



GUINNESS **VCT**

BROCHURE

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 £5.4 billion in assets under management as 31 August 2022.

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. 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 £255 million invested into over 180 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 and investors are shareholders in that 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 size £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.**



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 already have a proven product, service or technology, but are looking to gain traction 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



Focusing on both growth and preservation of your capital



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.

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 strong 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 unique 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

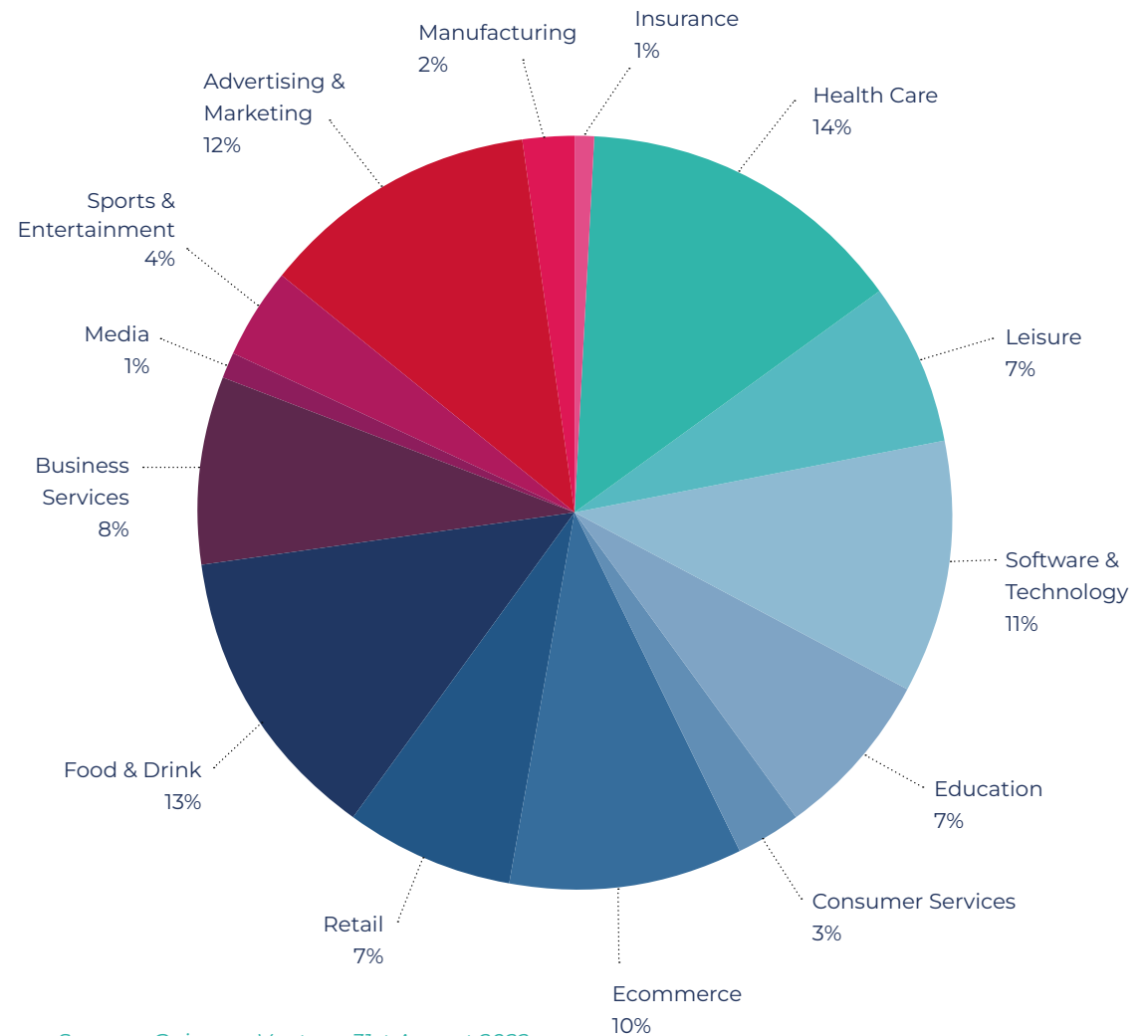
Exit strategy is assessed and reviewed right from the start of the investment process. Opportunities for exits of individual investments are taken into consideration throughout the lifetime of the investment as part of our focus on achieving value for our investors.

