

# VCT Factsheet

## Pembroke VCT

### **VCT (Venture Capital Trust) are suitable for:**

- High net worth or sophisticated investors seeking high-risk, high-reward opportunities in early-stage, unquoted businesses.
- Investors with a diversified investment portfolio who understand the risks associated with investing in smaller, less liquid companies.
- Tax-efficient investors looking to benefit from 30% UK income tax relief (on up to £200,000 invested per tax year), tax-free dividends, and tax-free capital gains.
- Long-term investors comfortable holding shares for a minimum of five years to retain tax relief, but ideally prepared for extended holding periods due to the nature of venture capital investments.

These investors benefit from significant tax reliefs while supporting potentially high-growth businesses, creating employment opportunities in the UK. Investors should have the financial capacity to bear potential losses.

### **IMPORTANT INFORMATION**

This document aims to emphasise key aspects of the investment and should not be taken as a complete and comprehensive analysis of the risks of investing in the investment. It should be read alongside the Pembroke VCT Prospectus, which you are advised to review thoroughly. In case of any discrepancies between this document and the Prospectus, the latter's provisions will prevail.

## Principal Parties:

<b>Investment Manager</b>	<b>Pembroke Investment Managers LLP</b>
<b>Investment Promoter</b>	<b>Pembroke Investment Managers LLP</b>
<b>Registrar and Receiving Agent</b>	<b>The City Partnership (UK) Limited</b>
<b>Administrator</b>	<b>The City Partnership (UK) Limited</b>
<b>Tax Adviser</b>	<b>Philip Hare &amp; Associates LLP</b>

## Investment Manager: Pembroke Investment Managers LLP

Pembroke Investment Managers LLP was established to support early-stage, founder-led businesses through strategic investment, mentorship and resources. The Investment Manager provides services including fundraising, portfolio management and collaboration with professional advisers to assist in portfolio growth and value realisation.

Pembroke VCT has built a diverse portfolio of over 45 companies across the consumer, technology and business services sectors. As of June 2025, the Fund has reached an asset value of £258 million, reflecting its consistent growth and successful investment strategy.

Since March 2024, Pembroke has returned £30.6 million to shareholders in the form of tax-free dividends and share buybacks, showcasing its commitment to delivering value.

<b>Key Details:</b>	<b>Pembroke VCT</b>
First Added to Titan Alternatives' Panel	2024
Product Launch Date	2013
Product AUM	£258m
USP	Pembroke VCT provides access to a diversified portfolio of over 45 early-stage, founder-led businesses across consumer, technology and business services. The VCT aims to deliver long-term capital growth and annual dividends, focusing on investments that demonstrate potential for value appreciation.
Total Offer Size	£40 million, with an additional £20 million over-allotment facility.
Minimum Investment	£5,000
Maximum Annual Investment	£200,000 (eligible for tax relief)
Subscription Amounts Invested	100% of subscription amount is invested (excl. any adviser charge facilitated by the VCT)
Level of Tax Relief Available	30% income tax relief Tax-free dividends No capital gains tax on growth
Target Number of Portfolio Companies	Over 45 investments across the consumer, technology and business services sectors.
Target Dividend	5.0p per share annually, with potential additional dividends on realisations
Target Hold Period	Minimum of 5 years to retain tax relief benefits
Provisional Next Close Date	24 June 2026

## Fees

Fee (Excluding VAT)	
Product Fee	3% expense charge for advised investors (offer share price adjusted to facilitate this)
Available Discounts	<p>Early bird or special offers:</p> <ul style="list-style-type: none"> <li>• 1.0% discount on the initial charge until first allotment (23rd October)</li> <li>• 0.5% discount on the initial charge until second allotment (November)</li> </ul>
Advised Initial Fee	Up to 4.5% can be facilitated by the VCT (reducing the subscription amount)
Annual Running Expenses	(2025:0.36%) Limited to 0.5% of NAV
Annual Management Fee	2% of NAV (charged to Fund)
Director's or Other Fee	Included in running costs, not exceeding £250,000
Performance Fee	20% of realised gains - please refer to page 38 of the prospectus

