

Product

Pembroke VCT plc

Tax Status

Venture Capital Trust

Fund Group

Pembroke Investment Managers LLP

Risk Warning

This communication is provided for informational purposes only. This information does not constitute advice on investments within the meaning of Article 53 of the Financial Services and Markets Act (Regulated Activities) Order 2001. Should investment advice be required this should be sought from a FCA authorised person.

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GENERAL RISK WARNINGS

Your attention is drawn to the following risk warnings which identify some of the risks associated with the investments which are mentioned in the Review:

Fluctuations in value of investments

The value of investments and the income from them can go down as well as up and you may not get back the amount invested.

Suitability

The investments may not be suitable for all investors and you should only invest if you understand the nature of and risks inherent in such investments and, if in doubt, you should seek professional advice before effecting any such investment.

Past performance

Past performance is not a guide to future performance.

Legislation

Changes in legislation may adversely affect the value of the investments.

Taxation

The levels and the bases of the reliefs from taxation

may change in the future. You should seek your own professional advice on the taxation consequences of any investment.

ADDITIONAL RISK WARNINGS

Venture capital trusts

1. An investment in a VCT carries a higher risk than many other forms of investment.
2. A VCT's shares, although listed, are likely to be difficult to realise.
3. You should regard an investment in a VCT as a long term investment, particularly as regards a VCT's investment objectives and policy and the five year period for which shareholders must hold their ordinary shares to retain their initial income tax reliefs.
4. The investments made by VCTs will normally be in companies whose securities are not publicly traded or freely marketable and may therefore be difficult to realise and investments in such companies are substantially riskier than those in larger companies.
5. If a VCT loses its Inland Revenue approval tax reliefs previously obtained may be lost.
6. No investment can be made by the VCT in a company whose first commercial sale was more than 7 years prior to date of investment, except where previous State Aid Risk Finance was received by the company within 7 years (10 years for a 'knowledge intensive' company) or where a turnover test is satisfied; and
7. No funds received from an investment by the VCT into a company can be used to acquire another existing business or trade.

Factsheet

Pembroke VCT	
Type	Generalist VCT with track record
Size	£250m AUM and is seeking £40m and a £20m over-allotment facility
Manager	Pembroke Investment Managers LLP ("Pembroke")
Sponsor	Howard Kennedy LLP
Registrars	The City Partnership Limited
Focus	To generate tax free capital gains and regular dividend income for shareholders through a portfolio of VCT qualifying investments across a range of sectors
Promoter	Pembroke and co-distributed by RAM Capital
Funds initially invested	Cash deposits, fixed income securities and other securities
Minimum investment	£5,000 per tax year, excluding initial adviser charges
Initial Closing Date	2 April 2026 (2025/2026 offer), 24 June 2026 (2026/2027 offer) unless amended
Issue costs	3% of the amount subscribed for advised investors and 5% of the amount subscribed for direct investors
Annual costs	2% annual management fee and up to 0.5% annual running cost (March 2025 annual running cost is 0.36% of NAV)
Initial advisor charges	If charged, these may be facilitated by the VCT on subscription up to 4.5%

Summary

Table 1: Tax Efficient Review summary of offering Pros and Cons

PROs	CONs
The Pembroke VCT achieved a 5.3x realised return for shareholders after its partial exit from Secret Food tours, resulting in a 2p dividend that was paid in May 2025. This is to be especially celebrated at a time when there have been few profitable exits from VCTs of late	The past 12 months have seen the writing off of Floom and United Fitness Brands. In December 2024, the Company sold its entire 2.3% holding in Beryl, despite efforts to negotiate alternative arrangements. The sale generated proceeds of £0.3 million, resulting in a loss relative to the £0.6 million investment cost
In the 12 years since the Pembroke VCT first launched, they have managed to achieve over £250m of assets under management and five profitable exits from investee companies and a healthy dividend track record.	The portfolio of companies within Pembroke VCT is fairly concentrated with the top 10 companies forming £115m of the £189m AUM represented by the qualifying companies
The Pembroke VCT has increased its annual target dividend from 3 pence per share to 5 pence per share and it has consistently managed to achieve this target since 2021	Performance of the NAV per share has dropped from 115p per share in 2023 to 98.5p per share as of June 2025. Whilst this is unfortunate, it reflects falls in NAV per share across a number of generalists VCTs over the past 2 years

