market of the London Stock Exchange, will be subject to the rules and regulations issued by the UK Listing Authority from time to time. The Company is not otherwise regulated.

1.9 The Company's existing Ordinary Shares are listed on the Official List of the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities with an ISIN of GB00B631ZQ22.

1.10 Application has been made to the UK Listing Authority for the New Ordinary Shares to be admitted to the Official List and to the London Stock Exchange plc for such New Ordinary Shares to be admitted to trading on its main market for listed securities. It is expected that admission to the Official List will become effective and that dealings in the New Ordinary Shares will commence three Business Days following allotment.

2. Share Capital

2.1 The issued share capital of the Company on incorporation was twenty Ordinary Shares, nil paid to the subscribers to its Memorandum. These shares have subsequently been paid up in full in cash.

2.2 To enable the Company to register as a public limited company and to obtain a certificate under section 761 of CA 2006, on 10 February 2010, 5,000,000 redeemable shares were allotted by the Company at par for cash, paid up as to one quarter of their nominal value. On 29 June 2010 such redeemable shares were paid up in full and redeemed out of the proceeds of the original offer on launch of the Company and then were automatically cancelled as issued and the Articles were amended by the deletion of all references to the redeemable shares and the rights attaching to them.

2.3 During the period 31 March 2010 to 4 May 2010 the Company issued 3,867,897 Ordinary Shares pursuant to the original offer on launch of the Company.

2.4 As at 30 June 2010, the date to which the financial information set out in Part Four has been prepared), 3,867,917 Ordinary Shares were in issue. Since that date, the Company has issued no further Ordinary Shares nor has it undertaken any buy-backs. For the avoidance of doubt, no C Shares are currently in issue. The Company does not hold any shares in treasury.

2.5 On 6 September 2010, the following resolutions were passed:

2.5.1 That:

2.5.1.1 in substitution for existing authorities, the directors of the Company were authorised in accordance with section 551 of the CA 2006 to exercise all the powers of the Company to allot ordinary shares of 1p each in the Company (''Ordinary Shares'') and to grant rights to subscribe for or to convert any security into Ordinary Shares in the Company (''Ordinary Share Rights'') up to an aggregate nominal amount of £165,000, provided that, the authority conferred shall expire on the fifth anniversary of the date of the passing of this resolution (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require Ordinary Shares to be allotted or Ordinary Share Rights to be granted after such expiry; and

2.5.1.2 in substitution for existing authorities, the directors were empowered pursuant to sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (which expression shall have the meaning as described to it in section 560(1) of CA 2006) for cash pursuant to the authority detailed in paragraph 2.5.1.1 or by way of a sale of treasury shares, as if section 561(1) of CA 2006 did not apply to such allotment, provided that the power provided by this paragraph shall expire on the conclusion of the annual general meeting of the Company to be held in 2011 and provided further that this power shall be limited to:

(a) the allotment and issue of Ordinary Shares with an aggregate nominal value representing up to £125,000 in connection with the Offer; and

(b) the allotment and issue of Ordinary Shares with an aggregate nominal value representing up to 10 per cent. of the issued Ordinary Share capital of the Company immediately following close of the Ordinary Share Offer, where the proceeds may in whole or part be used to purchase Ordinary Shares; and

2.5.1.3 in substitution for existing authorities, the Company was empowered to make one or more market purchases within the meaning of section 693(4) of CA 2006 of its own Ordinary Shares (either for cancellation or for the retention as treasury shares for future re-issue or transfer) provided that:

(a) the aggregate number of Ordinary Shares which may be purchased shall not exceed 2,455,000;

(b) the minimum price which may be paid per Ordinary Share is 1p, the nominal value thereof;

(c) the maximum price which may be paid per Ordinary Share is an amount equal to the higher of (a) 105 per cent. of the average of the middle market quotation per

Ordinary Share (of the relevant class) taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which such Ordinary Share is to be purchased; and (b) the amount stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation 2003;

(d) the authority conferred shall expire on the conclusion of the annual general meeting of the Company to be held in 2011, unless such authority is renewed prior to such time; and

(e) the Company may make a contract to purchase Ordinary Shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of such Ordinary Shares.

2.5.2 That:

2.5.2.1 the Articles were amended to allow for the creation and issue of C Shares;

2.5.2.2 in addition to the authority detailed in paragraph 2.5.1.1 above, the directors of the Company were generally and unconditionally authorised in accordance with section 551 of CA 2006 to exercise all the powers of the Company to allot C Shares in the Company and to grant rights to subscribe for or to convert any security into C Shares in the Company (''C Share Rights'') up to an aggregate nominal amount of £275,000, provided that, the authority conferred shall expire on the fifth anniversary of the date of the passing of this resolution (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require C Shares to be allotted or C Share Rights to be granted after such expiry;

2.5.2.3 in addition to the authority detailed in paragraph 2.5.1.2 above, the directors were empowered pursuant to sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in section 560(1) of CA 2006) for cash pursuant to the authority detailed in paragraph 2.5.1.2 above or by way of a sale of treasury shares, as if section 561(1) of CA 2006 did not apply to such allotment, provided that the power detailed in this paragraph 2.5.2.3 shall expire on the conclusion of the annual general meeting of the Company to be held in 2011 and provided further that this power shall be limited to:

(a) the allotment and issue of C Shares with an aggregate nominal value representing up to £250,000 in connection with the offer for subscription of C Shares; and

(b) the allotment and issue of C Shares with an aggregate nominal value representing up to 10 per cent. of the issued C Share capital of the Company immediately following close of the offer for subscription of C Shares, where the proceeds may in whole or part be used to purchase C Shares; and

2.5.2.4 in addition to the authority conferred pursuant to the resolution detailed in paragraph 2.5.1.3 above, the Company was empowered to make one or more market purchases within the meaning of section 693(4) of CA 2006 of its own C Shares (either for cancellation or for the retention as treasury shares for future re-issue or transfer) provided that:

(a) the aggregate number of C Shares which may be purchased shall not exceed 3,748,000;

(b) the minimum price which may be paid per C Share is 1p, the nominal value thereof;

(c) the maximum price which may be paid per C Share is an amount equal to the higher of (a) 105 per cent. of the average of the middle market quotation per C Share (of the relevant class) taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which such C Share is to be purchased; and (b) the amount stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation 2003;

(d) the authority conferred shall expire on the conclusion of the annual general meeting of the Company to be held in 2011, unless such authority is renewed prior to such time; and

(e) the Company may make a contract to purchase C Shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of such C Shares.

2.6 The Company will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of section 561(1) of CA 2006 (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the unissued share capital of the Company which is not subject to the disapplication referred to in paragraph 2.5 above.

2.7 Following the issue of the New Ordinary Shares pursuant to the Offer (assuming full subscription and an Offer Price of 100.5p per New Ordinary Share) the issued share capital of the Company is expected to be:

	Issued	
	Number	£
Ordinary Shares	13,818,165	138,181.65

2.8 Subject to any special rights or restrictions attaching to any shares or any class of shares issued by the Company in the future, the holders of fully paid Ordinary Shares will be entitled *pari passu* amongst themselves in proportion to the number of Ordinary Shares held by them to share in the whole of the profits of the Company attributable to the Ordinary Shares which are paid out as dividends and in the whole of any surplus attributable to the Ordinary Shares in the event of a liquidation of the Company. The C Shares, if issued, will be entitled *pari passu* amongst themselves in proportion to the number of C Shares held by them to share in the whole of the profits of the Company attributable to the C Shares which are paid out as dividends and in the whole of any surplus attributable to the C Shares in the event of a liquidation of the Company.

2.9 The Ordinary Shares are/will be in registered form and no temporary documents of title will be issued. The Company is registered with CREST, a paperless settlement system and those Shareholders who wish to hold their Ordinary Shares in electronic form may do so.

2.10 Except as disclosed in paragraph 2.5 above (including pursuant to the Offer) and paragraph 5 below and except for commission payable to authorised financial intermediaries in connection with the Offer, no share or loan capital of the Company has been issued for cash or for a consideration other than cash, no such share or loan capital is proposed to be issued, no commission, discount, brokerage or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital and no share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.

3. Articles of Association

Memorandum of Association

The objects of the Company are not limited by any provisions of the Memorandum or the Articles of the Company.

Articles

The following is a summary of the current Articles. In this paragraph 3, reference to "Directors" means the directors of the Company from time to time, reference to the "Board" means the board of directors of the Company from time to time and reference to "the Act" means the CA 2006 (where the context permits as amended from time to time).

3.1 **Specific rights attaching to the Ordinary Shares and C Shares:**

(a) Definitions

"C Share Surplus" means the net assets of the Company attributable to the C Shares (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less such proportion of the Company's liabilities including the fees and expenses of liquidation or return of capital (as the case may be) as the Directors or the liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to the C Shareholders.

''Issue Date'' means the day on which the Company receives the net proceeds of the first issue of C Shares''.

''Ordinary Share Surplus'' means the net assets of the Company (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less (i) such proportion of the Company's liabilities (including the fees and expenses of liquidation or return of capital (as the case may be) as the Directors or the liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to the Ordinary Shareholders) and (ii) the C Share Surplus.

''Statutes'' means the CA 2006 as amended and supplemented, and every other statute for the time being in force concerning companies affecting the Company.

For the purposes of the Articles, assets attributable to the C Shareholders or the C Shares shall mean the net cash proceeds (after all expenses relating thereto) of the issue of the C Shares as invested in or represented by investments or cash or other assets from time to time less such proportion of the expenses and liabilities of the Company incurred or accrued following the Issue Date as the Directors fairly consider to be allocable to the C Shares.

(b) Undertaking

Without prejudice to its obligations under the Statutes, the Company shall, without prejudice to its obligations under the Statutes (i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shareholders can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that a separate income and expenditure account (or, if applicable, profit and loss account) balance sheet and cash flow account and such other separate accounts as may, in the opinion of the Board, be desirable to ensure compliance by the Company with the provisions of section 259 of ITA 2007 as amended, shall be created and maintained in the books of the Company for the assets attributable to the C Shareholders, (ii) allocate to the assets attributable to the C Shareholders such proportion of the expenses and liabilities of the Company incurred or accrued following the Issue Date as the Directors fairly consider to be allocable to the C Shares and (iii) give appropriate instructions to the Company's investment managers and advisers to manage the Company's assets so that such undertakings can be complied with by the Company.

(c) Voting Rights

Subject to paragraph (f) below and 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 by proxy (or being a corporation, represented by an 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 is the holder. The Ordinary Shares and the C Shares shall rank *pari passu* as to rights to attend and vote at any general meeting of the Company.

(d) Dividends

The rights of members to receive dividends are as follows:

(i) the Ordinary Shareholders shall be entitled to receive, in that capacity, any dividends paid out of the net income derived from the assets attributable to the Ordinary Shares; and

(ii) the C Shareholders shall be entitled to receive in that capacity, any dividends paid out of the net income derived from the assets attributable to the C Shares.

(e) Distribution of Assets on Liquidation

The capital and assets of the Company shall on a winding up or on a return of capital be applied as follows:

(i) the Ordinary Share Surplus shall be divided amongst the holders of the Ordinary Shares *pro rata* according to their holdings of Ordinary Shares; and

(ii) the C Share Surplus shall be divided amongst the holders of C Shares *pro rata* according to their holdings of C Shares.

(f) Class Consents and Variation of Rights

The holders of C Shares as a class and the holders of the Ordinary Shares as a class shall be required to approve and, accordingly, without such approval, the special rights attached to the C Shares and the Ordinary Shares shall be deemed to be varied, *inter alia*, by:

(i) any alteration to the memorandum of association or the Articles; or

(ii) any consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company; or

(iii) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company other than pursuant to the exercise of subscription rights in accordance with the terms of the share options granted or to be granted in relation to performance related incentive fees to the investment manager(s) of the Company from time to time; or

(iv) the selection of any accounting reference date other than 28 February.

3.2 **Share Capital**

3.2.1 The Company may issue shares which are liable to be redeemed on such terms and conditions as the Board may determine.

