



GUINNESS **VCT**

BROCHURE

SEPTEMBER 2023

INVESTED IN SUCCESS

Guinness Asset Management was founded in 2003 as an independent fund manager specialising in long-only equity funds and unlisted private investments.

Our focus is purely on investment management, and we have built up a team of experts who actively manage investments for a range of customers including individuals, companies and institutional investors. We strive to provide our investors with the very best levels of service and solutions that address their investment needs.

Guinness Asset Management has over £7 billion in assets under management at 31 July 2023.

This document is an advertisement and not a prospectus. A prospectus has been approved by the FCA (the “Prospectus”) setting out the terms of the offer for subscription described in this brochure and was issued on 14 September 2023. Approval of the Prospectus by the FCA should not be understood as an endorsement of the securities offered or admitted to trading on a regulated market. Potential investors should read the Prospectus and the Key Information Document, published and available on the company’s website (www.guinnessgi.com), before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in ordinary shares in Guinness VCT plc.

Guinness Ventures, a trading name of Guinness Asset Management Limited, has been investing in early-stage businesses since 2010. We focus on providing scale-up capital to exciting British companies, with more than £284 million invested into over 185 EIS qualifying companies.

We are trusted by our investors to grow their capital. Our award-winning investment management team are experts at sourcing opportunities in growth-stage companies and helping them unlock their significant potential.

INVESTED IN SUCCESS

We are truly invested in the success of the businesses we back. Our impact goes beyond the financial investment as we use our resources and network to provide the companies that we invest in with the help they need to grow. Our experienced team provides continuous active support throughout the lifetime of our investment.

VCTs were introduced by the UK Government in 1995. They offer generous tax benefits to encourage individuals to invest in smaller UK companies.

The funding provided by the VCTs helps to create jobs, support innovation and generate growth for UK businesses. VCTs are listed on the London Stock Exchange. Investors are shareholders in the listed company that is overseen by an independent board, and managed by an experienced and regulated investment manager.



30% Income tax relief

Provided the shares are held for 5 years



Tax-free Capital Gains

No capital gains tax is payable when shares are sold



Tax-free dividends

No income tax is payable on dividends paid by a VCT

You should not invest in a VCT for the tax incentives alone. Tax treatment will depend on your individual circumstances and tax rules can change. You should speak to your financial or tax adviser about your personal situation before you make a decision to invest.

*At least 80% of a VCT's investments must be in small, qualifying companies (with maximum gross assets of £15 million) that are unquoted or traded on AIM. **Investments will be made in companies which are carrying out a VCT qualifying trade, and have a permanent establishment in the UK, although some may trade overseas.**

PASTA
EVANGELISTS

Our diversified approach to investing targets a broad and balanced portfolio. We invest in growth companies across a range of sectors including technology, education, healthcare, manufacturing, retail, leisure and food & drink.

We focus on investing in companies that have already gained traction with a product, service or technology, in their respective markets. These companies seek to raise scale-up funds to further commercialise their product or service.

Our investment team seek to identify businesses that have demonstrated the ability to raise and appropriately employ seed stage funding and now require further funding to accelerate growth and deliver shareholder returns.

We draw on the extensive investment management, venture capital and private equity experience of our highly experienced investment team who are truly invested in the success of the companies that make up our portfolio.



Investing in the success of UK growing businesses



Finding the businesses with best potential in a broad range of sectors



A strong track record of profitable exits



Regular share allotments enabling fast upfront income tax relief claims



Targeting an annual dividend yield of 5% from 2026 onwards*

Your capital is at risk. The value of a VCT investment can fall as well as rise. You may not get back the full amount of your investment. Past performance is not a guide to future performance.

*The target dividend should not be relied upon to predict actual dividends and is not an indication of the future performance of investee companies, nor constitutes a projection or forecast.

Investment Criteria

Our generalist approach provides a balanced and diversified portfolio to our investors. We look for exciting and interesting businesses that we believe have potential to grow.