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TER classification

TER classifies this VCT as a “Generalist VCT with track record” and Pembroke are experienced

fund managers within the VCT market. The first Pembroke VCT launch was in 2013.

Review based upon

TER always meet with fund managers prior to a review. This review is based on that meeting, the prospectus for the offer, (Pembroke VCT

reference - August 2025) and data provided by Pembroke Investment Managers LLP

Consumer Duty

The FCA’s Consumer Duty comes into force from 31 July 2023 for existing products and services. One of the main purposes of this new legislation is that it seeks to ensure customers receive “fair value” and that fund management firms provide evidence that these outcomes are being met.

The assessment carried out by each firm is to ensure that its products provide fair value to retail customers in the target markets for those products; and that it has carried out a value

assessment of its products which they review on a regular basis (appropriate to the nature and duration of the product).

Each firm being reviewed by TER has created their own “Confirmation of Value” assessment, which are available directly from the fund manager. Please note that in each TER report, there is a Fees section which compares the costs of the offer being reviewed against its peer group.

Table 2: Pembroke funds under Management Data

As at June 2025	Net assets	Annual Management fee	Still to be invested Cash held as at 30/06/2025
VCT Funds			
Pembroke VCT B Ordinary shares	£258m	2% of NAV	£56m
TOTAL	£258m		£56m

Source Pembroke

The Offer

This new offer from the Pembroke VCT is offering investors the opportunity to invest up to a further £40m in the Company via its B Ordinary Shares, with an over-allotment facility for a further £20m. Last year's Offer raised a healthy £50.8m from investors.

The Pembroke VCT was first launched in 2013 and has recently celebrated its 12 year anniversary of its first allotment of shares. It now has over £258m in assets under management, achieved a number of profitable exits from investee companies and has paid a healthy stream of dividends over the past 5 years.

In particular, one of the exits which has occurred recently is from Secret Food Tours. This was a 5.3x partial exit and they still hold equity in the acquired business. This is discussed in more detail in the Track Record section of this report, but it should be flagged at this point because it has been a quiet time for VCTs achieving profitable exits from their portfolios of late.

In further news from the portfolio of companies, one of their most successful holdings, Lyma, has recently had its products approved for use within the US market.

Companies like Secret Food Tours and Lyma are emblematic of the type of consumer-facing businesses which Pembroke VCT seeks to invest in and grow over time.

This could be described as a specialist investment mandate. But as assets under management have grown, it can now be viewed as more of a generalist VCT, with a fairly equal split between three core sectors: technology, business services and consumer

The person responsible for helming the Pembroke VCT over these past 10 years is Andrew Wolfson and he should be congratulated on what the Pembroke VCT has achieved under his guidance. Previously there was a concern as AUM grew from that there was large amount of "Key Man Risk" to this VCT.

Over the past 24 months the team has expanded significantly. Signature hires have been made, including:

- Victoria Barber as new sales director

- Emma Ward, Head of Talent
- Felix Danzchak, Head of AI and Growth

In addition, Fred Ursell has been promoted to Head of Investments. Fred has been with Pembroke for over six years working directly with CEO Andrew Wolfson, and brings more than a decade of experience investing in and advising high-growth companies. These appointments are covered in more detail in the Manager section of this report

Pembroke's B Ordinary Shares have 45 active investments (in total the VCT has invested in 71 companies within the Consumer, Technology, and Business Services sectors and achieved five profitable exits, but 18 have failed). As at 30 June 2025 Pembroke VCT has a NAV of over £250m

The Board believes that raising new capital will ensure that the Pembroke VCT has sufficient liquid funds to support its investment objectives of investing in Qualifying Investments across the above sectors, reduce the Ongoing Expense Ratio of the VCT whilst also having sufficient resources to achieve the Companies' increased target annual dividend of 5 pence per share and 5% discount to NAV share buy-back policies.