## Materials

Product Provider (Manufacturer) Materials
Prospectus
Factsheet
KID
Consumer Duty Assessment & other materials

## Overview

Investment Strategy	
<p>The Pembroke VCT focuses on investing in early-stage, founder-led businesses across the Consumer, Technology and Business Services sectors. The VCT targets companies with strong business models and leadership teams that require growth capital to scale operations and enhance value creation. These businesses are selected for their potential to disrupt markets and deliver significant returns for shareholders, while benefitting from strategic guidance and mentorship provided by Pembroke's experienced team.</p>	<p>Sectors:</p> <ul style="list-style-type: none"> <li>• Consumer</li> <li>• Technology</li> <li>• Business Services</li> </ul>

## Notable Merits & Consideration Points

- **Strong Track Record of Fundraising:** Pembroke VCT has consistently raised significant capital, reflecting robust investor confidence. The 2025/2026 Offer is looking to raise £40 million with a £20 million over-allotment facility.
- **Established Portfolio Deployment:** The VCT has invested over £124 million in its current active portfolio of 45 companies as of March 2025, demonstrating effective capital deployment across diverse sectors.
- **Competitive Fee Structure:** Pembroke offers a favourable fee model, including early bird discounts to the initial charge, an exit-based performance fee, and a capped running cost t expense of 0.5% of NAV annually, providing cost efficiency for investors.
- **Proven Investment Strategy:** The VCT's strategic focus on early-stage, founder-led businesses across Consumer, Technology, and Business Services has delivered a strong performance, with the current portfolio valued at £189 million (1.5x multiple on investments)
- **Diverse Portfolio:** Pembroke VCT provides exposure to over 45 innovative companies, supporting high-growth sectors while maintaining a disciplined approach to risk management and return.

## Key Risks

- **High Risk and Volatility:** Investments in smaller, unquoted companies are inherently high-risk, often requiring long-term support. These companies may lack trading records or have limited resources, leading to potential fluctuations in investment value and a risk of losing the entire investment.
- **Illiquidity:** Pembroke VCT invests in unquoted businesses, which are inherently illiquid. The shares are not publicly traded, and realising an exit may take longer than anticipated. Investors should be prepared to hold their shares for a minimum of five years to maintain tax relief eligibility.
- **No Guarantee of Returns:** There is no assurance that the VCT will achieve its targeted returns. Success is dependent on the performance of individual portfolio companies, and potential losses may occur.
- **Tax Relief and Legislative Changes:** The availability of VCT tax reliefs is dependent on the Company maintaining its qualifying status. Changes to legislation or tax rules could adversely impact both the Fund's strategy and investor returns.
- **Dilution Risk:** Subsequent funding rounds in portfolio companies may dilute existing shareholdings, particularly if the new shares carry preferential rights.
- **Sector and Investment Concentration:** While the VCT diversifies across Consumer, Technology, and Business Services, its concentrated investment strategy may amplify risks associated with sector-specific downturns.

Please note that this is a summary of the key risks and potential investors should refer to pages 11 & 12 of the Prospectus for full details.

## Tax Relief

- **Income Tax Relief:** Investors can claim 30% income tax relief on investments up to £200,000 per tax year, provided shares are held for a minimum of five years. This relief is only available against income tax liability for the year in which shares are issued.

- **Capital Gains Tax Exemption:** Gains realised on the disposal of VCT shares are exempt from capital gains tax, provided the shares were held within the £200,000 maximum qualifying limit per tax year.
- **Tax-Free Dividends:** Dividends received on VCT shares are tax-free, offering an additional benefit for investors seeking income.
- **No Loss Relief:** Losses on the disposal of VCT shares do not qualify for relief against income or capital gains.
- **Tax Legislation:** The availability of these tax reliefs depends on the Company maintaining its qualifying status as a VCT and may be impacted by changes in tax rules. Investors should consider their personal circumstances and consult with a tax adviser.