Strong management teams

Experienced and competent management teams with a sound understanding of their market and competitive position, and with a track record of building and selling companies.

Exceptional growth prospects

A realistic business plan supported by good operations and technology.

Strong competitive positions

A business with the ability to sustain a competitive advantage, with attributes that are difficult to replicate or substitute.

Future prospects

Strong prospects of being sold or floated in the future, at a multiple on the initial cost of investment.



Investment Process

Our structured investment process is designed to deliver growth creation for our portfolio companies and maximise value appreciation for our investors.

○ **Origination of opportunities**

The investment team review hundreds of business plans each year, received through our extensive networks as well as direct approaches from entrepreneurs that feed into a broad pipeline of investment opportunities.

○ **Due diligence**

Every private company that is selected for potential investment is required to pass through a comprehensive due diligence process which aims to test its business plan, technology and financials as well as reviewing VCT eligibility. Our investment committee meets regularly to assess and approve investments.

○ **Monitoring and impact**

Once the company is part of our portfolio we work closely with the management team, often taking a board seat and providing a support framework to help the business achieve its growth potential.

○ **Exit strategy**

Exit strategy is assessed and reviewed right from the start of the investment process. Opportunities for exits of individual investments are taken into consideration throughout the lifetime of the investment as part of our focus on achieving value for our investors.

Building a diversified portfolio

We seek to invest in a portfolio of businesses that we believe provide the opportunity for growth and value appreciation. Currently, the Guinness EIS is an active investor in over 47 private growth companies across 15 sectors. The Guinness VCT and the Guinness EIS Services have aligned investment strategies.

The Guinness VCT may co-invest with the Guinness EIS Services. Guinness also has an extensive track record of investing in companies and may invest up to 20% of the portfolio in AIM-listed companies, as well as businesses listed on other qualifying exchanges.



Adding Value

We add value to our portfolio companies by drawing on the extensive investment management, venture capital and private equity experience of our fund managers.

We work closely with the management teams of the private companies that we invest in and seek to maximise value, by focusing on the following pillars:

- **Management Information** - Developing key performance indicators and reporting to enhance evidence-based decision making;
- **Professionalisation** - Improving middle-office and back-office systems and processes;
- **Hiring Strategy** - Helping companies identify the best talent;
- **Strategic Planning** - Bringing our support and connections to help refine decision making;
- **Value Creation** - Implementing plans to maximise value for all shareholders;
- **Digital Marketing** – Monitoring and boosting marketing ratios;
- **Sales Strategy** - Ensuring a coherent sales playbook and effective targeting;
- **Introductions** - Potential customers, strategic advisors, specialist support and industry experts;
- **Workshops** - Recent workshops for portfolio companies have focused on topics such as digital marketing, sales strategy, pricing and financial tools; and
- **Future Fundraising** - As well as investment from Guinness managed funds, active support in sourcing additional debt and equity.



Guinness VCT Portfolio

Since its Admission to the London Stock Exchange in April 2023, Guinness VCT Plc has made five investments across five different sectors, including software and technology, advertising and marketing, retail, business services and education.



PlotBox

Cloud-based cemetery management software

PlotBox is a cloud-based management solution facilitating the workflows of cemeteries and crematoria through a suite of features. Management systems across the cemetery industry have historically been disconnected and inefficient, resulting in extra workload and required training, frequent mistakes, poor customer service, higher operational costs and an inability to scale the sales process. PlotBox's solution provides much needed innovation to this industry to create an all-in-one centralised system for the mapping, sales and administration of cemetery management.

Guinness VCT Investment to Date:

£0.35 million

Sector: **Software & Technology**

Website: **www.plotbox.io**

BBC MAESTRO

Lessons taught by well-known experts

Maestro Media Limited, trading as BBC Maestro, is a celebrity-led e-learning company, at the intersection of mass market online courses and video-streamed entertainment. It offers 6-8 hour inspirational courses delivered by global celebrities, genre icons and specific subject matter experts including Julia Donaldson (successful children's books writer and author of *The Gruffalo*), Jed Mercurio (TV writer – *The Bodyguard*, *Line of Duty*), Billy Connolly (stand-up comedy) and Peter Jones (entrepreneurship).