Strategy

Pembroke focuses on backing what they call "*exceptional founders and management teams*" with a deep understanding of the market in which they operate and the problem they are looking to solve. Pembroke seeks to provide these teams with the capital, contacts, advice and strategic guidance to help enable success.

The Pembroke VCT seeks to invest across three key market segments:

1. **Technology**
2. **Consumer**
3. **Business Services**

Table 8 in the appendix of this report shows the classification of each company within the portfolio of the Pembroke VCT in these three segments. There are currently 15 Business Services companies, 19 Consumer based businesses and 10 technology based businesses.

Within Pembroke's current portfolio of 45 companies, Pembroke say that 23% are profitable

businesses (representing 35% of the total portfolio value) on an annualised basis and the remainder are post-revenue, pre-profitable, with high growth objectives.

Most of Pembroke's deal flow is sourced by the Manager from the personal and professional networks of the team, with a growing share now driven by a structured outbound origination programme. This proactive approach, alongside referrals from Pembroke's current portfolio companies, complements a wide range of deal flow channels, including corporate finance firms, service providers, other funds, and direct founder outreach.

Historically, Pembroke has also been provided with opportunities from the Oakley Capital Private Equity team and their portfolio companies, particularly where the investments may be too small for their institutional funds. In addition, Pembroke benefits from insights from PROfounders who are also part of the Oakley group. They provide Pembroke with market intelligence and a potential source of deal flow through their wider network. Pembroke receives support from the Oakley group including legal, compliance, IT and HR.

Two important differentiators of the Pembroke VCT within the VCT market are based around how they structure their investments:

Typically, Pembroke will invest on the same terms as founders wherever possible to ensure an alignment of interests. It actively works with its investee companies, taking board positions and offering counsel and practical help to founders seeking to grow their businesses.

Pembroke does charge some fees to its portfolio companies, of which arrangement fees and monitoring fees (as referenced) may form a part. However, unlike other VCT managers, Pembroke does not charge director or exit fees.

Due diligence costs may be charged to the company, but they are capped and any costs incurred will be specific to the deal/company

In April 2023, Pembroke introduced a Portfolio Monitoring Fee of £30,000 (+ VAT) per annum, for three consecutive years, payable annually in advance. This Monitoring Fee is discretionary, subject to a minimum investment of £1m. Pembroke tell us that the Support Fee introduced

by Pembroke Investment Managers, has the full support of the Pembroke VCT Board.

At its discretion, the Manager may charge an Arrangement Fee to the portfolio companies in which the VCT invests. The Arrangement Fee is a percentage of the gross amount invested by the Company. Pembroke considers exercising its discretion to either lower the arrangement fee to match that of other investors participating in the round or waive it completely, depending on the commercial terms agreed as part of the round.

This is a change in stance from Pembroke which they have been building up to over the past couple of years. Historically, they did not charge such fees, but now, after 10 years, Pembroke say that they are reaching a level of complexity in the portfolio which requires greater support in the respective markets.

Pembroke will typically lead an investment round with a cheque of between £1–4m, with capacity to follow on in high-performing companies, a discipline typical of quality Venture Capital managers investing in expansion capital deals. Pembroke contends that this founder-friendly and "milestone investing" approach, combined with its portfolio growth specialists and extensive commercial and professional networks in its key sectors, makes it a highly attractive funding partner. In competitive processes, Pembroke leverages strong references from existing portfolio founders – who speak highly of the support received – to secure deals over rival bidders.

An example is the eyewear brand, BlooBloom. Following an investment of £2.5m in 2023, BlooBloom has consistently grown its revenue and EBITDA, and today has 7 London based stores. In June 2025, Pembroke invested a further £2m to accelerate the company's next stage of growth.

