

## SUMMARY

### Investec Structured Products Calculus VCT plc

This Summary, which is dated 20 September 2010, should be read as an introduction to the Prospectus which comprises this document, the Securities Note and the Registration Document. Any decision to invest in the offer ("Offer") for new ordinary shares in Investec Structured Products Calculus VCT plc ("the Company") ("New Ordinary Shares") should be based on a consideration of the Prospectus as a whole by the investor.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches to those persons who are responsible for the Summary including any translation of the Summary, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

### The Offer

#### Indicative Offer timetable

Offer opens	20 September 2010
Offer Closes	12 noon 10 December 2010
Allotments	Tuesday fortnightly
Effective date for the listing of the New Ordinary Shares and commencement of dealings	three Business Days following allotment
Share certificates and tax certificates to be despatched	within ten Business Days of allotment

The Directors reserve the right to extend the closing date of the Offer and/or increase the size of the Offer at their discretion. 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). 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. 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). The Offer will close earlier than the date stated above if it is fully subscribed or otherwise at the Directors' discretion.

The typical investor for whom investment in the Companies is designed is a retail investor (both direct and through an authorised financial intermediary) who is an individual higher rate tax payer aged 18 or over and who is resident in the United Kingdom.

#### Offer statistics

Maximum amount to be raised	£10,000,000
Minimum Investor's investment	£5,000
Estimated Offer Price per New Ordinary Share (based on the latest Adjusted Unaudited NAV per Ordinary Share of 95.48p as at 31 August 2010)	100.5p
Maximum estimated number of New Ordinary Shares to be issued*	9,950,248
Estimated net proceeds of the Offer*	£9,500,000

\*assuming full subscription at the Offer Price for the New Ordinary Shares set out above

#### Costs and Commissions relating to the Offer

Offer costs as a percentage of the gross proceeds**	5.0%
Initial commission to intermediaries (included in the 5.0% Offer costs)	3.25% upfront and no trail 2.0% upfront and trail
Annual commission to intermediaries (subject to receiving 2.0% upfront commission and a maximum cumulative annual trail commission payment of 2.5%)	0.5%

\*\*excluding annual trail commission

## Offer Price

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**

where the Adjusted Unaudited NAV is the 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.

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.

## 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-term 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 Summary

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.

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.

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.

## **Dividend Policy**

The Board has a stated objective of paying annual dividends for the first five years of 5.25p per Ordinary Share. This will be subject to investment performance and the need to retain cash for investment purposes and annual running costs. Thereafter, returns will be dependent on the performance of the portfolio of Venture Capital Investments.

## **The Board**

The Board comprises seven non-executive directors; Christopher Wightman (Chairman), John Glencross, Steven Meeks, Michael O'Higgins, Mark Rayward, Philip Swatman and Ian Wohlman. Four of the Directors 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. John Glencross is a director of Calculus Capital, Ian Wohlman is a director of Investec Bank plc and Steve Meeks is a former consultant to Investec Structured Products.

## **The Managers**

### **Calculus Capital**

The Venture Capital Investments will be managed by Calculus Capital. 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.

### **Investec Structured Products**

The Structured Products will be managed by the team at Investec Structured Products, a trading name of Investec Bank plc, which is part of the Investec Group of companies. 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.

## **Management Fees**

The annual investment management fee for the Company is an amount equivalent to 1 per cent. of the net assets per annum payable to Calculus Capital (Investec Structured Products having agreed not to charge an annual investment management fee).

The annual running costs of 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 and any future offers), excluding irrecoverable VAT, annual trail commission and performance incentive fees, and any excess will be paid by Investec Structured Products.

The Managers will each receive a performance incentive fee of an amount equal to 10 per cent. of dividends and distributions paid to Shareholders over and above 105p per Share (this being a 50 per cent. return on an initial net investment of 70p per Share taking into account up front income tax relief) provided Shareholders have received an Interim Return of 70p per Share on or before the Interim Return Date.

## **Share capital**

Following the issue of 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 £138,181.65 (13,818,165 Ordinary Shares).

## **Admission of Offer Shares**

Application has been made to the UK Listing Authority for the Offer Shares to be admitted to the Official List and to the London Stock Exchange for the admission of such Offer Shares to trading on its market for listed securities.

## **Financial review**

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 the Securities Note has been prepared, to the date of this document.

## Risk factors

An investment in the Company is subject to a number of risks (the material risks being set out below) which could materially and adversely affect its value. The value of the Shares could decline due to any of these risk factors, and investors could lose part or all of their investment.

- The net asset value of the Shares will reflect the values and performance of the underlying assets in the portfolio. The value of Shares and the income from them can fluctuate and Investors may not get back the amount they invested. There is no certainty that the market price of the Shares will fully reflect the underlying net asset value nor that the return objectives will be achieved.
- The past performance of the Managers in their respective fields is not necessarily an indication of the future performance of the Company.
- Although the Shares will be admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange's market for listed securities, it is possible that there will not be a liquid market and investors may find it difficult to realise their investments.
- In the event of a long term decline in the FTSE 100 Index there will be no gains for 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 and the Company may not be able to meet its objectives, create a diversified portfolio or maintain VCT status.
- There is no guarantee that the Company's status as a VCT will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained.
- The information, including tax rules, contained in this document is based on existing legislation but these may change during the life of the Company and such changes could be retrospective.
- If a Qualifying Investor disposes of his 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.
- Realisation of investments in unquoted companies can be difficult and may take considerable time. There may also be constraints imposed on the realisations of investments in order to maintain the VCT status of a Company which may restrict that Company's ability to obtain maximum value from its investments.
- Investment in unquoted companies, AiM-traded and PLUS Market-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 and there may be difficulties in valuing and disposing of investments in such companies.
- 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.
- 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.
- Fluctuations in the value and/or volatility of the relevant underlying index or indices will affect the value of the relevant Structured Products. Other factors which may influence the market value of Structured Products include changes in the method of calculating the relevant underlying index or indices from time to time and market expectations regarding the future performance of the relevant underlying index or indices, its composition and such Structured Products.
- The past performance of an index or indices is not necessarily an indication of the future performance of an index or indices.
- Investments in Structured Products are subject to certain risks associated with the Issuers including but not limited to geopolitical conditions, regulatory developments affecting Issuers, liquidity of the Structured Products, changes in tax legislation and its interpretation, change of control provisions in certain financing arrangements and changes to the Issuer's credit rating.