Guinness VCT Investment to Date:

£0.35 million

Sector: **Education**

Website: www.bbcmaestro.com



Fable Data

Empowering decision-makers with trusted transaction data

Fable Data is a data aggregator and data science company. Fable provides anonymised European consumer transaction data to investment firms and corporates, as well as on a pro-bono basis to government and educational institutions. Fable was founded on the notion that vital decisions that affect whole communities were being made with incomplete and outdated data. Fable addresses this problem by placing high-quality, award-winning data into the hands of key decision-makers allowing them to make better decisions

Guinness VCT Investment to Date:

£0.35 million

Sector: **Business Services**

Website: www.fabledata.com





Measuring advertising performance

Dragonfly AI uses cutting-edge neuroscience to accurately and instantly show what attracts the audience's attention first across all forms of content. This enables companies and marketing agencies to optimise and improve the content they produce. Dragonfly has a number of high-profile clients and has already established a presence in the US. The company was spun out from Queen Mary University London which has developed technology used by brands and agencies to understand how design decisions impact consumer attention.

Guinness VCT Investment to Date:
£0.20 million

Sector: **Advertising & Marketing** Website: www.dragonflyai.co

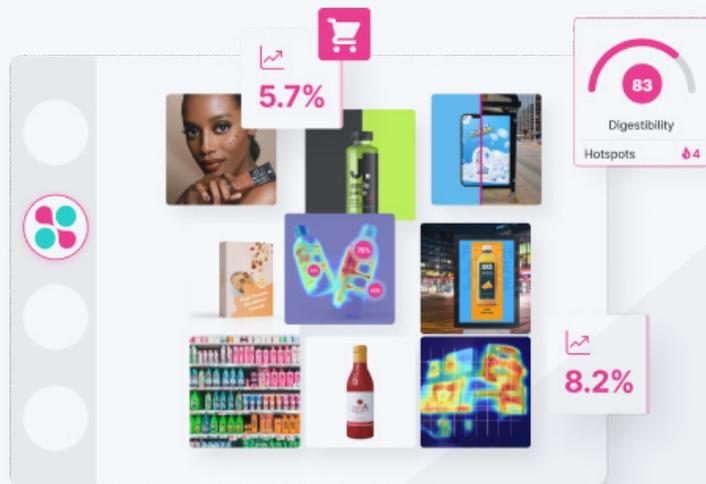


Premium babywear

Baby Mori is a babywear and childrenswear retailer. Mori's products are made from their signature fabric, derived from organic cotton and bamboo, which is processed without the use of harmful chemicals. These fabrics are exceptionally soft and ideal for the sensitive skin of infants and toddlers. Baby Mori sells through its websites in the UK, EU and USA, through third-party wholesalers such as Harrods and Next, as well as its retail stores in the UK. Mori's flagship store is located on Northcote Road in Clapham.

Guinness VCT Investment to Date:
£0.35 million

Sector: **Retail** Website: www.babymori.com



Examples of Successful Exits made out of the Guinness EIS funds since 2019:



PASTA EVANGELISTS

The freshest artisan pasta

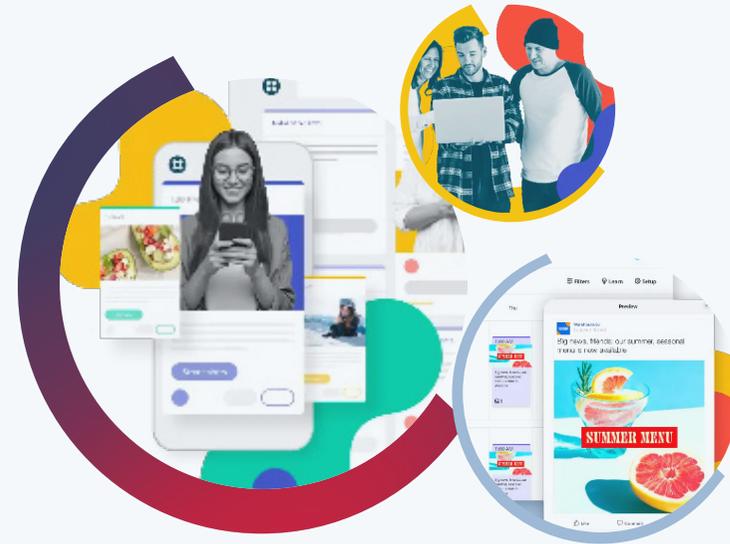
Pasta Evangelists is a luxury pasta delivery service. The company delivers pasta direct to customers' homes nationwide and prides itself on using the freshest ingredients and recipes sourced from various regions in Italy. In January 2021, Pasta Evangelists was acquired by the Barilla Group for £40 million.

Full Exit

Guinness EIS Investment to Date:
£3 million

Money multiple:
3.0x

Returned to investors:
£9 million



ContentCal

Social media made simple

ContentCal is a content management and publishing workflow tool that allows marketing teams to plan, co-ordinate and efficiently deliver marketing content to target audiences. ContentCal was acquired by Adobe in December 2021.

Full Exit

Guinness EIS Investment to Date:
£2 million

Money multiple:
4.7x

Returned to investors:
£9.4 million

Experienced and talented team

The investment management team bring together complementary skillsets and experience that help us make high quality, well evidenced investment decisions. The team supports the portfolio companies throughout the lifetime of our investment and endeavours to translate the potential of our companies into growth and returns for our investors.



Shane Gallwey CFA
Head of Ventures

Shane set up the Ventures team in 2010, having previously advised growth companies while at Northland Capital Partners. From 2002 to 2006 Shane was based in Gibraltar with Trafalgar Financial Futures. He also worked in Telecoms & Technology at HSBC Investment Bank. Shane graduated from the University of Edinburgh with a Master's degree and is a CFA Charterholder.



Hugo Vaux
Fund Manager

Hugo works across the private and AIM-focused EIS and IHT funds. Before joining Guinness, he undertook macro-economic analysis worked at SandAire multi-family office, having previously gained corporate finance and investment experience at Lend Lease and Aldersgate Investment Managers. He has an MSc in Finance and Investment and a BA in Economics.



Dr Malcolm King
Fund Manager

Prior to joining Guinness in 2013, Malcolm worked for the Carbon Trust and its subsidiary CT Investment Partners where he led transactions in the cleantech and renewables sector. From 2006 to 2008 Malcolm worked as a Consultant for Angle Technology plc where he managed the Carbon Trust Angle Incubator, the leading cleantech incubator of its kind in Europe. Malcolm has a PhD in Physical Chemistry from Cambridge University and a BSc (Hons) in Chemistry.



Ashley Abrahams
Fund Manager

Ashley gained his considerable experience working for CBPE Capital and CIL Management Consultants. He has worked across most sectors and has a focus on helping develop and support growth strategies for SMEs. Ashley graduated from the University of Cambridge and has a joint honours MA (Cantab.) in Management Studies and History. Ashley joined Guinness in 2018, the same year as he completed an MBA with the Quantic School of Business and Technology, a disruptive learning platform.



Adam Barker

Senior Associate

Adam is responsible for sourcing, screening, structuring, and managing the due diligence of investment opportunities for the Guinness Ventures fund. Adam joined Guinness in 2018 after completing internships in various financial services roles including venture capital and equity analysis. Adam graduated in 2016 with a degree in Mathematics.



George Whear

Analyst

George joined as an Analyst in the Guinness Ventures team in 2022, working on the Guinness AIM EIS and Guinness EIS services. George graduated with a First Class Degree in History from the University of Durham and gained experience with an internship in venture capital.