Pembroke has also created its 'Value Creation Team' to support portfolio growth through AI adoption and to help with the hiring of executive and Board level positions.

In general terms, and certainly no prediction is implied, Pembroke aims to exit after 4-8 years; its Management Team claims experience of selling companies to both strategic/trade buyers as well as private equity funds. An ideal exit would be to a strategic trade buyer or to a sector-specialist PE fund. Two of the three recent exits were to trade buyers. The most recent partial exit from Secret

Table 3: Generalist VCT provider 3,5 & 10 year performance comparison

VCT manager (alphabetical order)	VCT name	Data as at	Annual return over last 3 years	Annual return over last 5 years	Annual return over last 10 years
ALBION	Albion Technology & General VCT	31/03/2025	1.2%	6.2%	5.2%
	Albion Crown VCT	31/03/2025	1.7%	6.4%	7.0%
	Albion Enterprise VCT	31/03/2025	4.2%	9.1%	9.5%
	Albion Crown VCT New share	31/03/2025	-2.5%	2.5%	4.5%
BERINGEA	ProVen VCT	31/05/2025	0.5%	4.3%	3.2%
	ProVen Growth & Income New	31/05/2025	-1.8%	3.8%	1.7%
BLACKFINCH	Blackfinch Spring VCT	30/06/2025	4.8%	2.0%	
CALCULUS	Calculus VCT plc New Ord share	30/06/2025	1.2%	2.7%	
FORESIGHT	Foresight Enterprise VCT	31/03/2025	4.2%	11.1%	2.3%
	Foresight VCT	31/03/2025	6.2%	14.8%	5.1%
	Foresight Technology VCT FWT shares	31/03/2025	-2.1%	-1.6%	
GRESHAM HOUSE	Gresham House Income & Growth 2 VCT PLC	31/03/2025	-2.4%	12.8%	6.3%
	Gresham House Income & Growth VCT PLC	31/03/2025	-2.0%	13.9%	6.1%
	Baronsmead Second Venture Trust	31/07/2025	-1.5%	2.4%	1.9%
	Baronsmead Venture Trust	31/07/2025	-0.9%	2.2%	1.8%
MAVEN	Maven Income & Growth VCT 3	31/05/2025	0.1%	3.8%	2.3%
	Maven Income & Growth VCT 5	31/05/2025	0.7%	4.4%	3.9%
	Maven Income & Growth VCT	31/05/2025	0.8%	2.8%	2.8%
	Maven Income & Growth VCT 4	30/06/2025	-0.4%	3.4%	1.8%
MERCIA	Northern 2 VCT	30/06/2025	2.8%	8.7%	4.6%
	Northern Venture Trust VCT	30/06/2025	2.9%	8.4%	4.8%
	Northern 3 VCT	30/06/2025	2.8%	8.9%	5.1%
MOLTEN	Molten Ventures VCT	31/03/2025	-5.8%	4.2%	1.2%
OCTOPUS	Octopus Apollo VCT	31/01/2025	5.4%	9.1%	3.3%
	Octopus Titan VCT	31/12/2024	-13.3%	-3.3%	0.4%
PEMBROKE	Pembroke VCT B share	30/06/2025	-1.9%	3.5%	4.3%
PUMA	Puma Alpha VCT	31/05/2025	-2.7%	1.7%	
	Puma VCT 13	31/05/2025	-1.4%	5.4%	
SENECA	Seneca Growth Capital VCT B shares	31/03/2025	-13.1%	-3.7%	
TRIPLE POINT	Triple Point Venture VCT Venture shares	30/07/2025	-2.4%	3.7%	
YFM	British Smaller Companies VCT	30/06/2025	4.7%	13.2%	6.2%
	British Smaller Companies VCT 2	30/06/2025	3.9%	12.4%	6.1%