3.2.2 Shareholders shall have the right to receive notice of, attend and vote at all general meetings.

3.2.3 If any shareholder, or any other person appearing to the Directors to be interested in any shares in the capital of the Company held by such shareholder, has been duly served with a notice under section 793 of the Act and is in default for a period of 14 days from the date of service of the notice in supplying to the Company the information thereby required, then the Company may (at the absolute discretion of the Directors) at any time thereafter by notice (a ''restriction notice'') to such shareholder direct that, in respect of the shares in relation to which the default occurred and any other shares held at the date of the restriction notice by the shareholder, or such of them as the Directors may determine from time to time (the ''restricted shares'' which expression shall include any further shares which are issued in respect of any restricted shares), the shareholder shall not, nor shall any transferee to which any of such shares are transferred other than pursuant to a permitted transfer, be entitled to be present or to vote on any question, either in person or by proxy, at any general meeting of the Company or separate general meeting of the holders of any class of shares of the Company, or to be reckoned in a quorum.

3.2.4 Where the restricted shares represent at least 0.25 per cent. in nominal value of the issued shares of the same class as the restricted shares (excluding any shares of that class held as treasury shares) the restriction notice may in addition direct, *inter alia*, that any dividend or other money which would otherwise be payable on the restricted shares shall be retained by the Company without liability to pay interest; any election by such member to receive shares instead of cash in respect of any dividends on such restricted shares will not be effective; and no transfer of any of the shares held by the shareholder shall be registered unless the shareholder is not himself in default in supplying the information requested and the transfer is part only of the member's holding and is accompanied by a certificate given by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that none of the shares which are the subject of the transfer are restricted shares.

3.2.5 The Board shall be entitled to make calls for the sums, if any, remaining unpaid on any shares, subject to the terms of allotment of such shares. If any call remains unpaid then the Board may, after giving not less than 14 clear days' notice, forfeit such share and sell or transfer such forfeited shares on such terms as the Board may determine.

3.3 **General Meetings**

3.3.1 **Convening of General Meetings**

The Board shall convene annual general meetings and may convene other general meetings whenever it thinks fit. A general meeting shall also be convened on such requisition or in default may be convened by such requisitionists as provided by the Act. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not within the UK sufficient members of the Board to convene a general meeting, any Director may call a general meeting. The Board may make arrangements to ensure the orderly conduct of general meetings and to preserve the security of attendees.

3.3.2 **Notice of General Meeting**

General meetings shall be convened by the minimum period of notice required by the Act. Every notice convening a general meeting shall specify:

3.3.2.1 whether the meeting is an annual general meeting or an extraordinary general meeting;

3.3.2.2 the place, the day and the time of the meeting;

3.3.2.3 in the case of special business the general nature of that business;

3.3.2.4 if the meeting is convened to consider a special resolution the text of the resolution and the intention to propose the resolution as such; and

3.3.2.5 with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

3.3.3 **Omission to Send Notice**

The accidental omission to send a notice of meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy or any other document, to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

3.3.4 **Quorum at General Meetings**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the Meeting. 2 persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

If within 15 minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine, being not less than 10 clear days thereafter. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved.

3.3.5 **Method of Voting**

At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by:

3.2.5.1 the chairman of the meeting; or

3.2.5.2 at least 5 members present in person or by proxy having the right to vote at the meeting; or

3.2.5.3 a member or members present in person or by proxy representing not less than one tenth of the voting rights of all the members having the right to vote at the meeting; or

3.2.5.4 a member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

3.3.6 **Votes of Members**

Subject to the provisions of the Act and to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall on a show of hands have one vote and on a poll shall have one vote for each share of which he is the holder.

3.3.7 **Variation of Class Rights**

Subject to the provisions of the Act, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in these Articles (but not otherwise).

All the provisions in the Articles as to general meetings shall *mutatis mutandis* apply to every meeting of the holders of any class of shares save that the quorum at every such meeting shall be not less than 2 persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class; every holder of shares of the class present in person or by proxy may demand a poll; each such holder shall on a poll be entitled to one vote for every share of the class held by him; and if at any adjourned meeting of such holders, such quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum

3.3.8 **Consolidation and Subdivision**

The Company in general meeting may from time to time by ordinary resolution:

3.3.8.1 consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares; and

3.3.8.2 subject to the provisions of the Act, sub-divide its shares or any of them into shares of smaller nominal value and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares but so that the proportion between the amount paid up and the amount (if any) not paid up on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

3.4 **Transfer of Shares**

3.4.1 **Form of Transfer**

Except as may be provided by any procedures implemented for shares held in uncertificated form, each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

3.4.2 **Right to Refuse Registration**

The Board may in its absolute discretion refuse to register any share transfer (as to which it shall provide reasons) unless:

3.4.2.1 it is in respect of a share which is fully paid up;

3.4.2.1 it is in respect of only one class of shares;

3.4.2.3 it is in favour of a single transferee or not more than four joint transferees;

3.4.2.4 it is duly stamped (if so required); and

3.4.2.5 it is delivered for registration to the registered office of the Company, or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so, provided that such discretion may not be exercised in such a way as to prevent dealings in shares admitted to the Official List from taking place on an open and proper basis.

3.5 **Dividends and Other Payments**

3.5.1 **Declaration of Dividends**

Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution declare that, out of profits available for distribution, dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board.

3.5.2 **Entitlement to Dividends**

3.5.2.1 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid *pro rata* according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.

3.5.2.2 All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.

3.5.2.3 The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

3.6 **Borrowing Powers**

3.6.1 Subject as provided in the Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

3.6.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiaries so as to procure (as regards its subsidiaries in so far as it can procure by such exercise) that the aggregate principal amount at any one time outstanding in respect of net moneys borrowed by the Group (exclusive of moneys borrowed by one Group (being the Company and its subsidiaries from time to time) company from another and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to 25 per cent of the value of the gross assets of the Company.

3.6.3 For these purposes only:

3.6.3.1 in calculating the value of the gross assets of the Company, the value of securities listed or dealt on a reputable stock exchange shall be based on the closing mid market price and the value of other securities shall be determined by the Board on the basis of valuation principles recommended by the auditors of the Company for the time being.

3.6.3.2 moneys borrowed include also the following except in so far as otherwise taken into account:

(a) the nominal amount of any issued and paid up share capital and the principal amount of any debenture or borrowings of any person together with any fixed or minimum premium payable on redemption, the beneficial interest in which or right to repayment to which is not for the time being owned by a Group company but the payment or repayment of which is the subject of a guarantee or indemnity by a Group company or is secured on the assets of a Group company;

(b) the principal amount raised by any Group company by acceptances or under any acceptance credit opened on its behalf by any bank or acceptance house (not being a Group company);

(c) the principal amount of any debenture (whether secured or unsecured) of any Group company beneficially owned otherwise than by a Group company;

(d) the principal amount of any preference share capital of any subsidiary beneficially owned otherwise than by a Group company;

(e) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing; and

(f) any amount in respect of a finance lease which would be shown at the material time as an obligation in a balance sheet of any member of the Group prepared in accordance with the accounting principles used in the preparation of the relevant balance sheet;

but do not include:

(g) moneys borrowed by any Group company for the purpose of repaying within 6 months of being first borrowed the whole or any part of any moneys borrowed and then outstanding (including any premium payable on final repayment) of that or any other Group company pending their application for such purpose within that period;

(h) there shall be credited against the amount of any moneys borrowed any cash deposited and the value of any money market instruments (valued as referred to in paragraph 3.6.3.1);

(i) where under the terms of any borrowing the amount of money which would be required to discharge the principal amount of moneys borrowed in full if it fell to be repaid (whether at the option of the company borrowing the same or by reason of default) at such material time is less than the amount which would otherwise be taken into account in respect of such moneys borrowed for the purposes of the Articles, the amount of such moneys borrowed to be taken into account shall be such lesser amount;

3.6.3.3 the value of borrowings or assets denominated in a currency other than sterling shall be translated into sterling at the rate used in the last relevant balance sheet or if not used in such balance sheet then at the then prevailing exchange rate selected by the Board.

3.6.3.4 A report or certificate of the auditors of the Company as to the amount of gross assets of the Company or the amount of moneys borrowed falling to be taken into account for the purposes of this article or to the effect that the limit imposed by this article has not been or will not be exceeded at any particular time or times or as a result of any particular transaction or transactions shall be conclusive evidence of the amount or of that fact the Directors may at any time act in reliance on a *bona fide* estimate of the amount of the gross assets of the Company and if in consequence the limit set out in the Articles is inadvertently exceeded, an amount borrowed equal to the excess may be disregarded until the expiration of 3 months after the date on which by reason of a determination of the auditors or otherwise the Directors become aware that such a situation has or may have arisen.

3.6.35. No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by the Articles shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit had been or would thereby be exceeded but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

3.7 **Directors**

3.7.1 Unless otherwise determined by the Company the maximum number of directors shall be 10 and the minimum shall be 2. The quorum for meetings of the Board shall be 2 and the Chairman shall have a second or casting vote on a tie.

3.7.2 The Directors shall be entitled to be paid fees for their services as Directors on such sums as the Board may determine from time to time but not exceeding £100,000 (or such larger amount as the Company may determine) per annum.

3.7.3 Each Director may appoint as an alternate Director either another Director or a person approved by the Board and to terminate such appointment.

3.7.4 At every annual general meeting, there shall retire from office any Director who shall have been a Director at each of the preceding two annual general meetings and who was not appointed or re-appointed by the Company in general meeting at, or since, either such meeting. A retiring Director shall be eligible for re-appointment. A Director retiring at a meeting shall, if he is not re-appointed at such meeting, retain office until the meeting appoints someone in his place, or if it does not do so, until the conclusion of such meeting.

3.8 **Directors' Interests**

3.8.1 **Conflicts of Interest Requiring Board Authorisation**

The Board may, provided the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a Director breaching his duty under the Act to avoid conflicts of interest except that the Director concerned and any other Director with a similar interest:

3.8.1.1 shall not count towards the quorum at the meeting at which the conflict is considered; and

3.8.1.2 the resolution will only be valid if it would have been agreed to if his vote had not been counted.

3.8.2 Where the Board gives authority in relation to such a conflict:

3.8.2.1 the Board may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the Director concerned and any other Director with a similar interest as it may determine, including, without limitation, the exclusion of that Director and any other Director with a similar interest from the receipt of information, or participation in discussion (whether at meetings of the Board or otherwise) related to the conflict;

3.8.2.2 the Director concerned and any other Director with a similar interest will be subject to any terms imposed by the Board from time to time in relation to the conflict;

3.8.2.3 any authority given by the Board in relation to a conflict may also provide that where the Director concerned and any other Director with a similar interest obtains information that is confidential to a third party, the Director will not be obliged to disclose that information to the Company, or to use the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;

3.8.2.4 the Board may withdraw such authority at any time.

3.8.3 Directors are obliged to declare any material interest which they may have in any transaction or arrangement involving the Company. Such directors shall not vote or be counted in the quorum in relation to any resolution to any transaction or arrangement in which he is to his knowledge materially interested save that a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

3.8.3.1 the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

3.8.3.2 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

3.8.3.3 any proposal concerning an offer of securities of or by the Company or any of its subsidiary undertakings in which offer he is, or may be entitled to, participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

3.8.3.4 any contract, arrangement, transaction or other proposal concerning any other body corporate in which he, or any other person connected with him is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he or any person connected with him do not hold an interest in one per cent. or more of any class of the equity share capital of such body corporate or of the voting rights available to members of the relevant body corporate;

3.8.3.5 any contract, arrangement, transaction or other proposal for the benefit of employees of the Company which does not accord him any privilege or benefit not generally accorded to the employees to whom the scheme relates; and

3.8.3.6 any contract, arrangement or transaction concerning any insurance which the Company is to purchase and/or maintain for, or for the benefit of, any Directors or persons including Directors.

If any question shall arise at any meeting as to an interest or as to the entitlement of any Director to vote such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

3.8.4 **Director may have Interests**

Subject to the provisions of the Act and further provided that a Director declares his interest, a Director, notwithstanding his office:

3.8.4.1 may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;

3.8.4.2 may hold any other office or place of profit under the Company (except that of auditor (being the auditor of the Company from time to time) or of auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by itself or through his firm in a professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the remuneration committee may arrange either in addition to or in lieu of any remuneration provided for by any other article;

3.8.4.3 may be a member of or a director or other officer, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any body corporate promoted by or promoting the Company or in which the company is otherwise interested or as regards which the Company has any powers of appointment; and

3.8.4.4 shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate; and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

3.9 **Untraced Members**

3.9.1 The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:

3.9.1.1 during the period of 12 years prior to the date of the publication of the advertisements referred to below (or if published on different dates, the earlier or earliest of them) the Company has paid at least 3 dividends and no cheque, order or warrant has been cashed;

3.9.1.2 on or after expiry of the said period of 12 years the Company has given notice of its intention to sell such share by advertisements in both a national daily newspaper published in the UK and in a newspaper circulating in the area in which the last known address of such member or person appeared;

3.9.1.3 the said advertisements, if not published on the same day, shall have been published within 30 days of each other; and

3.9.1.4 during the further period of 3 months following the date of publication of the said advertisements (or, if published on different dates the later or latest of them) and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission.

