

VCT Factsheet

Fuel Ventures 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 Fuel Ventures 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:

| | |
|----------------------------|--|
| Investment Manager | Sturgeon Ventures LLP (AIFM) |
| Investment Adviser | Fuel Ventures Limited |
| Investment Promoter | Titan Alternatives Limited |
| Administrator | The City Partnership (UK) Limited |

Investment Promoter: Fuel Ventures Limited

Fuel Ventures is one of the most active early-stage investors in the UK, specialising in high-growth technology businesses.

The firm invests in ambitious entrepreneurs across sectors such as globally scalable marketplaces, platforms, and software-as-a-service (SaaS). With a focus on mentorship, strategic guidance, and capital deployment, Fuel Ventures provides more than just funding—it offers hands-on support to portfolio companies, fostering their growth and long-term success. Established in 2013, the company has built a strong track record in scaling and exiting technology ventures, making it a recognised leader in early-stage investing

| Key Details: | Fuel Ventures VCT |
|--|--|
| First Added to Titan Alternatives' Panel | 2023 |
| Product Launch Date | 2023 |
| Product AUM | £12.2m |
| USP | Fuel Ventures VCT focuses on high-growth technology and digital businesses, particularly in marketplace, platform, and software-as-a-service models. |
| Total Offer Size | £10 million, with an additional £10 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 Fund) |
| Level of Tax Relief Available | 30% income tax relief Tax-free dividends No capital gains tax on growth |
| Target Dividend | 4p per share (beginning financial year 1 st April 2027) |
| Target Hold Period | Minimum of 5 years to retain tax relief benefits |
| Provisional Next Close Date | Please See Adviser Centre Panel |

Fees

| Fee (Excluding VAT) | | Charged To |
|-------------------------|---|------------------|
| Product Fee | 3% charge for advised investors | Investor |
| Available Discounts | Initial fee waived for existing investors in Fuel Ventures funds and clients of Titan. | N/A |
| Advised Initial Fee | Up to 4.5% can be facilitated by the VCT (reducing the subscription amount) *Please note, ongoing fees are not facilitated by the Fund | Investor |
| Annual Running Expenses | a maximum of 3.5% of NAV per annum | Investee Company |
| Annual Management Fee | 2% of NAV (charged to Fund) | Investee Company |
| Performance Fee | 20% of realised gains above a performance hurdle of 100p per Share, increasing by 3.0p per annum. | Investor |

Materials

Product Provider (Manufacturer) Materials

Prospectus

Factsheet

KID

Consumer Duty Assessment & other materials

Overview

Investment Strategy

The Fuel Ventures VCT will look to invest in growth stage companies that require scaleup capital across a range of technology sectors. The VCT seeks businesses that have demonstrated the ability to raise and appropriately employ seed stage funding and that now require further funding to accelerate growth and deliver shareholder returns.

Sectors:

- Marketplaces
- Software as a Service (SaaS)
- Platforms
- B2B & B2C

Notable Merits & Consideration Points

- **Access to High-Growth Investment Opportunities:** Fuel Ventures VCT focuses on identifying and investing in early-stage technology and digital businesses with strong scalability potential. The company prioritises marketplace, platform, and software-as-a-service (SaaS) business models, which are designed to drive high-value returns.
- **Strong Deal Flow and Co-Investment Strategy:** Fuel Ventures VCT benefits from an extensive deal pipeline, sourced through Fuel Ventures' established network of entrepreneurs and early-stage investors. The VCT has access to investment opportunities through Fuel Ventures SEIS, Fuel Ventures Scale-Up EIS, and Fuel Ventures Follow-On EIS funds, allowing for both new investments and follow-on rounds into top-performing portfolio companies.
- **Entrepreneur-Led Investment Team:** The investment strategy is entrepreneur-led, with the Investment Adviser being founded by experienced operators who have built and exited businesses themselves. This expertise provides deep insight into the challenges and opportunities within early-stage companies, ensuring a hands-on approach to investment and growth strategy.
- **Diversified and Scalable Portfolio:** The VCT seeks to invest in a broad range of technology-driven businesses, leveraging Fuel Ventures' experience in scaling companies. The portfolio will maintain diversification across different sub-sectors within the digital and technology landscape, ensuring exposure to a variety of growth opportunities.
- **Tax-Efficient Investment Structure:** Investors benefit from the full suite of VCT tax advantages, including 30% upfront income tax relief, tax-free dividends, and capital gains tax exemption. These incentives make Fuel Ventures VCT a compelling option for tax-efficient investing while backing the UK's innovation economy.
- **Long-Term Growth Potential:** The VCT aims to support companies through multiple growth stages, from early traction to potential exit opportunities. With an emphasis on value creation, Fuel Ventures works closely with portfolio companies to enhance their commercial strategy, product development, and international scaling efforts.