James Fox

Associate

James joined as an Associate in the Guinness Ventures team in July 2021, working both within the portfolio management and investment teams. James graduated from the University of Nottingham, with a Master's Degree in Physics & Astronomy and is a Chartered Accountant.



Sara Yachou

Finance Assistant

Sara joined Guinness Ventures as a Finance Assistant in February 2023. Before joining Guinness, Sara spent five years working in the Finance Department at AllSaints.



Joe Stuanton

Associate

Joe joined Guinness Asset Management in March 2023 as an Associate within the EIS team. Prior to this, Joe spent two and a half years working in a Northern focused VC fund at Mercia Asset Management. He holds a First-Class degree in Economics from Durham University.



Edward Guinness

Chief Executive

Edward worked as a merger arbitrage analyst for the Arbitrage Associates Fund at the Tiedemann Investment Group in New York. He also worked in Corporate Finance, Energy & Utilities and Telecoms & Technology at HSBC Investment Bank. He has a Master's degree Engineering and Management Studies from the University of Cambridge.

Investment focus	Generalist fund investing scale-up capital
Amount of offer	£10 million with a £5 million over-allotment
Existing investor discount	1% discount on initial fees for existing investors of Guinness VCT, Guinness EIS and Guinness AIM EIS services
Early bird discount	1% discount on the initial fee until 31st January 2024
Application deadline for 2023/24 tax year	4th April 2024
Target dividend*	5% from 2026
Minimum investment per tax year	£5,000
Maximum VCT investment per tax year	£200,000

For an application form or to ask a question:

Call: 020 7222 3475

Email: vct@guinnessfunds.com

Visit: www.guinnessgi.com/vct

Phone calls are recorded for your protection. We don't give advice on whether it's suitable for you to invest in the Guinness VCT. Please speak to your financial and tax advisers before investing.

*The target dividend should not be relied upon to predict actual dividends and is not an indication of the future performance of investee companies, nor constitutes a projection or forecast.

How to invest

Making the Initial Investment

Please read all the material provided on the Guinness VCT, including the prospectus and the Key Information Document (KID). Once you understand the investment, you, or your adviser, can complete an application form. We will inform you once your application has been processed.

You can download all offer literature including the Prospectus, Key Information Document (KID) and Application Form on our website: <https://www.guinnessgi.com/vct>

Tracking your Application

You can use the Receiving Agent's online tracking service to track the status of your application and download a PDF copy of your Application Form. Alternatively please contact the Receiving Agent on 01484 240 910 or at guinnessvct@city.uk.com.

Share and Income Tax Certificates

We anticipate being able to send you Share and Income Tax Certificates 10 working days after the shares have been allotted. Please file these documents carefully as there is usually a cost to replace lost certificates.

Communication and Reporting

Shareholders will have access to a copy of the Company's annual report and accounts (expected to be published each July) and a copy of the Company's interim results (expected to be published each December). These will be made available on Guinness's website.

Selling VCT shares

If you wish to sell your shares you have two options. You can sell them directly to the market, or back to the VCT. However, it may not always be possible to sell your shares at the time or price you would like to, therefore, the Company should be seen as a long-term investment. Please see the prospectus for full details.

Dividend Policy

We are targeting, but cannot guarantee, to pay a regular annual dividend of 5% of the Company's NAV, commencing in the financial year beginning 2026. We also intend to pay special dividends, where appropriate, from the proceeds of successful exits of portfolio companies that are not reinvested. The Company's ability to pay dividends is subject to the existence of realised profits, legislative requirements and the available cash reserves of the Company.

The lifecycle starts with the initial investment and VCT rules require investors to hold shares for five-years to Retain the tax benefits. Investors can claim 30% Income Tax relief on up to £200,000 invested per annum and we expect tax free dividend payments to start from 2026. No projection or forecast is expressed or implied. We will also offer the ability to reinvest distributions for further 30%

Our Fees

We want our fees to be simple and easy to understand.