3.9.2 To give effect to any sale of shares pursuant to this article the Board may uthorize some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the register notwithstanding the absence of any share certificate being lodged in respect of it and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

3.10 **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'') 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 realization or revaluation of investments and all other monies realization on or derived from the realization, payment off of 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 realization on the realization or payment off of or other dealing with any investments or other capital assets and, subject to the Act, any expenses, loss or liability (or provision thereof) 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 notwithstanding any other provision of these Articles 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 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 or be applied in paying dividends on any shares in the Company.

3.11 **Transfer or Sale under Section 110, Insolvency Act 1986**

A special resolution sanctioning a transfer or sale to another company duly passed pursuant to section 110, Insolvency Act 1986 may in the like manner authorize the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

3.12 **Duration of the Company**

In order for the future of the Company to be considered by the members, the Board shall at the annual general meeting of the Company falling after the tenth anniversary of the last allotment of shares in the Company and thereafter at five yearly intervals, invite the members to consider whether the Company should continue as a venture capital trust and if such resolution is not carried the Board shall within 9 months of that meeting convene a general meeting to propose:

3.11.1 a special resolution for the reorganisation or reconstruction of the Company; and

3.11.2 to wind up the Company voluntarily, provided that if the special resolution referred to at paragraph 3.11.1 is not passed the shareholders voting in favour of this resolution shall be deemed to have such number of additional votes as are required to pass such resolution to wind up.

3.13 **Uncertificated Shares**

The Board may make such arrangements as it sees fit, subject to the Act, to deal with the transfer, allotment and holding of shares in uncertificated form and related issues.

3.14 **Indemnity and Insurance**

The Company shall indemnify the directors to the extent permitted by law and may take out and will maintain insurance for the benefit of the directors.

4. **Directors' and Other Interests**

4.1 Save as set out below, as at 17 September 2010 (this being the latest practicable date prior to publication of this document), the Company is not aware of any person who, directly or indirectly, has an interest in the Company's capital or voting rights which is notifiable under UK law (under which, pursuant to CA 2006 and the Listing Rules and the Disclosure & Transparency Rules of the FSA, a holding of 3 per cent. or more must be notified to the Company).

	Ordinary Shares held	% of issued shared capital
Michael O'Higgins	205,500	5.31

4.2 The Board of the Company comprises seven non-executive directors, four of whom are independent of the Managers. The Board has substantial experience of venture capital businesses and has overall responsibility for the Company's affairs, including its investment policy. The Company has appointed the Managers in respect of the Venture Capital Investments and the Structured Products on a discretionary basis.

4.3 As at 17 September 2010 (the latest practicable date prior to the publication of this document), the interests of the Directors (and their immediate families) in the issued Ordinary Share capital of the Company were as follows:

Director	Shares held	% of issued shared capital
Chris Wightman	10,000	0.26
John Glencross	25,000	0.65
Steven Meeks	20,550	0.53
Michael O'Higgins	205,500	5.31
Mark Rayward	50,875	1.32
Philip Swatman	10,275	0.27
Ian Wohlman	30,000	0.78

4.4 Save as set out above, no Director nor any member of their respective immediate families has an interest in the capital of the Company which is or would, immediately following the Offer, be required to be notified pursuant to section 809 of the CA 2006 or which is or would be required to be entered in the register maintained under section 809 of the CA 2006 nor does any person connected with any Director within the meaning of section 252 of the CA 2006) have any such interest which would, if the connected person were a Director, be required to be disclosed and the existence of which is known to or could with reasonable diligence be ascertained by such Director.

4.5 The Directors were appointed under letters of appointment dated 22 February 2010. The appointments are subject to an initial period expiring immediately following the first annual general meeting, and (subject to re-election at the first annual general meeting) thereafter the appointments may be terminated on 3 months' notice. No arrangements have been entered into by the Company entitling the Directors to compensation for loss of office, nor have any amounts been set aside to provide pension, retirement or similar benefits. The total annual remuneration receivable by Chris Wightman as chairman is £20,000 (plus applicable employers' National Insurance Contributions). The total annual remuneration receivable by Michael O'Higgins, Mark Rayward, Philip Swatman and Steve Meeks is £15,000 each (plus applicable employers' National Insurance Contributions). Ian Wohlman and John Glencross do not receive any remuneration from the Company in respect of their appointments. Aggregate Directors' emoluments for the year ending 28 February 2011 is expected to be £80,000 (plus applicable employers' National Insurance Contributions).

4.6 The Directors, other than Ian Wohlman, Steve Meeks and John Glencross (for the reasons set out in paragraph 4.7), act and will continue to act independently of Investec Structured Products and Calculus Capital. No majority of the Directors will be directors or employees of, or former directors or employees of, or professional advisers to Investec Structured Products or Calculus Capital or any other company in the same group as Investec Bank plc or Calculus Capital.

4.7 Ian Wohlman is a director of Investec Bank plc, Steve Meeks is a former consultant to Investec Structured Products and John Glenross is Chief Executive of Calculus Capital. Save for the management arrangements, performance incentive arrangements and promoters arrangement set out in paragraphs 6.1, 6.2, 6.3, 6.5 and 6.6 under which Investec Structured Products and Calculus Capital are both entitled to fees and pursuant to which Investec Structured Products is appointed to make investments on behalf of the Company in Structured Products which may include Structured Products issued by Investec Bank plc, as at 17 September 2010 (this being the latest practicable date prior to publication of this document) there were no other potential conflicts of interest between the duties of any Director and their private interests and/or duties.

4.8 Except as stated in paragraph 4.7, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the period since its incorporation and remains in any respect outstanding or unperformed.

4.9 No loan or guarantee has been granted or provided by the Company to or for the benefit of any of the Directors.

4.10 The Company has taken out directors' and officers' liability insurance for the benefit of its directors, which is renewable on an annual basis.

4.11 The Directors are currently or have been within the last 5 years, a member of the administrative, management or supervisory bodies or directors of the companies or partners of the partnerships as set out on pages 15 to 16.

4.12 No Director has any convictions in relation to fraudulent offences during the previous five years.

4.13 Save as disclosed in this paragraph, in the five years prior to the publication of this document, there were no bankruptcies, receiverships or liquidations of any companies or partnership where any of the Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years nor (iv) a senior manager during the previous 5 years.

Steven Meeks was a director of Postged O2 Limited until it was voluntary struck off the Register of Companies on 5 November 2008.

Philip Swatman was a director of Carwash Café (UK) plc which was voluntarily struck off the Register of Companies on 21 July 2009. Philip Swatman is currently a director of Cardinal Partners Limited, which applied to be voluntarily struck off the Register of Companies on 28 July 2010.

Ian Wohlman was a director of the following companies, which were all placed in to members voluntary liquidation on the respective dates shown: Guinness Mahon Leasing No.1 Limited (June 2005), Dynamo Construction Limited (May 2008), Guinness Mahon Mortgage Company Limited (June 2007), Guinness Mahon Property Investments Limited (June 2007), Guinness Mahon Property Managers Limited (June 2005) and Kirkgate Developments Limited (May 2008).

Christopher Wightman was a director of Equinox VCT plc which was voluntarily struck off the Register of Companies on 29 August 2006.

4.14 There has been no official public incrimination and/or sanction of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

5. Management and Administration

5.1 The Directors are responsible for the determination of the Company's investment policy and have overall responsibility for its affairs. The Directors also retain responsibility for approving both the valuations of the portfolio and the net asset value of the Company. Investec Structured Products and Calculus Capital have been appointed as discretionary investment managers on the terms set out at paragraphs 6.1 and 6.2 below.

5.2 Investec Structured Products and Calculus Capital have and will have sufficient and satisfactory relevant experience in advising on investments of the size and type in which the Company proposes to make. The Directors will also ensure that the Board and any additional or replacement investment advisers have and will have sufficient and satisfactory experience in advising on such investments.

5.3 Subject to the issue of the C Shares, supplemental investment management agreements in respect of the investment management services for the C Shares Fund on the same terms as the existing arrangements for the Ordinary Shares Fund, as described in paragraphs 6.1 and 6.2 are intended to be entered into. A supplemental performance incentive agreement in respect of the C Shares Fund on the same terms as the existing arrangements for the Ordinary Shares Fund, save that the interim return (such amount to be assessed and agreed prior to launch of the C Share offer for subscription) per C Share must be received or offered on or before 14 December 2016 (ie 12 months after the Ordinary Shares Fund Interim Return Date) as described in paragraph 6.3 is also intended to be entered into.

5.4 As is customary in the private equity industry, Calculus Capital will retain the right to charge arrangement and syndication fees to the private companies in which the Company invests. Such charges are in line with industry practice. The costs of all deals that do not proceed to completion will be borne by Calculus Capital and not by the Company. Calculus Capital may also receive ongoing directors' fees and monitoring fees from the investee companies as appropriate and in line with market practice. Investec Structured Products shall receive an arrangement fee of 0.75 per cent. of the amount invested in each Structured Product. This arrangement fee shall be paid to Investec Structured Products by the issuer of the relevant Structured Product. Further details regarding this arrangement fee are available upon request. No arrangement fee will be paid to Investec Structured Products in respect of any decision to invest in Investec Issued Structured Products. Investec Structured Products will not receive any annual management fees.

5.5 All unquoted investments will be valued in accordance with IPEVC Guidelines under which investments are not normally re-valued above cost within twelve months of acquisition and thereafter are valued at fair value. Investment in AiM, PLUS Market-traded companies and the Structured Products or other quoted investment will be valued at the bid price of the shares as derived from the Daily Official List of the London Stock Exchange, in accordance with general accepted accounting practice. The Company's net asset value will be calculated quarterly and published on an appropriate regulatory information service.

5.6 The Company has, under an agreement with Capita Sinclair Henderson, appointed Capita Sinclair Henderson to provide fund administration services. The services to be provided will include all necessary secretarial, bookkeeping and accounting services required in connection with the business and operation of the Company.

5.7 Martineau will provide legal advice and assistance in relation to the maintenance of the VCT status of the Company and will receive usual hourly rates or fees as agreed with the Directors in connection with other VCT tax and legal advice and assistance. If requested by the Company, Martineau will also review prospective investments to ensure that they are qualifying venture capital investments and carry out reviews of the investment portfolio of the Company to ensure continuing compliance.

5.7 Investec Bank plc will act as custodian in relation to the Company's Structured Product assets (save for in relation to the unquoted assets and near cash investments which are held in the Company's own name or that of an appointed nominee), and in this capacity, is responsible for ensuring safe custody and dealing and settlement arrangements. The Company will otherwise have custody of its own assets.

5.8 A maximum of 75 per cent. of the Company's management expenses will be charged against capital with the balance to be met from income.

5.9 Annual expenses for the Company will, until the Interim Return Date, be capped at 3.0 per cent. of the gross amount raised (2.35 per cent. if the Company has raised funds of at least £20 million from this or any other future offers), excluding irrecoverable VAT, annual trail commission and performance incentive fees and any excess will be paid by Investec Structured Products. The cap on the annual running costs of the Company will be reassessed by the Board after the Interim Return Date and, if applicable and appropriate, re-set by the Board (in consultation with Calculus and, if still appointed, Investec Structured Products).

Annual running costs include, *inter alia*, Directors' fees, fund administration fees, fees for audit, taxation and legal advice, registrar's fees, costs of communicating with Shareholders and annual trail commission and the annual fees payable to Calculus Capital, but not the performance incentive (as set out below). Assuming full subscription, the Board estimates that the annual running costs of the Company will be approximately 2.1 per cent. (excluding annual trail commission) of its net assets (excluding irrecoverable VAT) in the first accounting period (calculated on an annualised basis).

5.10 The members of the Board also comprise the members of the audit committee of the Company, with Michael O'Higgins being the chairman. The audit committee members are considered to have sufficient recent and relevant financial experience to discharge the role, and will meet at least twice a year to consider, amongst other things, the following:

- monitoring the integrity of the financial statements of the Company;
- reviewing the Company's internal control and risk management systems;
- making recommendations to the Directors in relation to the appointment of the external auditor;
- reviewing and monitoring the external auditor's independence; and
- implementing and reviewing the Company's policies on the engagement of the external auditor to supply non-audit services.

