

# 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

**Name:** Foresight Ventures VCT plc (“the Company”)

**ISIN:** GB00BRBQ0C76

**Manufacturer:** Foresight Ventures VCT plc

**Competent Authority:** Financial Conduct Authority

**Contact Details:** The Company can be contacted through its Investor Relations team: [investorrelations@foresightgroup.eu](mailto:investorrelations@foresightgroup.eu)

**Date:** This key information document (KID) has been produced by the Board of Directors of the Company for publication on 16 December 2024.

**Manager:** Foresight Group LLP (FCA No. 198020)

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

## WHAT IS THIS PRODUCT

**Type:** Venture Capital Trust (VCT)

**Objectives:** To provide private investors with attractive returns from a portfolio of investments in unquoted companies including existing AIM and AQSE Growth Market quoted companies in the United Kingdom. It is the intention to maximise tax free income available to investors from a combination of dividends and interest received on investments and the distribution of capital gains arising from trade sales or flotation. The Company also intends to pay an annual dividend of at least 4.0% per annum based on its NAV, subject to the availability of sufficient distributable reserves, capital resources and compliance with the VCT regulations. There is no guarantee that this objective will be met.

**Intended retail investor:** Retail investors, aged 18 or over, who are higher rate and additional rate tax-payers with a UK income tax liability and intend to invest for at least 5 years with an investment range of between £5,000 and £200,000. VCT investing is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from the investment.

**Notes:** Shares of the Company are bought and sold via 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 can sell it.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?



The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly and if you sell at an early stage it is more likely that you will get back less than you originally invested. You may not be able to sell your shares easily or you may have to sell at a price that significantly impacts on 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 value because of adverse movements in the markets or poor investment performance. The summary risk indicator for this product is calculated using prescribed methodology. We have classified this product as 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level and suggests that adverse market conditions in future could lead to a significant loss in the value of your investment. The Board and the Manager seek to mitigate all these risks through various policies and procedures and further details regarding the risks applicable to this Company may be obtained from the Company website and the annual report and accounts.

Capital will be at risk as the value of investments may go down as well as up and is not guaranteed and therefore investors may not get back the amount originally invested. Past performance is not a guide to future performance. This product does not include any protection from future adverse market performance so you could lose some or all of your investment.

**Investment Performance Information**

**What are the main factors likely to affect future returns?**  
The main factors that will affect the performance of the Company are the performance of the investments in AIM and AQSE Growth Market quoted and unquoted companies held within the portfolio; the ability of the Manager to identify and make suitable investment decisions; the ability of the Manager to mitigate counterparty risks and realise investments; the ability of the Company to fulfil many of its operational requirements and duties; changes to the existing tax laws, regulations and legislations, specially VCT rules, may change during the life of the Company and such changes might affect investor returns; and broader macroeconomic factors that affect the UK market and the valuations of quoted investments in the portfolio.

**How does the target compare with performance and volatility?**  
The Company targets to provide private investors with attractive returns from a portfolio of investments in unquoted companies including existing AIM and AQSE Growth Market quoted companies in the United Kingdom. The Company also intends to pay an annual dividend of at least 4.0% per annum based on its NAV. The ability of the Company to achieve its targeted growth, annual dividend and returns for the Company’s Shareholders will be dependent on the investment opportunities sourced and the performance of the underlying investments.

**What is the most relevant benchmark?**  
No relevant benchmark is available as there is no single benchmark that adequately measures the performance of small, unquoted companies.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

### What could affect my return positively?

Specific factors that could affect returns positively would be strong growth of the underlying investments within the portfolio and the ability of the Board to continually identify and make promising new investments. General factors that affect positive returns for the Shares would be an extended period of UK economic growth and fiscal stability. Day to day, the Company has low correlations to UK markets, but we would expect larger upward market movements in the UK market to correlate with improvements in valuations in the Company's underlying investments.

### What could affect my return negatively?

Specific factors that affect returns negatively would be an underperforming portfolio of quoted and unquoted holdings, with some underlying holdings possibly defaulting, and a lack of liquidity within the Company to pursue new investments. A breach of the VCT regulations could result in a loss of VCT status and negatively impact returns through the loss of tax reliefs currently available to shareholders. A general factor that will affect returns negatively would be poor performance of the UK equity markets. In addition, a decrease in the valuations of the UK Software & Computer Services, Alternative Energy and Leisure sectors is also likely to impact on returns.

### What could happen under severely adverse market conditions?

The secondary market for VCT shares is generally illiquid and Shareholders may find it difficult to realise their investment. Due to the illiquid nature of VCT shares, investors may find it difficult to realise their investments under severely adverse market conditions. (see "How Long Should I Hold It and Can I Take Money Out Early?")

## WHAT HAPPENS IF FORESIGHT VENTURES VCT 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?

**Costs over Time** 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 current estimates and may change.

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. This does not take into account any penalties that may be imposed by HM Revenue & Customs for selling prior to the 5 year minimum holding period required to be eligible for tax relief.

Investment: £10,000 Scenarios	If you sell after 1 year	If you sell after 3 years	If you sell after 5 years
<b>Total costs</b>	<b>£810</b>	<b>£1,282</b>	<b>£1,729</b>
Impact of return (RIY) per year	8.10%	4.47%	3.73%

### 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>	5.5%	The impact of the costs you pay when acquiring your investment. This is the most you will pay, and you could pay less.  Not included are any adviser charges you may separately agree with your financial adviser.
	<b>Exit Costs</b>	n/a	The impact of the costs of exiting your investment.
<b>Ongoing costs</b>	<b>Portfolio transaction costs</b>	n/a	The impact of the costs of the Manager buying and selling underlying investments within the VCT i.e. investee companies.
	<b>Other ongoing costs</b>	2.6%	The impact of the costs taken each year for managing your investment. This takes into account the Manager's annual management charge and the other running costs associated with the fund, including directors' remuneration, registrar's fees, audit fees, listing fees etc. Please note that annual ongoing charges, excluding any performance fees, are capped at an amount equal to 2.6% of net assets of the Company.
<b>Incidental costs</b>	<b>Performance fees</b>	0.0%	A performance incentive arrangement is in place as of 3 December 2024, subject to growth hurdles being achieved which have not yet been met.
	<b>Carried interests</b>	n/a	There are no carried interests.

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. The Company aims, but is not committed, to offer liquidity to shareholders through ongoing buybacks, subject to cash availability, at a target discount agreed by the Board from time to time.

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

### RECOMMENDED MINIMUM HOLDING PERIOD: 5 YEARS

You should be prepared to hold your shares for a minimum of 5 years to retain your initial income tax relief. VCTs are intended to have a long investment horizon. An investment in the Company should be considered as a long-term investment. The Company does not have a fixed winding up date and therefore, unless shareholders vote to wind up the Company, you will only be able to realise your investment through the market. You may sell your investments within the recommended holding period without penalty fee, although any VCT tax reliefs will be forfeited and you will be required to repay any initial income tax relief you claimed.

The Company's share price is quoted on the London Stock Exchange so, provided there is a willing buyer, you may realise your investment through a stockbroker or share dealing account. VCT shares purchased in the secondary market do not qualify for initial income tax relief and there is, therefore, a limited number of buyers and it may take time to sell your VCT shares. The price you receive on the open market may therefore not reflect the underlying net asset value of the shares. The Company aims, but is not committed, to offer liquidity to shareholders through a share buyback policy, subject to cash availability, at a target discount agreed by the Board from time to time. The buybacks are conducted at the Board's discretion, therefore there are no guarantees that shares can always be sold on request. In line with regulations governing public companies, there are specific periods when buybacks are limited, such as when the Company is preparing its annual and half-yearly reports and accounts.

The secondary market for VCT shares is generally illiquid and you may find it difficult to realise your investment.

## HOW CAN I COMPLAIN?

As a shareholder of Foresight Ventures VCT plc you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of the Company. The Manager has established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available from it on request. Should an investor have a complaint about the product or this KID, the investor should contact the Investor Relations team at Foresight Group LLP, The Shard, 32 London Bridge Street London SE1 9SG; +44 (0)20 3667 8181; [www.foresightgroup.eu](http://www.foresightgroup.eu). Emails can be sent to [investorrelations@foresightgroup.eu](mailto:investorrelations@foresightgroup.eu).

Where the investor is categorised by the Manager as an eligible complainant, if for any reason the investor is dissatisfied with the Manager's final response, the investor is entitled to refer its complaint against the Manager to the Financial Ombudsman Service (FOS). A leaflet detailing the procedure involved will be provided in the Manager's final response.

## OTHER RELEVANT INFORMATION?

The cost, performance and risk calculations included in this KID follow the methodology set out in Commission Delegated Regulation (EU) 2017/653 as adopted by the United Kingdom and amended by the FCA pursuant to the Packaged Retail and Insurance-based Investment Products (Scope Rules and Technical Standards) Instrument 2022.

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.

Certain tax reliefs are available to shareholders and new investors as below, provided shares are held for at least five years. A Shareholder who disposes of shares within five years of issue will be subject to clawback by HMRC of any income tax reliefs originally claimed on subscription.

### Tax relief

#### (a) Income tax

##### (i) Relief from income tax on investment

A qualifying investor subscribing for new Shares (including through dividend reinvestment schemes) will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 invested in VCTs in any tax year. The relief is given at the rate of 30% on the amount subscribed for VCT shares regardless of whether the qualifying investor is a higher rate, additional rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the qualifying investor's income tax liability to nil. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

##### (ii) Dividend relief

A qualifying investor, who acquires shares in VCTs in any tax year costing up to a maximum of £200,000, will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.

##### (iii) Purchases in the market

A qualifying investor who purchases existing shares in the market will be entitled to claim dividend relief (as described in paragraph (a)(ii) above) but not relief from income tax on investment (as described in paragraph (a)(i) above).

##### (iv) Withdrawal of relief

Relief from income tax on a subscription for VCT shares will be withdrawn if the VCT shares are disposed of (other than between spouses or on death) within five years of issue or if the VCT loses its approval within this period. Dividend relief ceases to be available if the VCT loses its approval within this period or if shares are no longer owned by a qualifying investor.

#### (b) Capital gains tax

(i) Relief from capital gains tax on the disposal of VCT shares. A disposal by a qualifying investor of VCT shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year and does not apply where VCT shares were issued after 5 April 2014 and are repurchased by the VCT directly from the shareholder within three years of issue.

##### (ii) Purchases in the market

An individual purchaser of existing VCT shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph b(i) above)

The latest Company annual report and accounts can be found at [www.foresight-ventures-vct-plc.com](http://www.foresight-ventures-vct-plc.com). Please contact Foresight Group LLP for further information.