Source: Tax Efficient Review calculation based on dividend and Net Asset Value data from public accounts

Calculation: (Closing period NAV less Opening period NAV plus dividends paid in the period) divided by number of years in the period

Figures do not include tax relief

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Table 4: **Provider results comparison**

PROVIDER	AVERAGE SCORE BASED ON PLACE IN PEER GROUP (lower is better)
YFM	5
OCTOPUS APOLLO	8
MERCIA	10
GRESHAM HOUSE ex MOBEUS	11
ALBION	12
BERINGEA	18
MAVEN	18
PEMBROKE	19
GRESHAM HOUSE Baronsmead	22
MOLTEN	24
OCTOPUS TITAN	29

Calculation as at 13/09/2025 and based on results in Table 3 for providers with ten year performance. In order to reduce the data down to one figure, each VCTs' position in the Table 3 results is scored from 1 (first in the year) to the total number of VCTs in the analysis for the period (lower numbers are better), added together and then averaged over the three periods being measured

Food Tours in May 2025 was to Harwood Capital, a hospitality expert Private Equity investor.

Pembroke aims to invest 30-35% of new funds raised into new businesses, and 65-70% into existing investments. Of the 30-35% in new investments, it targets 80% in mid-growth companies with revenues of over £1m per annum and up to 20% in early-stage growth companies with revenues under £1m).

In the 12- month period to June 2025, £9.7m was invested in 5 new companies with £12.0m of follow on investment made into 10 existing portfolio companies. Most recently the company invested £2m in AI-driven customer experience platform, Serve First, which is designed to help businesses monitor, analyse and enhance front line performance.

Pembroke say a further £17.3m is in due diligence to be invested in new companies (as at September 2025).

Pembroke's developing portfolio of brands including Popsa, N Family Club, Secret Food Tours, COAT and LYMA have garnered significant national media exposure, leading to a number of approaches from businesses in similar sectors seeking investment.

Like all VCT managers, Pembroke claim a strong pipeline of interesting opportunities, and there are currently £17.3m of potential new investments in advanced diligence ahead of a proposed investment following a first allotment of the current raise. In addition, the manager has £3.3m in follow-on opportunities currently in due diligence.

New investors in the current B Ordinary Share offer will have immediate access to a maturing portfolio of 45 active companies. Of these, Pembroke tell us that 23% (representing 35% of the total portfolio value) are currently profitable on an annualised EBITDA basis. The decrease from the previous year is caused by Pembroke's exits and realisations of its profitable companies.

The B Ordinary Share NAV is invested:

- 25% in the Consumer sector which includes Five Guys, a premium burger chain with over 150 restaurants in the UK, N is for Nursery, a 7-day-a-week nursery and family club, Troubadour, sustainable London based luxury accessories brand specialising in superior handcrafted leather and textile goods, and Hackney Gelato, a premium ice cream brand. As well as newer investments such as women's fashion brand, With Nothing Underneath (WNU).

Table 5: Sectors data as at March 2025 as % of portfolio value

Sector name	
Consumer	25%
Technology	28%
Business Services	22%
Cash and other net assets	25%
TOTAL	100%
Source Pembroke	

Table 6: Stage of investment as at March 2025 as % of portfolio value

Stage by revenue:	
Early stage (turnover under £1m)	5%
Growth (turnover £1m-£5m)	26%
Scale up (over £5m - £50m)	58%
Mature (turnover over £50m)	11%
TOTAL	100%
Stage by profitability:	
Pre-Revenue	0.3%
Revenue Generating + Pre-Profit (EBITDA)	64%
Revenue Generating+ Profitable (EBITDA)	35%
TOTAL	100%
Source Pembroke	

- 28% in the Technology sector which includes LYMA a high-end nutritional supplement, Popsa, a photobook app that uses algorithms to create photobooks from customer pictures, and Transreport, an enterprise SaaS platform and a consumer application that allows the rail industry to book and facilitate assisted travel. As well as new investments such as innovative payments platform, Ryft.
- 22% in the Business Services sector which includes OnePlan, the event management platform which won the bid to plan the Paris 2024 Olympics and Paralympics, Peckwater Brands, the creator of virtual food brands for delivery-only restaurant franchises, and SeatFrog, a two-sided technology business with a mission to build a better future for rail operators and their passengers with its consumer-facing application. As well as new investments such as Mindset AI which provides integrated AI solutions for software-as-a-service (SAAS) businesses.