5.11 Given the structure of the Company and the Board, the Board does not believe it necessary to appoint a remuneration committee or a nomination committee. The roles and responsibilities of these committees will be reserved for consideration and decision by the Board. In particular, the following matters will be reviewed:

- the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role;
- comparisons and reviews to ensure that the levels of remuneration paid are broadly in-line with industry standards; and
- composition and balance of skills, knowledge and experience of the Directors and would make nominations to the Directors in the event of a vacancy (new Directors are required to resign at the annual general meeting following appointment and then thereafter every three years).

5.12 As at the date of this document the Company has adopted the provisions of the Combined Code (and will continue to comply with such provisions following close of the Offer) save as set out in paragraph 5.11 above and as follows:

- Directors are not appointed for a specified term (in view of its non-executive nature and the requirements of the Articles that all Directors retire by rotation at the annual general meeting, the Board considers that it is not appropriate for the Directors to be appointed for a specific term as recommended by the Code); and
- in light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to Investec Structured Products, Calculus Capital, Capita Sinclair Henderson, Capita Registrars and Martineau, the Company has not appointed a chief executive officer, deputy chairman or a senior independent non-executive director and the provisions of the Code which relate to the division of responsibilities between a chairman and a chief executive officer are, accordingly, not applicable.

6 Material Contracts

Set out below is a summary of all contracts (not being contracts entered into in the ordinary course of business) entered into by the Company since incorporation that are material and all other contracts (not being contracts entered into in the ordinary course of business) that contain any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of the document.

6.1 An investment management agreement dated 2 March 2010, between the Company (1) and Investec Structured Products (2) pursuant to which Investec Structured Products has agreed to act as discretionary investment manager to the Company in respect of the Structured Products portfolio. The agreement is for an initial period up to the Interim Return Date, and the appointment may be terminated on 12 months' notice expiring on the Interim Return Date or at any time thereafter. The appointment of Investec Structured Products will automatically terminate on the date the Company no longer has investments in Structured Products. This appointment may also be terminated (*inter alia*) in circumstances of material breach by either party. Investec Structured Products has agreed not to receive a fee in relation to its appointment under this agreement. Investec Structured Products has agreed under this agreement to meet the annual expenses of the Company in excess of 2.35 per cent., if the Company raises at least £20 million pursuant to the Offer, or otherwise 3.0 per cent. of the gross amount raised pursuant to the Offer.

6.2 An investment management agreement dated 2 March 2010, between the Company (1) and Calculus Capital (2) pursuant to which Calculus Capital has agreed to act as discretionary investment manager to the Company in respect of the Venture Capital Investments portfolio and to advise in respect of the Company's investments in near cash assets. The agreement is for an initial period up to the Interim Return Date, and the appointment may be terminated on 12 months' notice expiring on the Interim Return Date or at any time thereafter. This appointment may also be terminated (*inter alia*) in circumstances of material breach by either party. Calculus Capital will receive an annual management fee of 1 per cent. of the net assets of the Company, calculated and payable quarterly in advance, together with any applicable VAT thereon.

6.3 A performance incentive agreement between the Company (1), Investec Structured Products (2) and Calculus Capital (3) dated 2 March 2010 pursuant to which Investec Structured Products and Calculus Capital will be entitled to 10 per cent. of dividends paid to shareholders provided that the performance conditions set out below are achieved.

Investec Structured Products and Calculus Capital will each receive a performance incentive fee payable in cash of an amount equal to 10 per cent. of dividends and distributions paid to Shareholders following the payment of such dividends and distributions provided that Shareholders have received or been offered an Interim Return of at least 70p per Share on or before the Interim Return Date and aggregate distributions of at least 105p per Share have been paid (including the relevant distribution being offered). Such performance incentive fees will be paid within 10 business days of the payment of the relevant dividend or distribution.

If the appointment of either of the Managers as investment manager to the Company is terminated by the Company as a result of a material breach by the Manager concerned of the provisions of the investment management agreement between it and the Company, no further Performance Incentive will be payable to the Manager concerned.

If the appointment of Investec Structured Products is terminated for any other reason, it will continue to be entitled to the Performance Incentive.

If the appointment of Calculus Capital is terminated for any other reason, it will be entitled to a Performance Incentive in respect of distributions paid during the period of 5 years after the date of termination, but the amount payable to it shall reduce *pro rata* during that period and no Performance Incentive will be payable in respect of distributions made thereafter.

6.4 An administration agreement dated 2 March 2010 between the Company (1) and Capita Sinclair Henderson Limited (2) pursuant to which Capita Sinclair Henderson Limited has agreed to provide fund administration services to the Company, for an annual fee of £56,000 plus an amount equivalent to 0.05 per cent. of the Company's net assets. The appointment is subject to an initial period of 12 months, thereafter terminable on three months' notice.

6.5 A sponsorship and promoter's agreement dated 2 March 2010 between the Company (1), the Directors (2), Singer (3), Investec Structured Products (4) and Calculus Capital (5) whereby Investec Structured Products agreed to act as promoter in connection with the original offer for subscription and Singer agreed to act as sponsor in connection with that offer. The agreement contains warranties given by the Company, the Directors and the Managers to Singer and Investec Structured Products (as the promoter). The Companies paid to Investec Structured Products a commission of 5.0 per cent. of the gross amount subscribed under the original offer for subscription out of which will be paid all costs, charges and expenses of or incidental to original offer for subscription including the fees of Singer, but excluding annual trail commission which will be borne by the Company.

6.6 A sponsorship and promoter's agreement dated 17 September 2010 between the Company (1), the Directors (2), Singer (3), Investec Structured Products (4) and Calculus Capital (5) whereby Investec Structured Products has agreed to act as promoter in connection with the Offer and Singer has agreed to act as sponsor in connection with the Offer. The agreement contains warranties given by the Company, the Directors and the Managers to Singer and Investec Structured Products (as the promoter). The Companies will pay to Investec Structured Products a commission of 5.0 per cent. of the gross amount subscribed under the Offer out of which will be paid all costs, charges and expenses of or incidental to the Offer including the fees of Singer, but excluding annual trail commission which will be borne by the Company.

7 Investment Objective and Policy

Investment Objective

The Company's principal objectives for investors are to:

- invest in a portfolio of Venture Capital Investments and Structured Products that will provide investment returns sufficient to allow the Company to maximise annual dividends and an interim return by way of a special dividend or cash offer for shares or before an interim return date;
- generate sufficient returns to build a portfolio of Venture Capital Investments that will provide attractive long terms returns within a tax efficient vehicle beyond an interim return date;
- review the appropriate level of dividends annually to take account of investment returns achieved and future prospects; and
- maintain VCT status to enable Qualifying Investors to retain their income tax relief of up to 30 per cent. on the initial investment and receive tax-free dividends and capital growth.

Investment Policy

Asset Allocation

It is intended that approximately 75 per cent. of the monies raised by the Company will be invested within 60 days in a portfolio of Structured Products. The balance will be used to meet initial costs and invested in cash or near cash assets (as directed by the Board) and will be available to invest in Venture Capital Investments, as well as to fund ongoing expenses.

In order to qualify as a VCT, at least 70 per cent. of the Company's assets must be invested in Venture Capital Investments within approximately three years. Thus, in respect of monies raised from time to time, there will be a phased reduction in the Structured Products portfolio and corresponding build up in the portfolio of Venture Capital Investments to achieve and maintain this 70 per cent. threshold along the following lines:

Average exposure per year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6+
Structured Products and cash/near cash	85%	75%	35%	25%	25%	0%
Venture Capital Investments	15%	25%	65%	75%	75%	100%

Note: the investment allocation set out above is only an estimate and the actual allocation will depend on market conditions, the level of opportunities and the comparative rates of returns available from Venture Capital Investments and Structured Products.

The combination of Venture Capital Investments and the Structured Products will be designed to produce ongoing capital gains and income that will be sufficient to maximise both annual dividends for the first 5 years from funds being raised and an interim return by an interim return date by way of a special dividend or cash tender offer for shares. After the interim return date, unless Investec Structured Products are requested to make further investments in Structured Products, the relevant fund will be left with a portfolio of Venture Capital Investments managed by Calculus Capital with a view to maximising long-term returns. Such returns will then be dependent, both in terms of amount and timing, on the performance of the Venture Capital Investments.

The portfolio of Structured Products will be constructed with different issuers and differing maturity periods to minimise risk and create a diversified portfolio. The maximum exposure to any one issuer will be limited to 15 per cent. of the assets of the Company at the time of investment. Structured Products can and may be sold before their maturity date if required for the purposes of making Venture Capital Investments and Investec Structured Products have agreed to make a market in the Structured Products, should this be required by the Company.

The intention for the portfolio of Venture Capital Investments is to build a diverse portfolio of primarily established unquoted companies across different industries and investments may be by way of loan stock and/or redeemable preference shares as well as ordinary shares to generate income. The amount invested in any one sector and any one company will be no more than approximately 20 per cent. and 10 per cent. respectively of the Venture Capital Investments portfolio.

The Board and its Managers will review the portfolio of investments on a regular basis to assess asset allocation and the need to realise investments to meet the Company's objectives or maintain VCT status. Where investment opportunities arise in one asset class which conflicts with assets held or opportunities in another asset class, the Board will make the investment/divestment decision.

Under its Articles, the Company has the ability to borrow a maximum amount equal to 25 per cent. of the aggregate amount paid on all shares issued by the Company (together with any share premium thereon). The Board will consider borrowing if it is in the Shareholders' interests to do so. In particular, because the Board intends to minimise cash balances, the Company may borrow on a short-term to medium-term basis (in particular, against Structured Products) for cashflow purposes and to facilitate the payment of dividends and expenses in the early years.

The Company will not vary the investment objective or the investment policy, to any material extent, without the approval of shareholders. The Company intends to be a generalist VCT investing in a wide range of sectors.

8 Risk Diversification

The Board controls the overall risk of the Company. Calculus Capital will ensure the Company has exposure to a diversified range of Venture Capital Investments from different sectors. Investec Structured Products will ensure the Company has exposure to a diversified range of Structured Products. The Board believes that investment in these two asset classes provides further diversification.

9 Investment Restrictions

9.1 The Company is subject to the investment restrictions relating to a venture capital trust in the Tax Act, as more particularly detailed in Part Seven of the Securities Note, and in the Listing Rules which specify that (i) the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy as set out in paragraph 7 in this Part Three above; (ii) the Company must not conduct any trading activity which is significant in the context of its group as a whole; and (iii) the Company may not invest more than 10 per cent., in aggregate, of the value of the total assets of the issuer at the time an investment is made in other listed closed-ended investment funds. Any material change to the investment policy of the Company will require the approval of the Shareholders pursuant to the Listing Rules. The Company intends to direct its affairs in respect of each of its accounting periods so as to qualify as a venture capital trust and accordingly:

(a) The Company's income is intended to be derived wholly or mainly from shares or other securities, as this phrase is interpreted by HM Revenue & Customs;

(b) The Company will not control the companies in which it invests in such a way as to render them subsidiary undertakings;

(c) none of the investments at the time of acquisition will represent more than 15 per cent. by VCT Value of the Company's investments; and

(d) not more than 20 per cent. of the Company's gross assets will at any time be invested in the securities of property companies.

9.2 In the event of a breach of the investment restrictions which apply to the Company as described in paragraph 9.1 above, Shareholders will be informed by means of the interim and/or the annual report or through a public announcement.

10 Co-Investment Policy

Calculus Capital has a co-investment policy between its various funds whereby investment allocations are generally offered to each party in proportion to their respective funds available for investment, subject to: (i) a priority being given to any of the funds in order to maintain their tax status; (ii) the time horizon of the investment opportunity being compatible with the exit strategy of each fund; and (iii) the risk/reward profile of the investment opportunity being compatible with the target return for each fund. The terms of the investments may differ between the parties. In the event of any conflicts between the parties, the issues will be resolved at the discretion of the independent directors, designated members and committees. It is not intended that the Company will co-invest with Directors or Members of the Calculus Capital Management team) including family members).

In respect of the Venture Capital Investments, funds attributable to separate share classes will co-invest (i.e. *pro rata* allocation per fund unless as otherwise approved by the Board). Any potential conflict of interest arising will be resolved on a basis which the Board believes to be equitable and in the best interests of all Shareholders.