Building a diversified portfolio

We seek to invest in a portfolio of business that we believe provide the opportunity for growth and value appreciation. Currently, the Guinness EIS is an active investor in over 40 private growth companies across 14 sectors. The Guinness VCT and the Guinness EIS Services have aligned portfolio strategies.

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

Guinness EIS growth company portfolio



Source – Guinness Venture, 31st August 2022

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, collectively totalling over 150 years of combined experience working with growth stage businesses.

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:

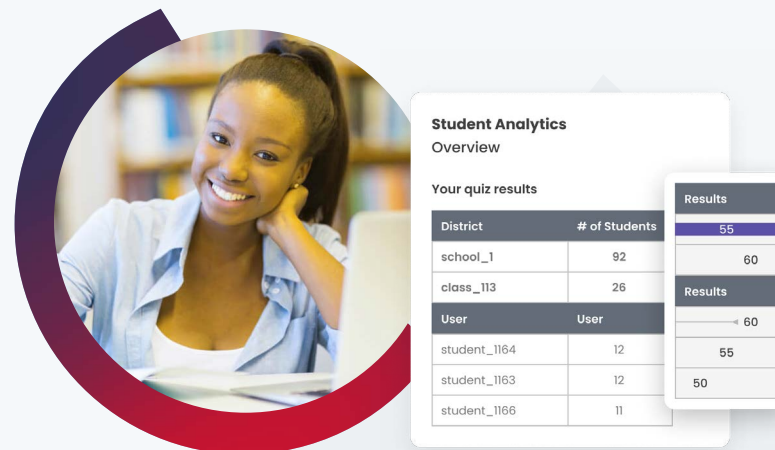
- **Management Information** - Developing key performance indicators and reporting to enhance evidence-based decision making;
- **Professionalisation** - Improving middle-office and back-office systems and processes;
- **Hiring Strategy** - Helping companies identify the best talent;
- **Strategic Planning** - Bringing our generalist support and connections to help refine decision making;
- **Value Creation** - Implementing the 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 include digital marketing, sales strategy, pricing and financial tools; and
- **Future Fundraising** - As well as follow on investment from Guinness managed funds, active support in sourcing additional debt and equity.



Investing in the potential of growing British companies

Our generalist investment approach means we consider the potential growth of companies and their market opportunities in a wide range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food & drink.

Over £255 million has been invested into companies from the Guinness EIS and Guinness AIM EIS Services since 2010 and £95 million has already been returned to investors. Funds advised/managed by the Manager have invested into 42 unlisted growth companies across 14 sectors from the Guinness EIS service which would have met the Company's stated invested policy. 76% of unlisted growth companies invested in Funds advised/managed by the Manager are, on a blended basis, currently valued at or above cost with the remaining 24% held below cost. Some examples of these are detailed below and are typical of the type of investment the Manager will recommend for investment by the Company.



Learning enablement platform

BibliU has developed and now operates a platform for the distribution of academic textbooks online. The company has established relationships with all of the major academic publishers and sells its platform at an enterprise level to universities in the UK and the US. Notable customers in the UK include Oxford University, University College London, Imperial College and Coventry University. BibliU completed a £12 million Series B investment round in June 2022.

Guinness EIS Investment to Date:

£3.5 million

Current Valuation:

1.3x

Sector: **Education**

Website: **www.bibliu.com**



Quality driven tech teams. On demand.

Distributed enables enterprises to work with fully managed, globally distributed software development teams. It provides companies with access to top quality developer talent by eliminating cultural, language, and geographical barriers, giving freelancers greater access to work and opportunities for career progression.

Guinness EIS Investment to Date:
£4.4 million

Current Valuation:
1.7x

Sector: **Technology** Website: www.distributed.com



Where businesses help local good causes

Neighbourly is a software platform that helps large corporates meet their Environmental, Social and Corporate Governance (ESG) objectives through the donation of surplus products, time, or money to charities. Customers include M&S, Aldi, Lidl, Samsung, and Starbucks.

Guinness EIS Investment to Date:
£4.5 million

Current Valuation:
1.2x

Sector: **Business Services** Website: www.neighbourly.com

Popsa

Photobooks created in minutes

Popsa is a photobook application for iOS and Android that, through the use of proprietary machine learning algorithms, has reduced the time it takes for customers to produce photobooks from 2 hours to an average of just 6 minutes. Popsa now has a team of more than 40 people and receives tens of thousands of orders per month.