## Client Suitability

- **High-Risk Tolerance:** Suitable for investors who understand the high-risk nature of early-stage investments in unquoted companies and are willing to accept the potential for loss of capital
- **Tax Mitigation and Growth-Oriented Investors:** Ideal for individuals seeking to benefit from 30% income tax relief, tax-free dividends, and capital gains tax exemption while pursuing long-term growth opportunities
- **Long-Term Commitment:** Designed for investors prepared to commit their capital for a minimum of five years to retain tax relief benefits, with an understanding of the illiquid nature of the investments
- **Sophisticated and Experienced Investors:** Suitable for high net worth or sophisticated investors who have a diversified portfolio and are comfortable with high-risk investments
- **Exposure to High-Growth Opportunities:** Pembroke VCT offers exposure to a diversified portfolio of innovative companies in high-growth sectors such as Consumer, Technology and Business Services, providing the potential for significant return on a high risk reward basis

## Consumer Duty

Advisers should review relevant consumer duty materials and ensure that investors align with the intended target market as outlined in the provided documentation.

## Conclusion

Andrew Wolfson (CEO) and Chris Lewis (CFO) have impressed with both their insight, diligence and active involvement with the underlying companies within the portfolio.

The Board comprises five Directors, all of whom are non-executive. Jonathan Djanogly, Louise Wolfson, Mark Stokes and Christopher Allner are independent of the Manager. The fifth Director, David Till, is a member of the Manager and is, therefore, not considered independent. The Board has a wide breadth of experience with backgrounds in Legal, Accounting & Audit, Listed Corporate Banking, Corporate Finance, Investment Management and Senior Executive & Governance.

Pembroke is not prescriptive and has no one-size-fits-all model investing in sectors where they have significant experience; design, education, food, beverage and hospitality, wellness, digital services and media.

They work with founders at every stage of their company's growth, helping them turn their vision into reality. Their focus is on supporting the development of growth-stage, consumer-focused businesses. They assist management teams regularly on matters such as performance, cash runway, and strategy. Their involvement also extends to fundraising, fund management, marketing, investment management (including pipeline and portfolio oversight), and coordination with professional advisers.

Individual investee company progress and updates are well reported in the annual and half-year reports, as well as annual investor newsletter. These are all accessible via the Investor Hub along with individual investors shareholdings and indicative valuations, transaction history, share certificate details and dividend information. In terms of investor reporting we've found Pembroke to be detailed, insightful and forthcoming.

Pembroke have established themselves in recent years as a highly regarded VCT house with a developing portfolio that has already provided exits and special dividends. With a fair market value of £189m on a cost of £124m across 45+ investee companies and total Net Assets of £258m. The maturity of this portfolio provides investors with the security of access to a well-established portfolio which has doubled in AUM in the last 5 years. The annual dividend target is 5p per share (with the potential of additional dividends payable on the exit of underlying investee companies).

It is TAL's opinion that the VCT has a strong management team with an existing diversified portfolio overseen by a robust Board which will continue to grow whilst providing an annual yield. In the last 5 years they have delivered 5 exits that have delivered a positive return for the VCT (ranging from 1.4x-16.2x). There are a number of companies within the portfolio that are receiving corporate finance advice and are actively engaged in exit processes.

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*Investments in unquoted companies are high risk and may be volatile, with a significant chance of failure. Although VCT shares are listed, they can be difficult to sell and should be regarded as a long-term investment, typically held for at least five years. Tax advantages depend on individual circumstances and may change, and there is no guarantee a VCT will retain its qualifying status.*

*The value of an investment may fall as well as rise. Past performance should not be seen as an indication of future performance. Due to the potential for losses, the Financial Conduct Authority (FCA) considers these types of investments to be high risk. Any opinions expressed reflect our current judgment at the date of this document and are subject to change without notice.*