Hargreave Hale
AIM VCT

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: Hargreave Hale AIM VCT plc
PRIIP Manufacturer: Hargreave Hale AIM VCT plc
Contact number: 01253 376 622
Website: www.hargreaveaimvcts.co.uk
This key information document is accurate as at **31 May 2020**

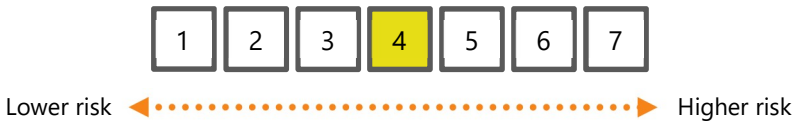
ISIN: GB00B02WHS05
Competent authority: The Financial Conduct Authority (FCA)

What is this product?

Type	This product is a Venture Capital Trust (VCT) and public limited company, listed on the London Stock Exchange and incorporated in the United Kingdom.
Objectives	The VCT's objective is to invest in a range of smaller companies in order to generate income and capital growth over the long-term. The VCT aims to maintain a diversified portfolio of qualifying investments, primarily those which are traded on AIM and have the potential for significant value appreciation. The VCT will also make non-qualifying investments in companies listed on the main market of the London Stock Exchange. The VCT will also invest funds in the Marlborough Special Situations Fund pending investment into qualifying companies.
Intended retail investor	VCTs are not suitable for every category of investor. VCTs are designed for individuals over 18 years of age who: (1) pay UK income tax; (2) can invest between £5,000 and £200,000 per tax year; (3) can tolerate a high level of investment risk; (4) can accept a minimum holding period of five years. Before deciding whether to subscribe for new ordinary shares issued through a prospectus, investors are strongly encouraged to consult an independent adviser authorised under FSMA and to carefully consider the suitability of an investment into the VCT in light of their personal circumstances.
Gearing	The VCT has the ability to borrow an amount equal to 15% of its adjusted capital and reserves (more information is detailed in the Articles of Association of the VCT). The VCT has no borrowing and has no plans to borrow. Any future borrowing would magnify any gains or losses made by the VCT.
Bid / Offer spread	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.
Continuation	The VCT operates a continuation vote whereby investors can vote to continue or wind up the VCT every five years. This will next be considered at the 2025 annual general meeting.

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

Risk Indicator



The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your investment easily or you may have to sell at a price that significantly impacts on how much you get back. Investors who sell their VCT shares before the fifth anniversary of the share issue are likely to have to repay their income tax relief. You may not be able to sell your product easily or only 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 or because we are not able to pay you. We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions are unlikely to impact the capacity of Hargreave Hale AIM VCT plc to pay you. However, 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 does not show the full risk to the investor. This product does not include any protection from future market performance so you could lose some or all of your investment. The product invests in small

high-risk companies, some of which have yet to achieve profitability and cash generation. These investments may have volatile share prices and may be difficult to realise. ***There are a number of material risks not included in this section; please refer to 'Other relevant information' for further detail.***

Performance Scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on the prior performance of the share price on a total return basis with dividends reinvested. Actual returns could be lower.

This table shows the money you could get back over the next 5 years, 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 product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself but may not include all the costs that you pay your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. **The results below do not include any benefits from tax relief applicable to VCTs available to investors nor have they been adjusted to take account of the initial costs paid to purchase shares through an offer for subscription (up to 3.5%) or the likely discount to NAV (see minimum holding period section for more details) at which shares may be sold in the secondary market.**

Investment: £10,000		1 year	3 years	5 years
Stress scenario	What you might get back after costs (£)	333	6,522	5,740
	Average return each year (%)	-96.67%	-13.28%	-10.51%
Unfavourable scenario	What you might get back after costs (£)	7,968	6,693	5,924
	Average return each year (%)	-20.32%	-12.53%	-9.94%
Moderate scenario	What you might get back after costs (£)	10,146	10,032	9,921
	Average return each year (%)	1.46%	0.11%	-0.16%
Favourable scenario	What you might get back after costs (£)	12,094	14,079	15,554
	Average return each year (%)	20.94%	12.08%	9.24%

What happens if Hargreave Hale AIM VCT plc is unable to pay out?