Guinness EIS Investment to Date:
£3.9 million

Current Valuation:
2.8x

Sector: **eCommerce** Website: www.popsa.com



thriva

Take health into your own hands

Thriva is a customisable blood testing business that allows customers to track key metrics to help them better understand their health and achieve lifestyle goals, such as better sleep or health. In 2022, Thriva ranked third in The Sunday Times 100 and sixth in the FT 1000, which rank the fastest growing companies in Britain and Europe respectively.

Guinness EIS Investment to Date:
£2.5 million

Current Valuation:
1.6x

Sector: **Healthcare** Website: www.thriva.co

WOLF & BADGER

A platform for independent brands

Wolf & Badger is a retailer of premium and independent fashion, jewellery, beauty and homeware brands that it sells through its e-commerce site alongside its physical stores located in London, New York and LA.

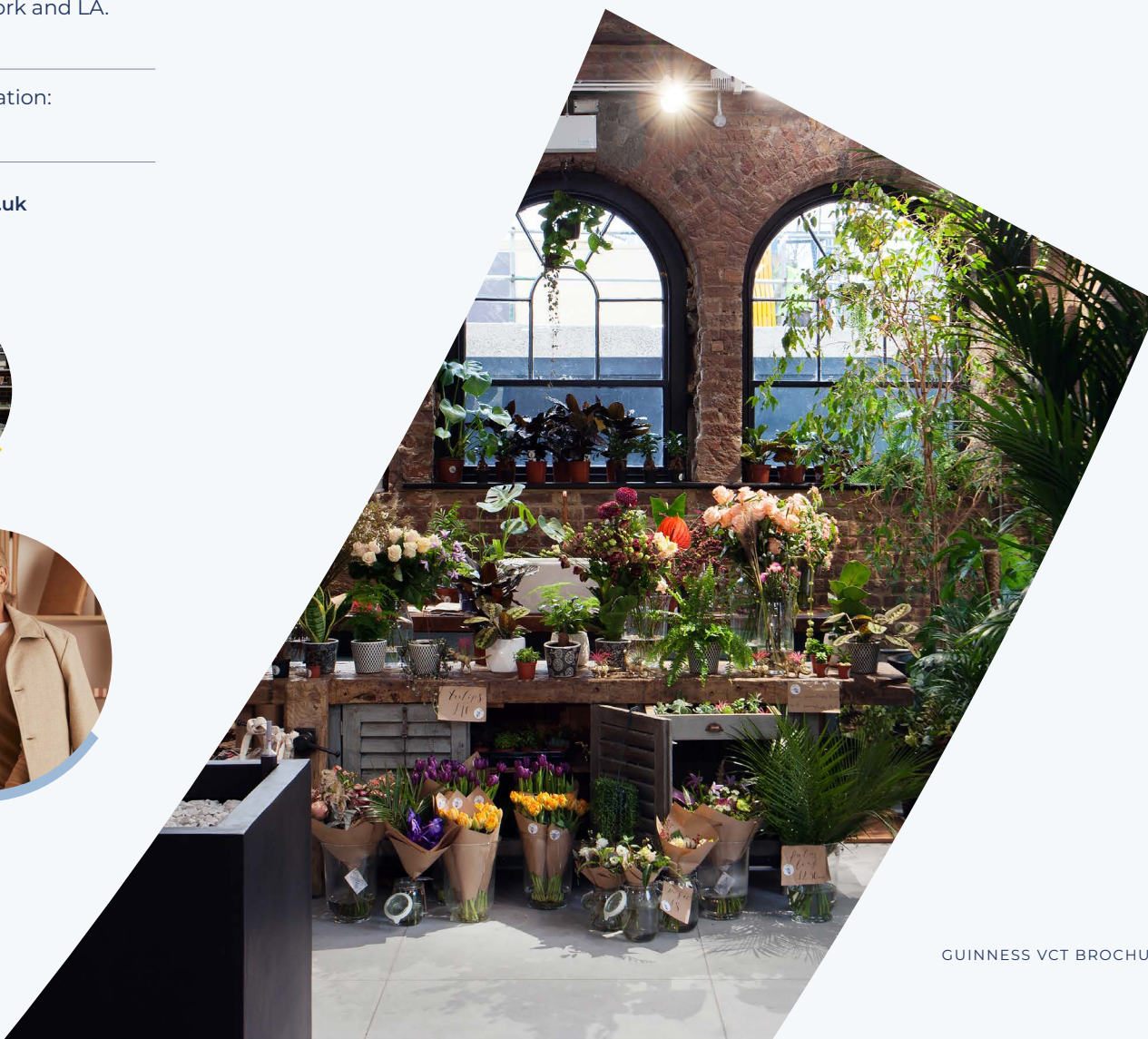
Guinness EIS Investment to Date:

£9.7 million

Current Valuation:

2.6x

Sector: **eCommerce** Website: www.wolfandbadger.co.uk



Successful Exits

Even before investing we will have examined the possibilities of value creation for a great exit. We continuously monitor our portfolio companies to assess our exit strategies and are focused on finding the ideal opportunity for the best return for our investors.