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:** Fuel Ventures 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 14-16 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:** Fuel Ventures VCT offers exposure to a diversified portfolio of innovative companies in high-growth sectors such as marketplace, platform and SaaS, 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

Fuel Ventures are an early and growth stage investor who identify the most ambitious entrepreneurs with an aim of building globally scalable technology and digital businesses covering marketplaces, platforms and software (SaaS). Mark Pearson has been successfully investing in such sectors over the past 15 years and has built a team (now 18 strong) at Fuel Ventures that share his passion for identifying companies whom have the potential to provide returns of between 10-100x.

The Fuel Ventures VCT has a very experienced board to oversee the investment manager, comprised of: Andrew Whitehouse (Chair of the VCT, Ex-Chief Risk Officer on Board of esure, Treasurer Trustee of charity, KSAR); Marc Rubinstein (Ex-Fund Manager at Lansdowne, author of Net Interest); Stuart Knight (Co-Founder of Titan Alternatives).

We have worked closely with Fuel Ventures for over 6 years and have first-hand experience and knowledge of the growing teams ability to source, deploy and execute which have delivered positive outcomes for investors to date. The Fuel Ventures VCT is the first time that TAL have helped originate and taken as official role as the promoter listed VCT in the prospectus.

The VCT raised over £10m for its first prospectus launched in December 2023 and has deployed c.£7.3m to date across 16 companies.

The VCT launched its third prospectus as it continues to fund raise and look to build toward a portfolio. The VCT will make follow-on investments into top-performing Fuel Ventures portfolio companies or co-invest with an existing Fuel Ventures Fund into a new business. With a strong track record already established within the EIS market, Fuel will be harnessing their understanding and experience working with Founders to build upon proven traction and will look to accelerate significant growth for each company within the portfolio. Portfolio companies will be provided with considerable support by Fuel Ventures over and above the capital invested via the VCT. The VCT will be able to invest in companies throughout the year rather than being focused on tax year end, whilst offering greater diversification than the existing EIS funds.

Applications are completed via an Online Receiving Agent – The City Partnership UK Limited. Investors are able to register for an online account, the City Hub.

The Product has had one previous fundraising and it will take time to build up a portfolio of investments and generate returns for investors. Those investments will take time to mature before they increase in value and become attractive propositions for potential buyers and follow-on investors. The Board are taking a considered approach to deploying capital, looking for continued growth and seeking investments at the right valuation level. The existing portfolio gives an insight to the investment types targeted by the VCT. As this is newly deployed capital, investors in this fundraising round will be accessing the existing portfolio along with new additions identified by the Fuel Ventures team over time.

The VCT is targeting an annual dividend commencing in the financial year beginning in 2027 equivalent to 4p per Share and where appropriate special dividends, from the proceeds of successful exits of portfolio companies that are not reinvested.

The achievement of successfully launching a new VCT with over £10m of capital was recognised at the 2024 Investor Growth Awards with the Fuel Ventures VCT winning the award for Best New Product. The VCT is repeating a generous initial fee charging structure for this prospectus launch.

It is noted that Directors of TAL are existing investors in Fuel Ventures products on standard terms.

The cost of TAL's services are not paid directly by financial advisers or their clients but facilitated out of the overall product charges levied by the provider.

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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.