A co-investment policy is not considered necessary for the Structured Products.

11 Related Party Disclosures

The following related party transactions have taken place since incorporation of the Company to the date of this document:

11.1 Investec Structured Products is regarded as a related party insofar as it will receive commission of 5.0 per cent. of the gross amount subscribed under the Offer acting as promoter in connection with the Offer as described in paragraph 6.6 above. Investec Structured Products is also a related party in respect of its appointment as an investment manager to the Company and will be entitled to performance incentive fees as detailed in paragraph 6.3 and arrangement fees from issuers of up to 0.75 per cent. of the amount invested in each Structured Product (other than those issued by Investec Structured Products) (Investec Structured Products having agreed not to earn annual management fees pursuant to the agreement set out in paragraph 6.1).

11.2 Calculus Capital is regarded as a related party in respect of its appointment as an investment manager to the Company and will receive annual management fees as described in paragraph 6.2 above and will be entitled to performance incentive fees as detailed in paragraph 6.3.

11.3 The transactions referred to in paragraph 11.1 and 11.2 above are (and will be) conducted on an arm's length basis. There are no other arrangements into which the Company has entered with a related party.

12 Overseas Investors

12.1 No person receiving a copy of the Prospectus or accompanying application form in any territory other than the UK may treat it as constituting an offer or invitation to him to subscribe for or purchase Shares in the Company.

12.2 No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All applicants under the Offer will be required to warrant that they are not a US person within the following definition:

''US person'' means any person or entity defined as such in Rule 902(o) under the US Securities Act of 1933 and (without limiting the generality of the foregoing) includes a natural person resident in the US, a corporation or partnership organised or incorporated under the laws of the US (including any State thereof) and an estate or trust if any executor, administrator or trustee is a US person but shall not include a branch or agency of a US person located outside the US if such agency or branch operates for valid business reasons and is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

13 Taxation

The following paragraphs, which are intended as a general guide only and are based on current legislation and HM Revenue & Customs practice, summarise advice received by the Directors as to the position of shareholders who hold Shares other than for trading purposes. Any person who is in any doubt as to his taxation position or is subject to taxation in any jurisdiction other than the UK should consult his professional advisers.

13.1 Taxation of dividends – under current law, no tax will be withheld by the Company when they pay a dividend.

13.2 Stamp duty and stamp duty reserve tax – the Company has been advised that no stamp duty or stamp duty reserve tax will be payable on the issue of the Shares. The Company has been advised that the transfer of Shares will, subject to any applicable exemptions, be liable to *ad valorem* stamp duty at the rate of 0.5 per cent. of the consideration paid. An unconditional agreement to transfer such shares if not completed by a duly stamped stock transfer will be subject to stamp duty reserve tax generally at the rate of 50p per £100 (or part thereof) of the consideration paid.

13.3 Close company – the Directors believe that the Company is not, and expect that following completion of the Offer will not be, a close company within the meaning of the Tax Act. If the Company was a close company in any accounting period, approval as a venture capital trust would be withdrawn.

14 Miscellaneous

14.1 Investec Structured Products is the promoter of the Offer and, save as disclosed in paragraph 6.6 above, no amount of cash, securities or benefits has been paid, issued or given to the promoter and none is intended to be paid, issued or given.

14.2 There has been no significant change in the financial or trading position of the Company since 30 June 2010, the date to which the financial information set out in Part Four of this document has been prepared, to the date of this document.

14.3 The unaudited net assets of the Company as at 31 August 2010 were £3,656,561 (94.54p per Ordinary Share), taken from the management accounts of the Company to 31 August 2010. The Company is now seeking to raise £10,000,000 through the Offer for which the associated expenses will be 5.0 per cent of the gross proceeds, plus annual trail commission. The impact on the Company's earnings is accretive to the extent, if any, that interest on the proceeds will exceed expenses. The assets of the Company will be increased by the net proceeds of the Offer.

14.4 Other than the Offer there have been no other important events so far as the Company and the Directors are aware relating to the development of the Company or its business.

14.5 There are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which the Company is aware) during the period from the incorporation of the Company which may have or had in the recent past significant effects on the Company's financial position or profitability.

14.6 There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year, so far as the Company and the Directors are aware.

14.7 The issue costs payable by the Company under the Offer (including irrecoverable VAT and sales commissions) have been fixed by the Directors at 5.0 per cent. of total funds subscribed (but excluding annual trail commission) in respect of the New Ordinary Shares. Investec Structured Products have agreed to indemnify the Company in respect of any excess over 5.0 per cent. of the gross proceeds of the issue of New Ordinary Shares under the Offer. The net proceeds for the Company from the Offer, assuming full subscription, will therefore amount to approximately £9,500,000.

14.8 The Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policies described in this Part Three of this document.

14.9 The Company does not have any major shareholders and no shareholders have different voting rights.

14.10 To the best of the knowledge and belief of the Directors, the Company is not directly controlled by any other party and at the date of the Prospectus, there are no arrangements in place that may, at a subsequent date, result in a change of control of the Company. The Company only has one class of share in issue and, therefore, there are no differing rights attaching to any class of share.

14.11 The Company and its shareholders are subject to the provisions of the Takeover Code and the CA 2006, which require shares to be acquired/transferred in certain circumstances.

14.12 The typical investor for whom investment in the Company is designed is a retail investor (either as a direct investor or through an authorised financial intermediary) who is an individual higher rate tax payer aged 18 or over and who is resident in the UK.

14.13 Investec Structured Products and Calculus Capital will recommend valuations to the Board and Capita Sinclair Henderson will be responsible for determining the net asset value of the Company on a quarterly basis, in each case for approving by the Board.

14.14 Grant Thornton UK LLP act as auditors to the Company. Grant Thornton UK LLP is registered to carry on audit work and is authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

14.15 The information sourced from 'VCTs: Market Overview' by David Cartwright within the statement made on page 11 has been accurately reproduced and, as far as the Company is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14.16 Singer has given and not withdrawn its written consent to the issue of this document and the inclusion of their name and the references to them in the Prospectus in the form and context in which they appear.

14.17 Grant Thornton (a member of the Institute of Chartered Accountants) has given and not withdrawn its written consent to the inclusion in this document of its report relating to the financial information as set out in Part 4 in the form and context in which it is included and has authorised the contents of its report for the purposes of Rule 5.5.4R (2)(f) of the Prospectus Rules.

15 Documents Available for Inspection

Copies of the following documents will be available for inspection during usual business hours on weekdays, Saturdays and public holidays excepted, at the offices of Martineau, No.1 Colmore Square, Birmingham B4 6AA whilst the Offer is open:

- the Memorandum and Articles of the Company;
- the material contracts referred to in paragraph 6 of Part Three of this document;
- the consent letters referred to in paragraphs 14.16 and 14.17 above;
- this Registration Document;
- the Securities Note; and
- the Summary.

PART FOUR – FINANCIAL INFORMATION

Section A

Accountants' report on financial information of the Company

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

The Directors
Investec Structured Products Calculus VCT plc
Beaufort House
51 New North Road
Exeter
EX4 4EP

20 September 2010

Dear Sirs

INVESTEC STRUCTURED PRODUCTS CALCULUS VCT PLC

We report on the financial information set out in Section B of Part Four of this document. This financial information has been prepared for inclusion in the Registration Document dated 20 September 2010 on the basis of the accounting policies set out in note 1 of the financial information.

This report is required by paragraph 20.1 of Annex I to the Commission Regulation (EC) 809/2004 and is given for the purpose of complying with that regulation and for no other purpose.

Responsibilities

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I to the Commission Regulation (EC) 809/2004, consenting to its inclusion in the Registration Document.

The Directors of Investec Structured Products Calculus VCT plc are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with UK Accounting Standards.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Registration Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Registration Document dated 20 September 2010, a true and fair view of the state of affairs of Investec Structured Products Calculus VCT plc as at the dates stated and of its losses, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 1 and in accordance with UK Accounting Standards as described in note 1.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Registration Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Registration Document in compliance with paragraph 1.2 of Annex I of the Commission Regulation (EC) 809/2004.

Yours faithfully

GRANT THORNTON UK LLP

Section B

Financial information on the Company for the period ended 30 June 2010

1 Income statement – for the period from 1 February 2010 to 30 June 2010

	Note	Period ended 30 June 2010 Revenue return £'000	Capital return £'000	Total £'000
Losses on investments at fair value through profit or loss	6	–	(88)	(88)
Income		–	–	–
Investment management fee	2	(2)	(7)	(9)
Other operating expenses	3	(30)	–	(30)
Loss on ordinary activities before finance costs and taxation		(32)	(95)	(127)
Finance costs		–	–	–
Loss on ordinary activities before taxation		(32)	(95)	(127)
Taxation	4	–	–	–
Loss for the period		**(32)**	**(95)**	**(127)**
Return per ordinary share (pence)	5	**(1.17)**	**(3.46)**	**(4.63)**

The total column of this statement represents the Company's income statement.

The supplementary revenue return and capital return columns are both prepared in accordance with the Association of Investment Companies ("AIC") Statement of Recommended Practice ("SORP").

All items in the above statement derive from continuing operations.

2 Statement of changes in equity for the period from 1 February 2010 to 30 June 2010

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
For the period to 30 June 2010					
At 1 February 2010	–	–	–	–	–
Issue of redeemable non-voting shares	50	–	–	–	50
Redemption of redeemable non-voting shares	(50)	–	–	–	(50)
Issue of ordinary shares	39	3,829	–	–	3,868
Ordinary share issue expenses	–	(213)	–	–	(213)
Loss for the period	–	–	(95)	(32)	(127)
At 30 June 2010	**39**	**3,616**	**(95)**	**(32)**	**3,528**

3 Balance sheet as at 30 June 2010

	Note	30 June 2010 £'000
Fixed assets		
Investments at fair value through profit or loss	6	1,855
Current assets		
Trade and other receivables	7	79
Cash at bank		1,739
		1,818
Current liabilities		
Trade and other payables	8	(126)
Net current assets		1,692
Total assets less current liabilities		3,547
Non-current liabilities		
IFA trail commission		(19)
Net assets		**3,528**
Equity attributable to shareholders		
Share capital	9	39
Share premium	10	3,616
Capital reserve	10	(95)
Revenue reserve	10	(32)
Total shareholders' funds		**3,528**
Net asset value per ordinary share (pence)	11	**91.21**

4 Cash flow statement for the period from 1 February 2010 to 30 June 2010

	Period ended 30 June 2010 £'000
Cash flows from operating activities	
Net loss before taxation	(127)
Adjustments to reconcile net return before taxation to net cash flows from operating activities:	
Losses on investments	88
Increase in trade and other payables	61
Increase in trade and other receivables	(79)
Purchase of investments	(1,943)
Net cash flows generated from operating activities	(2,000)
Financing	
Issue of redeemable non-voting shares	50
Redemption of redeemable non-voting shares	(50)
Issue of ordinary shares	3,868
Ordinary share issue expenses	(129)
Net cash flows from financing	3,739
Net increase in cash and cash equivalents	1,739
Cash and cash equivalents at the start of the period	–
Cash and cash equivalents at the end of the period	**1,739**

5 Notes to the financial information

Note 1 – Accounting Policies

Basis of accounting

These Financial Statements cover the five month period from 1 February 2010 to 30 June 2010, and have been prepared under the historical cost convention, except for the valuation of investments at fair value through profit or loss, in accordance with applicable UK accounting standards. As these Financial Statements do not form statutory accounts they do not include disclosures required by company law.

In determining the analysis of total income and expenses as between capital return and revenue return, the Directors have followed the guidance contained in the Statement of Recommended Practice (the ''SORP'') for Investment Trusts and Venture Capital Trusts issued by the Association of Investment Companies (the ''AIC''), as revised in 2009 and on the assumption that the Company maintains VCT status.

The Company's Financial Statements are presented in Sterling.

Investments at fair value through profit or loss

The Company aims to invest in a portfolio of Structured Products and Venture Capital Investments that will provide sufficient total returns to allow the Company to pay annual dividends and provide long-term capital returns for investors. As a result, all investments held by the Company are designated, upon initial recognition, as held at fair value through profit or loss, in accordance with Financial Reporting Standard (FRS) 26. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the portfolio is provided internally on this basis to the Board. Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. Investments held at fair value through profit or loss are initially recognised at cost, being the consideration given and excluding transaction or other dealing costs associated with the investment, which are expensed and included in the capital column of the Income Statement. Subsequently, investments are measured at fair value, with gains and losses on investments recognised in the Income Statement and allocated to capital. All purchases and sales of investments are accounted for on the trade date basis.