The remaining 25% is composed of other net assets which is mainly composed of cash amounting to £56m that is available to be invested.

Other recent investments include: Smartr365, end-to-end mortgage platform that seeks to tackle inefficiencies in the mortgage process, automating the entire journey and connecting brokers, lenders, estate agents and home buyers.

Dividend Policy

The B Ordinary Share class has annual target dividend of 5 pence per B Ordinary Share. The dividend is expected to be paid each year, and the Pembroke VCT will also aim to pay further dividends where realisations from the sale of portfolio assets allow.' However, this is a target, and no forecast or projection should be implied or inferred.

Last year, the company met its 5p per share annual dividend target. The Company also paid a 2p per share dividend in May 2025 as a result of the Secret Food Tours exit, which represents 2p of the target 5p per share for the FY26.

At 30 June 2025 the total return per share for the B Ordinary Shares was 140.5p and the NAV per share was 98.5p

The Pembroke VCT dividend track record is:

Financial Year	Dividend per share
2017	2p
2018	3p
2019	3p
2020	3p
2021	7p
2022	7p
2023	5p
2024	5.0p
2025	5.0p
2026	2.0p

Share Buyback Policy

It is intended that the Company will continue to repurchase shares which shareholders wish to sell, at a discount of no more than 5% to net asset

value per share, less transaction costs payable to market makers and stockbrokers; this will be at the discretion of the Board who must believe it to be in the best interests of the Company at the relevant time. Investors should note that a “buyback scheme” does not involve the VCT purchasing shares from the investor. It works by investors selling to a market maker who in turn will sell to the VCT.

The last share buyback of £4.6m was in April 2025 and is subject to consideration by the Board every 6 months. The discount to the NAV at the time of writing is a respectable 4.2%.

Pembroke say they have never been unable to facilitate a full share buyback.

Tax Efficient Review Strategy rating: 28 out of 30

Track record

Our approach to comparing track records between providers is to use 3, 5 & 10 year measures of the annual increase in total return (calculated as closing net asset value less opening net asset value plus dividends paid during the period).

The 3, 5 & 10 year results are in Table 3. In order to reduce the data down to one figure we score each VCTs’ position in the results from 1 (first in the year) to the total number of VCTs in the analysis (therefore lower numbers are better). We then add the 3,5 & 10 year figures together and take an average over the three periods being measured. The results are in Table 4.

The data in Table 4 shows that the Pembroke VCT is in the bottom half of the pack in their peer group returns over 3 years (their -2% return places them 23rd out of 32), 5 years (their 3% return places them 21st out of 32) and 10 years (their 4% return places them 13th out of 25).

So how does the Pembroke VCT track record stand up to scrutiny?

As at 30 June 2025 the Total Return (NAV per share plus cumulative dividends paid per share) is 140.5 pence on the B Ordinary Shares (issued at 100p) since 2015, excluding any tax benefit. Since March 2024, the B Ordinary Share portfolio has paid three dividends totaling 7.0p per share. In the 2024/25 tax year, Pembroke achieved its target dividend of 5p per share and paid a 2p per share

dividend in May 2025 as a result of the partial exit from Secret Food Tours.

Pembroke has made five positive exits to date, Pasta Evangelists, Plenish, ME+EM, Boat and most recently, Secret Food Tours.

The VCT held Pasta Evangelists for a period of less than one year, before exiting in January 2021 with a return of 2.3x; the business was acquired by Barilla, the world’s largest pasta business. