Key information document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Albion Development VCT plc (the Fund) The Fund is a public limited company registered in England with registered number 03654040. Albion Capital Group LLP is the alternative investment fund manager of the Fund and is authorised and regulated by the Financial Conduct Authority, firm reference number 492536.	ISIN: GB0004832472 SEDOL: 0483247 London Stock Exchange code: AADV www.albion.capital Telephone: 020 7601 1850 Competent Authority: Financial Conduct Authority Date of this document: 30 June 2020

You are about to purchase a product that is not simple and may be difficult to understand

What is this product?

The Fund is a venture capital trust (VCT) with ordinary shares listed on the London Stock Exchange. The Fund aims to invest primarily in a diverse portfolio of VCT-qualifying, unquoted UK growth businesses. It is, in general, the Fund's policy for these companies to have no external borrowings. The Fund intends to maintain its status as a venture capital trust enabling investors to benefit from the connected tax advantages.

Purchases of new Ordinary shares (rather than secondary market purchases) attract an upfront 30 per cent. income tax relief on the initial investment amount provided you are a UK taxpayer who has paid the requisite amount of tax. If you sell your shares before 5 years then you will be required to repay to HM Revenue & Customs any upfront income tax relief you have claimed. The VCT tax benefits and tax rules can change over time and the tax benefits available to you depend on your own personal circumstances. HM Treasury can also change the definition of a VCT-qualifying investment in the future which could impact the nature of new investments that the Fund can make over time. There is no guarantee that the Fund can maintain its VCT qualifying status and any loss of status will result in the loss of tax advantages and you may be asked to repay any upfront income tax relief that you have already claimed.

Ordinary shareholders have the right to receive dividends, and are entitled to one vote per share at all General Meetings of the Company. There is no maturity date for this investment and no entitlement to terminate the product unilaterally. The articles of Albion Development VCT plc provide that a continuation vote to extend the life of the Company for a further ten years is to be proposed at the 2025 AGM and every tenth AGM after.

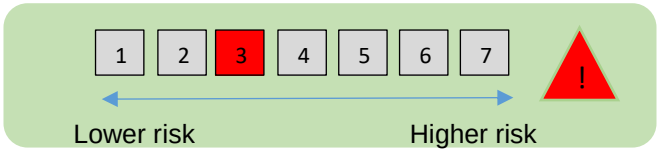
Shares of the Fund are bought and sold via markets and are premium listed on the London Stock Exchange. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it.

The ability of the Fund to pay dividends (tax-free for eligible VCT investors) and the value of the Fund's shares depends on the performance of the underlying portfolio companies and the ability of the Fund's manager to find, acquire, manage and dispose of investments in smaller unquoted and quoted companies which are less liquid than investments in larger companies.

This is a long-term investment, with an investment time horizon of at least ten years. A typical investor is a UK taxpayer over 18 years of age with an investment range of between £6,000 and £200,000, who is comfortable with the risks (as outlined over the page) of investing in smaller, unquoted VCT-qualifying companies, and is able to bear a loss.

What are the risks and what could I get in return?

Summary risk indicator



The risk indicator assumes you keep the product for 10 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less than you invested. You may not be able to sell your shares easily or you may have to sell at a price that significantly impacts how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets.

In accordance with the legislation, we have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level. **The summary risk indicator only reflects historic share price volatility of the Company's shares.** It excludes other risks inherent in the product and, therefore, underestimates the real risk to the investor. The Company invests in unlisted equities which have valuation and performance uncertainties and liquidity risk. The 'Other information' section gives more detail on the risks investors should consider. This product does not include any protection from future market performance so you could lose some or all of your investment.