This is paid by the VCT and calculated as 20% of dividends provided the Total Return is above the Hurdle

One off fees^[2]

These initial fees are paid from the VCT and impact the price you pay per share, as per the Pricing Formula. This is the cost of setting up your investment and administration.

Advised

If you have received advice from an adviser you can choose to pay them a one-off charge. This may be paid on your behalf through the VCT or as a direct payment from you.

Direct

You can apply as a direct investor, although you should seek advice from a financial adviser before investing.

Ongoing fees

These fees are paid throughout the lifetime of the investment from the VCT. Although the fees are not charged explicitly to you as an investor, they will have an effect on the growth of your investment as the fee will reduce the amount available as a return on your investment.

Execution-only

If you have used an execution-only intermediary, they may be entitled to commission on your subscription amount. These intermediaries may agree to waive part or all of their initial commission in respect of your application to your benefit.

Note to fees

- (1) A fee will usually be agreed between a financial adviser and an Investor for the advice (“Adviser Charge”). This fee can either be paid directly by the Investor or, up to 4.5% of the amount subscribed by the Investor, can be facilitated by the Company. If the payment is to be facilitated by the Company, then the Investor is required to specify this amount on the Application Form. The Investor will be issued fewer Shares (to the equivalent value of the Adviser Charge) through the Pricing Formula. Tax relief cannot be claimed on funds being used to pay the Adviser Charge.
- (2) The initial fee is paid by the Guinness VCT Plc and not the investor, but the amount of the initial fee will adjust the number of shares issued to an investor under the offer in accordance with the pricing formula.
- (3) Authorised financial intermediaries who, acting on behalf of their clients, return valid Application Forms bearing their stamp and Financial Conduct Authority number may be entitled to an initial commission for each such Application Form.
- (4) A discount of 1% to be deducted from the Initial Fee for all accepted valid applications under the Offer received from existing investors of Guinness VCT, Guinness EIS and Guinness AIM EIS services that are submitted with payment in full.
- (5) An Early Bird discount of 1% will be deducted from the initial fee for all accepted valid applications that are submitted with the appropriate payment and are received by 31 January 2024.
- (6) Guinness will provide investment management services in accordance with the Investment Management Agreement for which it will receive a management fee of 2.0% of the Company’s NAV per annum.
- (7) Guinness will be incentivised with a Performance Fee to align the interests of the Manager and Shareholders. This fee is set at 20% of dividends (or other returns of capital) paid in a financial year in which the Total Return is above the Hurdle.

For the Hurdle to be met, the Shares must achieve a Total Return (based on the lower of audited year end NAV and the NAV at the date the dividend is declared) in excess of £1.00 for the year ended 31 March 2024. For subsequent years, for the Hurdle to be met, the Hurdle increases by 3p per annum such that for the year ended 31 March 2025 the Hurdle will be £1.03, for the year ending 31 March 2026 the Hurdle will be £1.06 and so on.

Key risks

A full set of risk factors can be found in the prospectus.

Set out below is a summary of the most material risk factors specific to the issuer:

It is anticipated that interest rates will remain inflated over the near term, which may have an adverse effect on the Company's investee companies and, potentially, their value and have a negative impact on the NAV of the Company, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the shares.

The current hostilities in the Ukraine and the resulting sanctions imposed on the Russian Federation by various countries around the world may have unforeseen, long-term and far-reaching consequences for the global economy and the Company's portfolio of investments, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the shares. In particular, the interruption and/or limitation in the supply of certain natural resources (such as oil and gas) could have a negative impact on the performance of the Company's portfolio of investments.

Investments in smaller unquoted companies, (usually with limited trading records which require venture capital) carry substantially higher risks than would an investment in larger or longer-established businesses.

There can be no guarantee that suitable investment opportunities will be identified. The past performance of members of the investment management team is no indication of future performance.

