

Target market document

Purpose

This document provides you with information about the intended target market for this investment product. It is not marketing material. The information is provided in line with Consumer Duty requirements to highlight the characteristics of the intended target market selected by the Board of Baronsmead Second Venture Trust and is to be read alongside the prospectus.

Baronsmead Venture Trust plc (the “trust” or the “company”)

Product: This Company is a Venture Capital Trust and public limited company, whose shares are traded on the London Stock Exchange as a Closed Ended Investment Fund and incorporated in the United Kingdom (the “product”).

Name of PRIIP manufacturer: Baronsmead Venture Trust plc

Website for the PRIIP manufacturer: <https://greshamhouse.com/strategic-equity/private-equity/baronsmead-vcts/>

Call this telephone number for more information: T +44 (0) 20 3875 9851

Competent Authority of the PRIIP Manufacturer in relation to the Target Market Document: UK Financial Conduct Authority

Date of production of this Target Market Document: 23/11/2023

'Though Venture Capital Trusts are not classified as High-Risk Investments by the Financial Conduct Authority, there may be risks associated with the shares of the Company which are not simple and may be difficult to understand'.

What Is this product?

Type: Shares in the company

Investment Objectives: BVT is a tax efficient listed company which aims to achieve long-term positive investment returns for private investors, including tax-free dividends. BVT's investment policy is to invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK, although these investee companies may have some trade overseas. Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance the Company's value and which will diversify its portfolio. BVT will make investments in accordance with the prevailing VCT legislation which places restrictions, inter alia, on the type and age of investee companies as well as the maximum amount of investment that such investee companies may receive.

Intended investor

Investors aged 18 or over, who are UK tax-payers intending to invest at least £5,000 to be held for at least 5 years and who are comfortable with higher risk investments in small, illiquid unquoted and quoted companies.

Holding period

The recommended minimum holding period of 5 years has been selected, as VCTs are intended to have a long investment horizon and any divestment within the recommended minimum holding period would have implications with respect to VCT tax advantages of investing in the Company.

Knowledge and experience

VCT investing is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. Investors should read the risk factors set out in the most recent Prospectus and Annual Report.

Negative target market

We have considered whether there are any customer groups for whom the service would be unsuitable.

- Investors who do not pay income tax within the United Kingdom.
- Investors who are looking to invest less than £5,000 under the Company's latest offer for subscription.
- Investors who are not willing to take any investment risk with this investment.
- Investors who need access to this investment in the short term (i.e. within the minimum holding period of 5 years).
- Investors who are unable to assess the risks and merits of the product and retail investors who haven't gone through an IFA/wealth manager.

Financial situation

Investors should be able to lose all funds invested. There are no additional payment obligations that might exceed the amount invested.

Risk tolerance

The risk indicator assumes you keep the product for 5 years. If you sell your product earlier, you may have to sell at a price that significantly impacts how much you get back and you will be subject to loss of certain VCT / TGE tax relief associate with your investment. You may not be able to sell. The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as 6 out of 7, which is a the second-highest risk class. This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact our capacity to pay you. This Product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment. The required summary risk indicator only reflects historic share price volatility of the company's shares. It excludes other risks inherent in the product and, therefore, does not show the full risks to the investor. Investment in AIM traded and unquoted companies have a higher degree of risk than investments in companies traded on the main market of the London Stock Exchange. These risks include market, credit, liquidity and interest rate risks. The cost, performance and risk calculations included in this KID follow the methodology prescribed in UK rules.