For investments actively traded in recognised financial markets, fair value is generally determined by reference to quoted market bid, or last, prices depending on the convention of the exchange on which the investment is quoted, at the close of business on the Balance Sheet date.

Structured products are valued by reference to the FTSE 100 Index with Mid prices for the Structured Products provided by the product issuers. An adjustment is made to these prices to take into account any bid/offer spreads prevalent in the market at each valuation date. These spreads are either determined by the issuer or recommended by the Structured Products Investment Manager, Investec Bank plc.

Returns are linked to the FTSE 100 Index by way of a fixed return that is payable as long as the Final Index Level is no lower than the Initial Index Level (Final Index Level and Initial Index Level have the same meaning as described in the original prospectus). All of the Structured Products will be capital protected so long as the FTSE 100 Index does not fall by 50 per cent. of the Initial Index Level at any time during the investment period. If the FTSE 100 Index does fall by 50 per cent. at any time during the investment period and fails to recover, the capital will be at risk on a maximum one to one basis (i.e. if the FTSE 100 Index falls by 50 per cent. during the investment period and on maturity is down 25 per cent., capital within that Structured Product will be reduced by 25 per cent.).

The majority of the Structured Products are designed to produce capital appreciation, rather than income, giving rise to gains which will be tax-free for the Company.

Unquoted investments are valued using an appropriate valuation technique so as to establish what the transaction price would have been at the Balance Sheet date. Such investments are valued in accordance with the International Private Equity and Venture Capital Association (''IPEVCA'') guidelines. Primary indicators of fair value are derived from earnings multiples, recent arm's length market transactions, net assets, or where appropriate, at cost for recent investments or the valuation as at the previous reporting date.

Income

Dividends receivable on equity shares are recognised as income on the date on which the shares or units are marked as ex-dividend. Where no ex-dividend date is available, the income is recognised when the Company's right to receive it has been established.

Interest receivable from fixed income securities is recognised using the effective interest rate method. Interest receivable on bank deposits is included in the Financial Statements on an accruals basis.

The gains and losses arising on investments in structured products are allocated between revenue and capital according to the nature of each structured product. This is dependent on the extent to which the return on the structured product is capital or revenue based.

Other income is credited to the revenue column of the Income Statement when the Company's right to receive the income has been established.

Expenses

All expenses are accounted for on an accruals basis. Expenses are charged to the Income Statement as follows:

- expenses, except as stated below, are charged to the revenue column of the Income Statement;
- expenses incurred in the acquisition or disposal of an investment are taken to the capital column of the Income Statement;
- expenses are charged to the capital column of the Income Statement where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect management fees have been allocated 75 per cent. to the capital column and 25 per cent. to the revenue column of the Income Statement, being in line with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio of the Company; and
- expenses associated with the issue of shares are deducted from the share premium account.

Annual IFA trail commission to 14 December 2015 has been provided for in the Financial Statements as, due to the nature of the fund, it is likely that this will be payable. The commission is apportioned between current and non-current liabilities.

Expenses incurred by the Company in excess of the agreed cap, currently 3 per cent. of the gross amount raised from the offer for subscription of offers shares for the 2009/2010 and 2010/2011 tax years (excluding irrecoverable VAT, annual trail commission and performance incentive fees), can be clawed back from Investec Structured Products until 14 December 2015 (the Interim Return Date). Any claw back is treated as a credit against the expenses of the Company.

Investment management and performance fees

Calculus Capital, as manager of the qualifying portfolio, will receive an annual investment management fee of an amount equivalent to 1.0 per cent. of the net assets of the Company.

Investec Structured Products, as manager of the structured product portfolio, will not receive any annual management fees from the Company. Investec Structured Products is entitled to an arrangement fee from the providers of Structured Products as detailed in note 13.

The managers will each receive a performance incentive fee payable in cash of an amount equal to 10 per cent. of dividend and distributions paid (including the relevant distribution being offered) to Shareholders over and above 105 pence per share (this being a 50 per cent. return on an initial net investment of 70 pence per share taking into account up front income tax relief) provided Shareholders have received or been offered an Interim Return of at least 70 pence per Share for payment on or before the Interim Return Date. Such performance incentive fees will be paid within ten business days of the date of payment of the relevant dividend or distribution.

Capital reserve

The capital return component of the loss for the period is taken to the non-distributable capital reserves within the Statement of Changes in Equity.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future have occurred at the Balance Sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversals of the underlying timing differences can be deducted. Timing differences are differences between the Company's taxable profits and its results as stated in the Financial Statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax is measured on a non-discounted basis.

No taxation liability arises on gains from sales of fixed asset investments by the Company by virtue of its Venture Capital Trust status. However, the net revenue (excluding UK dividend income) accruing to the Company is liable to corporation tax at the prevailing rates.

Dividends

Dividends to shareholders are accounted for in the period in which they are paid or approved in general meetings. Dividends payable to equity shareholders are recognised in the Statement of Changes in Equity when they are paid, or have been approved by shareholders in the case of a final dividend and become a liability of the Company.

Note 2 – Investment Management Fee

	Period ended 30 June 2010		
	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**2**	**7**	**9**

Note 3 – Other Operating Expenses

	Period ended 30 June 2010 £'000
Auditors' remuneration – audit of the Company's Financial Statements	6
Directors' emoluments	20
Other administrative expenses	48
	74
Claw back of fees in excess of expenses cap (see note 1)	(44)
	30

Grant Thornton UK LLP also received fees of £10,000 as reporting accountant in connection with the issued ordinary shares which has been included in the issue expenses deducted from the share premium account.

Note 4 – Taxation on Ordinary Activities

	Period ended 30 June 2010		
	Revenue £'000	Capital £'000	Total £'000
Corporation tax at 28%	–	–	–

The Company is subject to corporation tax at 28%. As at 30 June 2010 the total current taxation charge in the Company's revenue account is lower than the standard rate of corporation tax in the UK (28%). The differences are explained below

	Period ended 30 June 2010		
	Revenue £'000	Capital £'000	Total £'000
Loss on ordinary activities before taxation	(32)	(95)	(127)
Corporation tax at 28%	(9)	(27)	(36)
Effects of:			
Non-taxable capital losses	–	25	25
Excess expenses for the period	9	2	11
Tax expense on ordinary activities	**–**	**–**	**–**

At 30 June 2010, the Company has excess management expenses of approximately £39,000 to carry forward against future taxable profits.

Note 5 – Return per Ordinary Share

	Period ended 30 June 2010		
	Revenue pence	Capital pence	Total pence
Return per ordinary share	**(1.17)**	**(3.46)**	**(4.63)**

Revenue return per ordinary share is based on the net revenue loss on ordinary activities after taxation of £32,000, and on 2,742,697 Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the period.

Capital return per Ordinary Share is based on the net capital loss for the period of £95,000, and on 2,742,697 Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the period.

Total return per Ordinary Share is based on the net loss for the period of £127,000, and on 2,742,697 Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the period.

Note 6 – Investments

a) Investment portfolio summary	30 June 2010 £'000
Investments in Structured Products	**1,855**

b) Movement in investments	Structured Products £'000	Total £'000
Opening book cost	–	–
Opening investment holding gains/(losses)	–	–
Opening valuation	–	–
Movements in the period:		
Purchases	1,943	1,943
Sales – Proceeds	–	–
– Gains/(losses) on sale	–	–
Movement in investment holding losses	(88)	(88)
Fair value at 30 June 2010	**1,855**	**1,855**
Closing book cost	1,943	1,943
Closing investment holding losses	(88)	(88)
	1,855	**1,855**

Financial Reporting Standard ("FRS") 29 'Financial Instruments: Disclosures' requires an analysis of investments classified as fair value through profit or loss, based on the reliability and significance of the information used to measure their fair value. FRS 29 requires that the investments are classified into a fair value hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities ("level 1");
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) ("level 2"); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) ("level 3").

The level of the fair value hierarchy, within which the fair value measurement is categorised, is determined on the basis of the lowest level input that is significant to the fair value of the investment.

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value at 30 June 2010:

	30 June 2010			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Structured Products	–	1,855	–	**1,855**

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active equities. The Company does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Inputs to level 3 fair values are unobservable inputs for the asset. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date (or market information for the inputs to any valuation models). As such, unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset. Any unquoted equities, preference shares and loan stock would be classified within this category. As detailed in note 1, unquoted investments are valued in accordance with the International Private Equity and Venture Capital (''IPEVC'') guidelines.

Note 7 – Trade and Other Receivables

	30 June 2010 £'000
Prepayments and other debtors	35
Claw back of fees in excess of expenses cap	44
	79

Note 8 – Trade and Other Payables

	30 June 2010 £'000
Accruals and other creditors	61
Ordinary share issue expenses due to Investec	64
IFA trail commission	1
	126

Note 9 – Share Capital

Ordinary shares of 1 pence each	Number	£'000
As at 1 February 2010	–	–
Issue of ordinary shares	3,867,917	39
Issued and fully paid at 30 June 2010	**3,867,917**	**39**

Redeemable non-voting shares of 1 pence each	Number	£'000
As at 1 February 2010	–	–
Issue of redeemable shares	5,000,000	50
Redemption of redeemable shares	(5,000,000)	(50)
Issued and fully paid at 30 June 2010	**–**	**–**

Note 10 – Equity

	Share premium account £'000	Capital reserve – other £'000	Capital reserve – investment holding losses £'000	Revenue reserve £'000
At 1 February 2010	–	–	–	–
Issue of redeemable non-voting shares	–	–	–	–
Redemption of redeemable non-voting shares	–	–	–	–
Issue of ordinary shares	3,829	–	–	–
Ordinary share issue expenses	(213)	–	–	–
Retained loss for the period	–	–	–	(32)
Movement in investment holding losses	–	–	(88)	–
Investment management fee allocated to capital	–	(7)	–	–
At 30 June 2010	**3,616**	**(7)**	**(88)**	**(32)**

Note 11 – Net Asset Value per Share

	30 June 2010 pence
Ordinary shares of 1 pence each	91.21

The net asset value per ordinary share is based on net assets of £3,528,000 and on 3,867,917 Ordinary Shares, being the number of shares in issue at the period end.

Note 12 – Financial Instruments

The Company's objective is to create two portfolios to produce ongoing capital gains and income that will be sufficient to fund an expected annual dividend of 5.25 pence per Ordinary Share for the first five years of the Company and provide an expected return of at least 43.75 pence per ordinary share by 14 December 2015 (the Interim Return Date) by way of a special dividend or cash tender offer for shares.

Initially, a minimum of 66.5 per cent. of the monies raised by the Company has been invested in a portfolio of Structured Products. The balance has been invested in cash or near cash assets (as directed by the Board) and it will then be available to invest in Venture Capital Investments, as well as to fund expenses.

In order to qualify as a VCT, at least 70 per cent. of the Company's investments must be invested in Venture Capital Investments within approximately three years of the relevant funds being raised. Thus, there will be a phased reduction in the Structured Products portfolio and corresponding build up in the portfolio of Venture Capital Investments to achieve and maintain this 70 per cent. threshold along the following lines:

Average exposure per year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6+
Structured Products and cash /near cash assets	85%	75%	35%	25%	25%	0%
Venture Capital Investments	15%	25%	65%	75%	75%	100%

At 30 June 2010, the Company's investment portfolio was comprised solely of Structured Products.

The Company's financial instruments comprise securities and cash and liquid resources that arise directly from the Company's operations.

The principal risks the Company faces in its portfolio management activities, as at 30 June 2010 are:-

- Market price risk
- Credit risk
- Liquidity risk

The Company does not have exposure to foreign currency risk.

With many years' experience of managing the risks involved in investing in Structured Products and Venture Capital Investments respectively, both the Investec Structured Product team and the Calculus Capital team, together with the Board, have designed the Company's structure and its investment strategy to reduce risk as much as possible. The policies for managing these risks are summarised below and have been applied throughout the period under review.

(i) Market price risk

Structured Products

The return and valuation of the Company's investments in Structured Products is linked to the FTSE 100 Index by way of a fixed return that is payable as long as the Final Index Level is no lower than the Initial Index Level.

All of the Structured Products will be capital protected so long as the FTSE 100 Index does not fall by 50 per cent. of the Initial Index Level at any time during the investment period. If the FTSE 100 Index does fall by 50 per cent. at any time during the investment period and fails to recover, the capital will be at risk on a maximum one to one basis (Capital at Risk (''CAR'')) (i.e. if the FTSE 100 Index falls by 50 per cent. during the investment period and on maturity is down 25 per cent., capital within that Structured Product will be reduced by 25 per cent.). The table below provides details of the Initial Index Level at the date of investment and the maturity date for each of the Structured Products. As at 30 June 2010, the FTSE 100 Index closed at 4916.87. As at 17 September 2010 being the last practical date prior to the publication of these Financial Statements, the index had increased 12.03 per cent. to close at 5508.45.

Issuer	Strike Date	Initial Index Level	Maturity Date	Return/CAR
Royal Bank of Scotland	05/05/2010	5342	12/05/2015	162.5% if FTSE 100 higher; CAR if FTSE 100 falls by 50%
Investec Bank	14/05/2010	5263	19/11/2015	185% if FTSE 100 higher; CAR if FTSE 100 falls by 50%
Abbey National Treasury Services	25/05/2010	4941	18/11/2015	185% if FTSE 100 higher; CAR if FTSE 100 falls by 50%
Nomura Bank International	28/05/2010	5188	20/02/2013	137% if FTSE 100 higher; CAR if FTSE 100 falls by 50%
Morgan Stanley International	10/06/2010	5133	17/12/2012	134% if FTSE 100 higher; CAR if FTSE 100 falls by 50%

The Final Index Level is calculated using 'averaging', meaning that the average is taken of the closing levels of the FTSE 100 Index on each Business Day over the last two to six months of the structured product plan term (the length of the averaging period differs for each plan).

The Manager of the Structured Products portfolio and the Board review this risk on a regular basis and the use of averaging to calculate the return can reduce adverse effects of a falling market or sudden market falls shortly before maturity. Equally, it can reduce the benefits of an increasing market or sudden market rises shortly before maturity.

As at 30 June 2010, the value of the Company's investments in Structured Products was valued at £1,855,000. A 10 per cent. increase in the level of the FTSE 100 Index, at 30 June 2010, would have increased net assets by £143,000. A 10 per cent. decrease would have reduced net assets by £167,000. A 10 per cent increase would increase the investment management fee due to Calculus Capital by £1,000; a 10 per cent. decrease would reduce the fee by £2,000.

In recent years, the performance of the FTSE 100 Index has been volatile and the Directors consider that an increase or decrease in the aggregate value of investment by 10 per cent., or more, is reasonably possible.

(ii) Credit risk

Structured Products

The failure of a counterparty to discharge its obligations under a transaction could result in the Company suffering a loss. In its role as the Manager of the Structured Products portfolio and to diversify counterparty risk, Investec Structured Products will only invest in Structured Products issued by approved issuers. In addition the maximum exposure, to any one counterparty, will be limited to 15 per cent. of the assets of the Company at the time of investment. The Board does not consider this risk to be significant.

At 30 June 2010, the Company's credit risk exposure, by credit rating of the Structured Product issuer, was as follows:

Credit risk rating (Moody's unless otherwise indicated)	30 June 2010 £'000	%
A1	232	12.5
A2	486	26.2
Aa2	353	19.0
A– (Standard & Poor's)	324	17.5
Baa3	460	24.8
	1,855	**100.0**

(iii) Liquidity risk

Structured Products

If Structured Products are redeemed before the end of the term, the Company may get back less than the amount originally invested. The value of the Structured Products will be determined by the price at which the investments can actually be sold on the relevant dealing date. The Board does not consider this risk to be significant as the planned investment periods in Structured Products will range from six months to five and a half years and there is a planned transition from Structured Products to qualifying investment as detailed earlier in this note.

There may not be a liquid market in the Structured Products and there may never be two competitive market makers, making it difficult for the Company to realise its investment. Risk is increased further where there is a single market maker who is also the Issuer. The Board has sought to mitigate this risk by only investing in approved issuers of Structured Products, and limiting exposure to any one issuer.

The Board seeks to ensure that an appropriate proportion of the Company's investment portfolio is invested in cash and readily realisable assets, which are sufficient to meet any funding commitments that may arise.

Under its Articles of Association, the Company has the ability to borrow a maximum amount equal to 25 per cent. of the aggregate amount paid on all shares issued by the Company (together with any share premium thereon). At 30 June 2010 the Company had no borrowings.

(iv) Capital management

The capital structure of the Company consists of shareholders' equity. The company's capital is analysed into its various components in notes 9 and 10. Capital is managed to ensure the Company has adequate resources to continue as a going concern, and to maximise the income and capital return to its shareholders, while maintaining a capital base to allow the Company to operate effectively in the market place and sustain future development of the business. To this end the Company may use gearing to achieve its objectives. The Company's assets and borrowing levels are reviewed regularly by the Board.

Note 13 – Related Party Transactions

Investec Structured Products is a related party in respect of its appointment as an investment manager to the Company and is entitled to a performance incentive fee. Investec Structured Products will receive an arrangement fee of 0.75 per cent. of the amount invested in each Structured Product. This arrangement fee shall be paid to Investec Structured Products by the issuer of the relevant Structured Product. No arrangement fee will be paid to Investec Structured Products in respect of any decision to invest in Investec-issued Structured Products. Investec Structured Products has agreed not to earn an annual management fee from the Company.

As at 30 June 2010, £64,000 was payable to Investec Structured Products in relation to the initial fee of 5 per cent. of the gross funds raised pursuant to the original Ordinary Share offer. In addition, £44,000 was owed by Investec Structured Products as claw back of costs in excess of the agreed expenses cap.

Calculus Capital is regarded as a related party in respect of its appointment as an investment manager to the Company. For the period ended 30 June 2010, fees of £9,000 were payable to Calculus Capital, of which £9,000 were outstanding as at 30 June 2010. Calculus Capital is also entitled to a performance incentive fee.

No incentive fee was paid to either manager during the period.

The following Directors are related parties due to their connection with one of the managers; Ian Wohlman is a director of Investec Bank plc (of which Investec Structured Products is a trading division), and John Glencross is a director of Calculus Capital. Both Directors have agreed not to receive any remuneration for the Company.

Details of any shareholdings of the Directors in the Company are set out in Part Three of the Registration Document of which these statements form part, under paragraph 4: 'Directors' and other interests'.

PART FIVE – THE PORTFOLIOS AND EXPECTED RETURNS

Funds raised by the Company pursuant to the Offer will be invested into two distinctive portfolios: Structured Products and Venture Capital Investments, each being managed by two highly respected and successful managers; Investec Structured Products and Calculus Capital. This, coupled with the generous tax reliefs available to Qualifying Investors on the New Ordinary Shares, provides investors with an attractive investment opportunity.

THE PORTFOLIOS FOR THE ORDINARY SHARES FUND

Venture Capital Investments Portfolio

Calculus Capital follows a disciplined investment approach focusing on both capital preservation and capital appreciation. The intention is to build a diverse portfolio of primarily established unquoted companies across different industries. The Board believes that the established unquoted sector offers better value, scope to exert greater influence, the opportunity to carry out stronger due diligence and to maintain better scrutiny than a portfolio invested primarily in AiM or PLUS Market quoted stocks and carries less risk than investment in seed and early stage investments. Calculus Capital's strategy for the Venture Capital Investments is to seek to reduce the risks often associated with VCTs by primarily targeting business investment opportunities according to the following criteria:

- More established businesses with long-term positive trends and where there is a higher degree of predictability.
- Successful, motivated management teams capable of delivering returns to shareholders.
- Companies with significant recurring revenues, adequate cash flow from operations to service their operating requirements and strong balance sheets.
- Companies with a defensible market position.
- Companies which can benefit not only from the capital provided by Calculus Capital but also from the many years of operating and financial experience of the Calculus Capital team.
- Companies capable of meeting a target IRR of 15 per cent.

Calculus Capital intends that the Venture Capital Investments portfolio will be spread across a number of investments and the amount invested in any one sector and any one company will be no more than approximately 20 per cent. and 10 per cent. respectively. To enable the Company to pay the intended annual dividends of 5.25p per Ordinary Share and the Interim Return (including dividends) of 70p per Ordinary Share, Calculus Capital may invest by way of loan stock and/or redeemable preference shares as well as ordinary shares.

Historically, Calculus Capital has been a significant investor in the energy, transportation, leisure and catering, specialist engineering and support services sectors, and it has limited its exposure to companies with scientific or technological exposure. It is likely that the expertise it has developed and the contacts it has been made will be put to use in determining future investments.

Calculus Capital provides companies with capital for a variety of reasons. The most likely uses of proceeds include:

- Business expansion.
- Acquisition financing.
- Significant capital expenditure.
- Financing generational change.

Calculus Capital sources its investment opportunities through a range of networks which its management team has developed, including corporate financiers, accountants and lawyers, as well as, senior City individuals who have invested in its funds. Calculus Capital carries out due diligence and may be involved in structuring or restructuring the investment as well as negotiating the price and terms of investment. Once an investment has been agreed, Calculus Capital may take a seat on the board itself in order to monitor and provide support to the firm on an ongoing basis, or may appoint one of its investors with appropriate experience to serve on the board. An example of this is Lindley Catering Limited, the UK's largest provider of catering services to professional football clubs, cricket clubs and rugby clubs. A Calculus Capital investor with significant experience in the food wholesaling and distribution sectors served as non-executive chairman until the company was sold.

It is expected that the bulk of realisations will be achieved via trade sale, although an initial public offering, refinancing or sale to a larger private equity house may also be achieved.

Venture Capital Investments made by the Ordinary Shares Fund:

Terrain Energy Limited

£250,000 was invested in Terrain Energy in July 2010 (£50,000 in ordinary shares and £200,000 in 7 per cent. long term loan stock). The investment in ordinary shares represents 2.1 per cent. of the share capital of Terrain Energy. The total funding round in Terrain Energy was £750,000 with the remainder £500,000 invested by Calculus Capital on behalf of the Calculus Capital EIS Fund 10. Terrain Energy is an existing Calculus Capital investment having received £1.62 million in October 2009.

Terrain Energy was established in October 2009 to develop a portfolio of onshore oil and gas production and development interests in areas of low political risk, with the current focus being the UK. The balanced portfolio of licences includes currently oil producing, scheduled for near term production and exploration or rejuvenation projects. Terrain Energy currently has interests in four licences, two of which are in production, one on test production and one on which a drill or drop decision will be made in 2011.

The additional funds raised under the Offer will be used for new Venture Capital Investments as well as further developing the existing Ordinary Shares Fund portfolio (for example, by providing further investment to Terrain Energy for the purposes of acquiring additional licence interests from Terrain Energy).

Structured Products Portfolio

Approximately 75 per cent. of the monies raised by the Company will be invested within 60 days in a portfolio of Structured Products by Investec Structured Products. Investec Structured Products has investment discretion in respect of the Structured Products the Company invests in, subject to the following investment mandate approved by the Board:

- Returns will be linked to the FTSE 100 Index by way of a fixed return that is payable as long as the Final Index Level is no lower than the Initial Index Level.
- All of the Structured Products will be capital protected so long as the FTSE 100 Index does not fall by 50 per cent. of the Initial Index Level at any time during the investment period save that, by agreement with the Board, further purchases of Structured Products in which the Company has already invested may be made where the FTSE 100 Index level at the time of purchase is not materially lower than the Initial Index Level applicable to the existing investment (i.e. the capital protection is not materially lower than 50 per cent.) and any such purchases, where possible, will be made proportionately to the amounts already invested in that Structured Product (subject to any VCT and regulatory investment restrictions). If the FTSE 100 Index does fall by 50 per cent. at any time during the investment period and fails to recover, the capital will be at risk (CAR) on a maximum one to one basis (i.e. if the FTSE 100 Index falls by 50 per cent. during the investment period and on maturity is down 25 per cent., capital within that Structured Product will be reduced by 25 per cent.).
- Most of the Structured Products will be designed to produce capital appreciation, rather than income, giving rise to gains which will be tax-free for the Company.
- A small element of the Structured Products may be deposit based structures which are capital secure.
- Investments will be spread between no fewer than five from an initial list of ten Approved Issuers.
- Investment periods will range from 6 months to approximately 5 years.

In its role as Manager of the Structured Products and to diversify counterparty risk, Investec Structured Products will only invest in Structured Products issued by the following Approved Issuers who have all indicated their agreement to issue geared return FTSE linked notes and securities along the lines set out above:

Approved Issuer	Current Credit Rating (Moody's unless otherwise stated)
Abbey National Treasury Services plc	Aa3
Barclays Bank plc	Aa3
BBVA S.A	Aa2
Citigroup Global Markets Limited	A3
HSBC Bank plc	Aa2
Investec Bank plc	Baa3
Lloyds TSB Bank plc	Aa3
Morgan Stanley International PLC	A2
Nomura Bank International	A– (Standard & Poor's)
Royal Bank of Scotland plc	Aa3

Investec Structured Products will be given discretion to add two additional names to this list of Approved Issuers in each accounting year of the Company subject to these additional names having a minimum credit rating of A.

Should an Approved Issuer's rating fall below the minimum credit rating of A, such Issuer will, (with the exception of Investec Bank plc, whose credit rating at the date of this document is below the credit rating of A), no longer be granted Approved Issuer status and no further investments will be made in that relevant issuer. If, however, an investment has already been made in that issuer, Investec Structured Products will review the effect the downgrade may have on the value of the investment and consider, in consultation with the Board, whether the investment should be realised prior to the structured product reaching its maturity date, in which case the risks set out above in relation to Structured Products may be more likely to occur in respect of that investment.

The maximum exposure to any one Issuer will be limited to 15 per cent. of the assets of the Company at the time of investment.

The Company does not invest directly in the companies comprised within the FTSE 100 and therefore the maximum return regardless of any rise in the FTSE 100 Index will be a percentage of the Company's original investment. The fixed returns will obviously be lower for those Structured Products with shorter maturities.

The majority of the Company's holdings of Structured Products are primarily designed to produce capital appreciation, rather than income. Therefore, the profit arising from the disposal or maturity of the Structured Products typically gives rise to capital gains, which are tax-free (subject to maintenance of VCT status) for the Company and can be distributed tax-free to Qualifying Investors.

The Company is buying a note issued by the relevant Issuer. The Issuer is legally required to pay the agreed returns when the note matures. If the Issuer fails to meet its obligations (i.e. goes bankrupt or similar) the Company would not be entitled to compensation from the Financial Services Compensation Scheme (FSCS) solely on the grounds of such failure. If this happens the Company may lose some or all of its money.

Investments in Structured Products made by the Ordinary Shares Fund:

Details of all of the existing Structured Product investments that have been entered into are set out below.

Issuer	Strike Date	FTSE 100 Initial Index Level	Notional Investment	Purchase price	Maturity Date	Return/ Capital at Risk (CAR)
Investec Bank	14 May 2010	5263	500,000.00	0.9791	19 Nov 2015	185% if FTSE 100 higher; CAR if FTSE 100 falls by 50%
The Royal Bank of Scotland	6 May 2010	5342	275,000.00	0.96	12 May 2015	162.5% if FTSE 100 higher; CAR if FTSE 100 falls by 50%
Abbey National Treasury Services	25 May 2010	4941	350,000.00	0.9898	19 Nov 2015	185% if FTSE 100 higher; CAR if FTSE 100 falls by 50%
Nomura Bank International	28 May 2010	5188	350,000.00	0.98	15 Feb 2013	137% if FTSE 100 higher; CAR if FTSE 100 falls by 50%
Morgan Stanley International	10 Jun 2010	5133	500,000.00	1.0	10 Dec 2012	134% if FTSE 100 higher; CAR if FTSE 100 falls by 50%
HSBC	1 July 2010	4806	500,000.00	1.0	6 July 2012	125.1% if FTSE 100 higher; CAR if FTSE 100 falls by 50%

EXPECTED RETURNS

Ordinary Shares Fund

The objective is to create two portfolios to produce ongoing capital gains and income that will be sufficient to:

- fund an expected annual dividend of 5.25p per Ordinary Share for the first 5 years of the Company; and
- provide an expected return of at least 43.75p per Ordinary Share by 14 December 2015 (the Interim Return Date) by way of a special dividend or cash tender offer for Ordinary Shares.

The success of this strategy is dependent upon the Final Index Level being above the Initial Index Level when each of the Structured Products mature, there being no Approved Issuer default and there being some repayment of loan stock or preference shares from the portfolio of Venture Capital Investments.

Assuming this to be the case, investors in the Offer will have received or have been offered back their net investment of 70p by the Interim Return Date and will still be left with a portfolio of Venture Capital Investments which will continue to be managed by Calculus Capital with a view to maximising long-term tax free returns.

In the event of a long term decline in the FTSE 100 Index, there will be no gains from the Structured Products and in the event of a fall of 50 per cent. in the FTSE 100 Index there will be losses on the investments in Structured Products. Structured Products can and may be sold before their maturity date if required for the purposes of making Venture Capital Investments and Investec Structured Products have agreed to make a market in the Structured Products, should this be required by the Company. The portfolio of Structured Products will be constructed with different Issuers and differing maturity periods to minimise risk and create a diversified portfolio.

The Board and its Managers review the portfolio of investments on a regular basis to assess asset allocation and the need to realise investments. In the event that the Company is unable to realise funds from its investments in Structured Products (whether this be original capital or gains), the pool of potential Venture Capital Investments is likely to be reduced and the Company may not be able to meet its objectives or maintain VCT status.

C Shares Fund

As it is possible that the intended return to the Ordinary Shareholders on or before 14 December 2015 could be regarded as a disposal, the Board proposes to raise further funds after the closing of the Offer through the issue of C Shares. It is intended to use a new class of share in order to provide a five-year holding period for investors as required for maintenance of the up-front income tax relief for qualifying investors in VCTs.

If a C Shares Fund is raised, the objective of the Board will be to maximise both the annual and interim returns for the C Share Fund, however, the intended level of returns are unknown at this time and will be assessed and agreed prior to the launch of the C Share offer for subscription.

Impact of the C Shares Fund on the Ordinary Shares Fund

Creation of a separate class of C Shares and raising funds under the C Share offer for subscription will, if a C Shares Fund is raised, increase the assets of the Company over which the annual running costs can be spread.

Although the C Shares Fund will, if raised, be managed and accounted for separately from the Ordinary Shares Fund, a number of company regulations and VCT requirements are assessed at company level and, therefore, the performance of one fund may impact adversely on the other fund. The Board will monitor both the performance of each separate fund as well as requirements at company level to reduce the risk of this occurring.

PART SIX – INVESTMENTS

The following unaudited information represents all the investments of the Company as at the date of this document.

	Valuation (£)	%
Investee companies		
Terrain Energy Limited	250,000	6.56
Structured products		
Investec Bank plc	529,331	13.89
HSBC Bank plc	538,000	14.12
Morgan Stanley	546,650	14.35
Abbey National Treasury Services plc	402,185	10.55
Nomura Bank International	365,365	9.59
Royal Bank of Scotland	267,960	7.03
Money market securities	–	–
Other	–	–
Cash at bank	911,067	23.91
Total investments	3,810,558	100.00

Set out below are all of the investments (other than cash/near cash assets) held by the Company. This unaudited investment portfolio is that carried by the Company as at the date of this document.

Morgan Stanley

Morgan Stanley provides diversified financial services on a worldwide basis.

The Company has invested in a structured equity derivative issued by Morgan Stanley which pays 34 per cent. if the FTSE 100 is up after 2.5 years. Capital is at risk if the FTSE 100 is less than 50 per cent. of its Initial Index Level. Maturity date – 10 December 2012.

	Accounts for the year ended 31 December 2009
Pre-tax profit/(loss)	597 million USD
Total assets	436,801 million USD
Total equity	6,817 million USD

Description of securities held	*Equity Percentage (%)*	*Cost (£)*	*Valuation (£)*	*Percentage of Investment Portfolio (%)*
500,000 warrants of £1	n/a	500,000	546,650	14.35
(ISIN – XS0517463922)				

HSBC Bank plc

The HSBC Group operates worldwide, providing a variety of international banking and financial services.

The Company has invested in a structured equity derivative issued by HSBC Bank plc which pays 25.1 per cent. if the FTSE 100 is up after 2 years. Capital is at risk if the FTSE 100 is less than 50 per cent. of its Initial Index Level. Maturity date – 6 July 2012.

	Accounts for the year ended 31 December 2009
Pre-tax profit/(loss)	£4,014 million
Total assets	£751,928 million
Total equity	£27,787 million

Description of securities held	*Equity Percentage (%)*	*Cost (£)*	*Valuation (£)*	*Percentage of Investment Portfolio (%)*
10 notes of £50,000	n/a	500,000	538,000	14.12
(ISIN – XS0524656211)				

Investec Bank plc

A specialist bank and asset manager which provides services to an international client base.

The Company has invested in a structured equity derivative issued by Investec Bank plc which pays 85 per cent. if the FTSE 100 is up after 5 years. Capital is at risk if the FTSE 100 is less than 50 per cent. of its Initial Index Level. Maturity date – 19 November 2015.

	Accounts for the year ended 31 March 2010
Pre-tax profit/(loss)	£33.45 million
Total assets	£16,980 million
Total equity	£1,181 million

Description of securities held	*Equity Percentage (%)*	*Cost (£)*	*Valuation (£)*	*Percentage of Investment Portfolio (%)*
500,000 notes of £1	n/a	489,550	529,330.50	13.89
(ISIN – n/a)				

Abbey National Treasury Services plc
Abbey National Treasury Services is the main funding vehicle for Santander UK plc, a financial services group in the UK.

The Company has invested in a structured equity derivative issued by Abbey National Treasury Services plc which pays 85 per cent. if the FTSE 100 is up afer 5 years. Capital is at risk if the FTSE 100 is less than 50 per cent. of its Initial Index Level. Maturity date – 19 November 2015.

	Accounts for the year ended 31 December 2009
Pre-tax profit/(loss)	£456 million
Total assets	£282,846 million
Total equity	£3,503 million

Description of securities held	*Equity Percentage (%)*	*Cost (£)*	*Valuation (£)*	*Percentage of Investment Portfolio (%)*
350,000 warrants of £1	n/a	346,430	402,185	10.55
(ISIN – GB00G4N16Q50				

Nomura Bank International plc
Nomura Bank International provides a range of banking and financial services.

The Company has invested in a structured equity derivative issued by Nomura Bank International plc which pays 37 per cent. if the FTSE 100 is up after 2.7 years. Capital is at risk if the FTSE 100 is less than 50 per cent. of its Initial Index Level. Maturity date – 15 February 2013.

	Accounts for the year ended 31 December 2009
Net income	(£244 million)
Total assets	£15,838 million
Total equity	£451 million

Description of securities held	*Equity Percentage (%)*	*Cost (£)*	*Valuation (£)*	*Percentage of Investment Portfolio (%)*
7 notes of £50,000	n/a	343,000	365,365	9.59
(ISIN – XS0514795052)				

The Royal Bank of Scotland Group plc
The Royal Bank of Scotland Group, through subsidiaries, accepts deposits and offers commercial banking services.

The Company has invested in a structured equity derivative issued by The Royal Bank of Scotland Group plc which pays 62.5 per cent. if the FTSE 100 is up after 5 years. Capital is at risk if the FTSE 100 is less than 50 per cent. of its Initial Index Level. Maturity date – 12 May 2015.

	Accounts for the year ended 31 December 2009
Pre-tax profit/(loss)	(£2,595 million)
Total assets	£1,696,486 million
Total equity	£94,631 million

Description of securities held	*Equity Percentage (%)*	*Cost (£)*	*Valuation (£)*	*Percentage of Investment Portfolio (%)*
2,750 certificates of £100	n/a	264,000	267,960	7.03
(ISIN – GB00B618MD11)				

Terrain Energy Limited
UK based company with a portfolio of oil and gas interests based onshore in the UK.

	No accounts produced since incorporation
Pre-tax profit/(loss)	£n/a
Turnover	£n/a
Net assets/(liabilities)	£n/a

Description of securities held	*Equity Percentage (%)*	*Cost (£)*	*Valuation (£)*	*Percentage of Investment Portfolio (%)*
44,643 ordinary shares and £200,000 loan stock	2.1	250,000	250,000	6.56

Note:
The investment and portfolio information in this Part Six has been extracted from the Company's records as at 14 September 2010. In respect of the information on investee companies' sales, profits and losses and net assets, these have been taken from the latest financial year end accounts published by those investee companies as referred to in this Part Six ("Third Party Information"). As at the date of this document, there has been no material change in the valuations set out in this Part Six since 14 September 2010. The Third Party Information has been accurately reproduced and, as far as the Company is aware and are able to ascertain from information provided, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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