The market for shares in smaller companies is often less liquid than that for shares in larger companies, bringing with it

potential difficulties in acquiring, valuing and disposing of such shares. There may also be constraints imposed on the realisation of investments to maintain the VCT tax status of the Company.

The Company may be unable to maintain its VCT status, which could result in loss of certain tax reliefs for both the Company and investors .

In 2015 a sunset clause for VCT income tax relief was introduced. This was a condition of the European Commission's State Aid approval of the UK's VCT and EIS schemes, namely a retirement date for the schemes of midnight on 5 April 2025. If the legislation is not renewed or replaced with similar or equivalent legislation before the retirement date, investors participating in any share offers of the Company taking place after 5 April 2025 will not be able to claim income tax relief for their investments in any new shares issued by the Company after 5 April 2025. This may have an adverse impact on the continuation of the Company as a VCT, given its vintage as a relatively new VCT with modest capital resources, if it is unable to raise further capital and/or meet its investment objectives in the future. It was announced in the Government's mini-budget of 23 September 2022 that the retirement date in respect of the sunset clause would be extended beyond 5 April 2025. In its Autumn Statement of 17 November 2022, the Government reiterated its support for VCTs and noted that it sees the value of extending them in the future. However, as at the the date of this document, the revised retirement date has not been confirmed or made into law. As at the date of this document, it is expected that VCT shareholders will continue to be entitled to receive tax-free dividends and relief on capital gains on the VCT shares they acquired prior to 5 April 2025. The Company is monitoring this risk and the potential impact on the Company.

Important Information

This brochure is issued by Guinness Asset Management Limited (Guinness) which is authorised and regulated by the Financial Conduct Authority. Registered address: 18 Smith Square, London, SW1P 3HZ. Registered in England and Wales company number 04647882. Guinness Ventures is a trading name of Guinness Asset Management.

Prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of investing and the risk involved. Prospective investors should not treat the contents of this brochure as advice relating to legal, taxation or other matters. If in any doubt about the proposal discussed in this brochure, its suitability, or what action should be taken, prospective investors should consult their own professional advisers.

Guinness has taken all reasonable care to ensure that all the facts stated in this brochure are true and accurate in all material respects and that there are no other material facts or opinions which have been omitted where the omission of such would render this brochure misleading. However, we give no representation or warranty, expressed or implied, as to the accuracy or completeness of the information or opinions contained in this brochure.

No liability is accepted by Guinness, or any of its directors, members, officers, employers, agents or advisers, for any such information or opinions. All statements of opinion and/or belief contained in this brochure, all views expressed and all projections, forecasts or statements relating to expectations regarding future events, represent Guinness' own assessment and interpretation of information available as at the date of this brochure.

This brochure does not constitute, and may not be used for the purposes of, an offer or invitation to treat by any person in any jurisdiction outside the United Kingdom. This brochure and the information contained in it are not for publication or distribution to persons outside the United Kingdom. It does not constitute a public offering in the United Kingdom.

The Guinness VCT may not be suitable for all investors. We would recommend that prospective investors seek independent advice before making an investment decision.

For information on how we use personal data, including with third parties outside of the European Economic Area (EEA) please refer to our Private Policy on our website.

FOR PROMOTER AND INTERMEDIARY ENQUIRIES



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www.ramcapital.co.uk

For an application form or to ask a question:

Call: 020 7222 3475

Email: vct@guinnessfunds.com

Visit: www.guinnessgi.com/vct

* Phone calls are recorded

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London
SW1P 3HZ

Guinness Ventures is a trading name of Guinness Asset Management,
which is authorised and regulated by the Financial Conduct Authority.

The Guinness Ventures logo consists of a stylized white 'G' icon on the left, followed by the word "GUINNESS" in a large, bold, white sans-serif font, and the word "VENTURES" in a smaller, white sans-serif font directly beneath it.

GUINNESS
VENTURES