Performance scenarios

Investment **Scenarios**	£10,000	**1 year**	**5 years**	**10 years** (Recommended holding period)
Stress scenario	**What you might get back after costs** Average return each year	**£6,940.74** -30.59%	**£6,068.32** -9.51%	**£4,797.39** -7.08%
Unfavourable scenario	**What you might get back after costs** Average return each year	**£9,743.73** -2.56%	**£11,283.34** 2.44%	**£14,408.03** 3.72%
Moderate scenario	**What you might get back after costs** Average return each year	**£10,656.68** 6.57%	**£13,926.28** 6.85%	**£19,458.15** 6.88%
Favourable scenario	**What you might get back after costs** Average return each year	**£11,782.00** 17.82%	**£17,375.32** 11.68%	**£26,564.34** 10.26%

This table shows the money you could get back over the next ten years, under different scenarios, assuming that you invest £10,000. The scenarios illustrate how your investment could perform. You can compare them to the scenarios of other products. The scenarios presented are a theoretical estimate of future performance, derived from formulae, based on a dataset of the performance 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. **Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.** The value of shares can go down as well as up and you may not get back the full amount you invested. The figures shown include all the costs of the product itself, but may not include all the costs you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. These figures are not inclusive of any upfront income tax relief you may have claimed.

What happens if Albion Development VCT plc is unable to pay out?

As a shareholder of Albion Development VCT plc you would not be able to make a claim to the Financial Services Compensation Scheme about Albion Development VCT plc in the event that Albion Development VCT plc is unable to pay out.

What are the costs?

The Reduction in Yield (RIY) 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. The figures assume you invest £10,000. The figures are estimates and may change in the future. The figures do not take into account your personal tax situation and therefore do not include the loss of any upfront tax relief.

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 £10,000 **Scenarios**	**If you cash in after 1 year**	**If you cash in after 5 years**	**If you cash in after 10 years**
Total costs	**£580.40**	**£2,245.24**	**£5,391.64**
Impact on return (RIY) per year	6.33%	3.97%	3.83%

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			
One-off costs	**Entry costs**	**0.35%**	The impact of the costs you pay when entering your investment. This is the maximum you could pay. The figure includes subscription fees of a maximum of 2.5%; this is only payable on the issue of new shares. SDRT of 0.5% is payable if the shares are purchased on the secondary market.
	Exit costs	**0.00%**	The impact of the costs of exiting your investment.
Ongoing costs	**Portfolio transaction costs**	**0.21%**	The impact of the costs of us buying and selling underlying investments for the Fund. These costs are payable by the underlying portfolio companies rather than by the Fund itself.
	Other ongoing costs	**3.18%**	The impact of costs that we take each year for managing your investments and other running costs associated with the Fund.
Incidental costs	**Performance fees**	**0.10%**	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark. The management performance incentive structure sets a minimum target level whereby no performance fee is payable until the total return exceeds RPI plus 2 per cent. per share per annum from a base on 1 January 2019 of 84.70 pence for all shares. If the target return is not achieved, the cumulative shortfall is carried forward and has to be made up before an incentive fee becomes payable. To the extent that the total return exceeds the threshold, a performance fee equal to 20 per cent. of the excess is due.
	Carried interests	**0.00%**	There are no carried interests.

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

Recommended holding period: 10 years

You should be prepared to hold your shares for a minimum of ten years. Although there is no required period for holding the shares, if you sell your shares sooner than five years, you will be required to repay to HM Revenue & Customs any upfront income tax relief you have claimed.

How can I complain?

As a shareholder of Albion Development VCT plc you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of the Company. Complaints about Albion Development VCT plc or this Key Information Document should be sent by post to Albion Capital Group LLP, 1 Benjamin Street, London, EC1M 5QL, by email to info@albion.capital or by calling 020 7601 1850. Website www.albion.capital.

Other relevant information

The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules.
This document is updated at least annually or as necessary. Depending on how you buy these shares you may incur other costs, including broker commission, platform fees and Stamp Duty. The distributor will provide you with additional documents where necessary.

Note that the performance scenarios calculated above are derived from the past performance of the Company's share price and that past performance is not a guide to future returns. Therefore, your investment may be at risk and you may not get back the returns illustrated. Investors should not base their investment decisions solely upon the scenarios shown.

This document is not a prospectus. Further information on the Fund is available at www.albion.capital/funds/AADV.

The Fund offers a share buy-back facility for investors provided there are funds available. Its current intention is to buy back shares in the region of a 5% discount to net asset value. Share buy-backs are discretionary and there can be no guarantee that shares will always be bought on request.

Other materially relevant risks are investment risk, VCT approval risk, compliance risk, operational risk and political risk. For more information on the risks, please see the Annual Accounts. If you are in any doubt about the action you should take, you should seek independent financial advice.