As a shareholder of Hargreave Hale AIM VCT plc you would not be able to make a claim to the Financial Services Compensation Scheme about Hargreave Hale AIM VCT plc in the event that the Company 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. 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: £10,000 If you cash in after…	1 year	3 years	5 years
Total Costs (£)	598	1,137	1,684
Impact on return (RIY) per year (%)	5.98%	3.65%	3.18%

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;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One – off costs	Entry costs	0.7%	The product does not have any entry costs when the shares are acquired through an exchange. Shares acquired through a subscription offer are issued at a 3.5% premium to the prevailing net asset value per share. This is the most you could pay. The figure of 0.7% is the 3.5% premium spread over the 5 year recommended holding period. See 'Other relevant information' for further information.
	Exit costs	0%	This product does not have any exit costs contained within it but when selling shares investors are likely to receive a price below NAV; see the minimum holding period section below.
Ongoing costs	Portfolio transaction costs	0.12%	The impact of the costs of the fund buying and selling underlying investments for the product.
	Other ongoing costs	2.36%	The impact of the costs taken by the fund each year for managing your investments.
Incidental costs	Performance fees	0%	This product does not charge any performance fees.
	Carried interests	0%	This product does not charge any carried interest.

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

Recommended required minimum holding period: 5 years

VCTs are a platform for long term investment in small companies. The recommended minimum holding period is 5 years, which is consistent with the minimum holding period required by HMRC for investors who claim income tax relief on shares issued through a subscription offer. Investors who sell their VCT shares before the fifth anniversary of the share issue are likely to have to repay their income tax relief.

VCT shares are quoted and traded on the London Stock Exchange, so, provided there is a willing buyer, you can realise the value of your VCT investment at any time through a stockbroker or a share dealing account. You should note that previously owned VCT shares do not qualify for initial income tax relief and there is, therefore, a very limited market for buying VCT shares. The Company aims to improve the liquidity in its ordinary shares and support the discount by making secondary market purchases. The share buyback policy targets a 5% discount to the last published NAV per share as measured against the mid-price of the shares. In practice when a shareholder sells their shares to a market maker through a share dealing service, the price achieved in a sale is likely to be below the mid-price of the Company's shares and therefore the discount is likely to be more than 5% to the last published NAV per share. This policy is non-binding and at the discretion of the Board. Its operation depends on a range of factors including the Company's liquidity, shareholder permissions, market conditions and compliance with all laws and regulations. These factors may restrict the effective operation of the policy and prevent the Company from achieving its objectives. As a result there is no guarantee you will be able to sell your shares on request or of the discount to NAV at which the shares will be sold.

There are no additional fees or penalties incurred on exit however the price you receive on the open market may not reflect the underlying net asset value of the shares.

How can I complain?

As a shareholder of Hargreave Hale AIM VCT plc you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of Hargreave Hale AIM VCT plc.

Complaints about the VCT or the key information document should be directed to Hargreave Hale AIM VCT plc.

If you have a complaint, you can contact Ceri Turton by email at Ceri.Turton@canaccord.com or in writing to Hargreave Hale AIM VCT plc, Trafalgar Court, Admiral Park, St. Peter Port, Guernsey, GY1 2JA.

Other relevant information

HMRC offers tax reliefs to encourage investment in small high-risk companies through VCTs. The tax reliefs are dependent on personal circumstances and on the VCT meeting various conditions on an ongoing basis. There can be no guarantee the VCT will do this. A failure to meet the VCT conditions may have adverse tax consequences, including a loss of income tax relief.

The 3.5% offer costs apply to subscription shares. It is the most you could pay and could be less. Shares bought on the secondary market will not incur any offer costs and will have a lower cost profile than outlined above. Shares acquired in the secondary market are exempt from capital gains tax and dividend tax; however, they do not benefit from the income tax relief.

The latest annual report, fact sheet and prospectus can be found at https://www.hargreaveaimvcts.co.uk/document-library. These documents include a more comprehensive list of the risks associated with this product. The cost, performance and risk calculations included in the KID follow the methodology prescribed by EU rules. Depending on how you buy or sell 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. VCTs carry substantial risk. Investors are encouraged to take professional advice and consider carefully their suitability before proceeding with an investment.