Cera⁺

Revolutionising Care at Home

Cera Care uses technology to provide better and more affordable care for elderly and vulnerable patients in the comfort of their own home. In August 2022, Cera Care raised £260 million through equity and debt.

Partial Exit

Guinness EIS Investment to Date:

£6.3 million

Current Valuation:

8.2x

Returned to investors:

£4 million



The freshest artisan pasta

Pasta Evangelists is a luxury pasta delivery service. The company delivers pasta direct to customer's 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



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:

4.3x

Returned to investors:

£8.5 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.



Bridget Hallahane

Portfolio Manager

Bridget leads the portfolio management function. Previously she was the Chief Financial Officer at Active Partners, focusing on investment in high growth SMEs. For 12 years she worked at PricewaterhouseCoopers across assurance, transaction services and business recovery. Bridget has international experience across a broad range of sectors and size of companies.



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.



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.



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.



James Fox

Associate

James has worked with Guinness as an Associate since 2021. Coming from a physics background, James enjoys finding and working with businesses which use AI to innovate and push boundaries. He has a diverse portfolio of companies, ranging from SAAS within AdTech, Sport Tech and EdTech through to Food & Drink. James has a Master's Degree in Physics & Astronomy and is a Chartered Accountant.



Adam Barker

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.



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.



Sabina Pasha

Associate

Sabina is as an Associate in the Ventures team. Prior to joining Guinness, Sabina completed her ACA qualification at BDO in Transaction Services. She completed financial due diligence on mid-sized businesses, working on a number of private transactions as well as preparing capital markets reports for IPOs. Sabina graduated with a degree in History in 2016 and qualified as a Chartered Accountant with BDO in 2019.

Investment focus	Generalist fund investing scale-up capital
Amount of offer	£10 million with a £20 million over-allotment
Early bird offer	1% discount on the initial fee until 31st January 2023
Last share issue for 2022/23 tax year	5th April 2023
Target dividend*	5% from 2026
Minimum investment per tax year	£5,000
Maximum VCT investment per tax year	£200,000

*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.

**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.

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>

Issuing Shares

Once we have received your funds, we will allot your shares in accordance with the prospectus. When this is complete you will be able to request an update on the value of your shares by contacting our Investor Relations team on 020 7222 3475 or email vct@guinnessfunds.com.

Share and Income Tax Certificates

We anticipate being able to send you Share and Income Tax Certificates 10 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

You can check the value of your shares by contacting us on 020 7222 3475 or emailing vct@guinnessfunds.com. Shareholders will also have access to a copy of the Company's annual and interim reports and accounts. Both will be available on our 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 gain the tax benefits. Investors can receive certification to claim 30% Income Tax relief on up to £200,000 invested per annum and we expect tax free dividend payments to start from 2026. We will also offer the ability to reinvest distributions for further 30% Income Tax relief.

Our Fees

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

Our target returns are stated as after fees have been charged.



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

One off fees

These initial fees are paid from the VCT and impact the price you pay per share, as per the Pricing Formula.

⁽¹⁾ This is the cost of setting up your investment and administration.

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.

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.

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.

Direct

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

Notes to Fees

- (1) 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.
- (2) 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.
- (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) 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 2023.
- (5) 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.
- (6) 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:

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. 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 which in turn may have an adverse effect on the future investment returns of the Company and the market value of the shares.

It is anticipated that interest rates will continue to rise 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 COVID-19 pandemic is likely to continue have a significant impact on the UK and global economy, affecting workers and businesses of all sizes. Despite the UK Government's fiscal measures and additional tax and other benefits to support small businesses, the Company's portfolio businesses may be adversely impacted by the ramifications of the pandemic, as may be the returns for investors.

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 the Company will meet all its objectives or 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.

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. The Government have announced an intention to extend the relevant legislation but the detail has not yet been announced. 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.

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

