





The summary risk indicator is a guide to the level of risk of this product compared to other products. We have classified this product as 7 out of 7 which is a high risk class and has been calculated based on the prescribed methodology. This rates the potential losses from future performance at a high level and poor market conditions are very likely to impact the capacity of the Company to pay you but the risk indicator assumes you keep the product for five years from the date of this KID. The actual risk can vary significantly if you cash in at an early stage and you may get back less. This investment offers no capital guarantee against credit risk. If the underlying companies in which the Company invests do not pay what they owe the Company you could lose part of the capital you invest (but you do not bear the risk of incurring additional financial obligations or commitments). If you cash in at an early stage you may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back. This liquidity risk is not contractual but is due to there being a limited secondary market for shares in venture capital trusts. This investment offers no capital protection against future market performance so you could lose all or part of your investment if you sell in a poor market.

### Performance Scenarios

The table below shows the money you could get back over the 5-year intended life of the product under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where the Company is not able to pay you. This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do.

| Investment Scenarios         |  | 1 year  | 3 years | 5 years<br>(recommended<br>holding period) |
|------------------------------|--|---------|---------|--|
| <b>Stress scenario</b>       | <b>What you might get back after costs</b> | 1,562   | 39      | 2  |
|                              | Average return each year                   | (84.4%) | (33.2%) | (20.0%)                                    |
| <b>Unfavourable scenario</b> | <b>What you might get back after costs</b> | 1,512   | 132     | 18   |
|                              | Average return each year                   | (84.9%) | (32.9%) | (20.0%)                                    |
| <b>Moderate scenario</b>     | <b>What you might get back after costs</b> | 3,234   | 1,219   | 459  |
|                              | Average return each year                   | (67.7%) | (29.3%) | (19.1%)                                    |
| <b>Favourable scenario</b>   | <b>What you might get back after costs</b> | 56,783  | 92,714  | 94,050                                     |
|                              | Average return each year                   | 467.8%  | 275.7%  | 168.1%                                     |

### What happens if Hazel Renewable VCT1 plc is unable to pay out?

The value of the Shares and the income derived from them is dependent on the performance of the Company's underlying investments and can fluctuate. Investors could lose all or part of their investment. Your capital is at risk. As a shareholder of the Company you would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that the Company is unable to pay out.

## What are the costs?

The Reduction in Yield (RIY) in the table below shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

### Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

| Investment Scenarios            | If you cash in after<br>1 year* | If you cash in after<br>3 years* | If you cash in after<br>5 years* |
|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| <b>Total costs</b>              | £350                            | £920                             | £570                             |
| Impact on return (RIY) per year | 3.50%                           | 3.17%                            | 3.32%                            |

\*This product cannot be easily realised. This means it is difficult to estimate how much you would get back if you attempt to realise your investment early. You will either be unable to realise your investment early or you will have to pay high costs or make a large loss if you do so. You will also lose tax reliefs gained on subscription if you sell within five years of subscription.

### Composition of costs

The table below shows: the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

This table shows the impact on return per year

|                       |                                    |      |   |
|-----------------------|------------------------------------|------|---|
| <b>One-off costs</b>  | <b>Entry costs</b>                 | 0.5% | Stamp duty reserve tax of 0.5% is payable if the Shares are purchased on the secondary market.  |
| <b>On-going costs</b> | <b>Portfolio transaction costs</b> | 0.0% | The Company's costs of buying and selling underlying investments.   |
|                       | <b>Other ongoing costs</b>         | 3.0% | The Company's annual running costs are capped at 3.0% of its net assets including management fees of 1.4% payable to Gresham until 7 November 2018 and 1.15% p.a. thereafter. |

## How long should I hold it and can I take money out early?

The recommended holding period is 5 years after which time the Company intends to return capital to shareholders in accordance with its planned exit strategy. Investments may also be realised by the sale of Shares back to the Company or in the market. The Company has a policy to buy back shares which its shareholders wish to sell, currently at a 2% discount to the latest published NAV but its ability to do so may be limited by available cash, the rules of the UKLA, the Companies Act 2006 and the VCT Rules. Accordingly, it is unlikely there will be a liquid market as there is a limited secondary market for shares in VCTs and Investors may find it difficult to realise their investments.

## How can I complain?

As a shareholder of Hazel Renewable Energy VCT1 plc you do not have the right to complain to the Financial Ombudsman Service about the management of Hazel Renewable Energy VCT1 plc. Complaints about the Company or the key information document should be sent to the company secretary: Mr. Grant Whitehouse, Downing LLP, St Magnus House, 3 Lower Thames Street, London EC3R 6HD.

## Other relevant information:

**The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules. Accordingly, performance scenarios and the risk indicator have been based solely on historic share price total return with dividends reinvested and do not take any direct account of the underlying portfolio of assets held by the Company.**

Depending on how you buy Shares you may incur other costs, including broker commission, platform fees and Stamp Duty. The distributor will provide you with additional documents where necessary. Prospective investors should note that the value of an investment may not get back the amount originally invested. Therefore, you should only make investments in the fund that you can afford to lose without having any significant impact on your overall financial position or commitments. Taxation levels, bases and reliefs may change if the law changes and the tax benefits of products will vary according to your personal circumstances: independent advice should therefore be sought. Please note that it cannot be guaranteed that the companies invested in by the Company will be qualifying companies or that the Company will maintain its qualifying status as a venture capital trust.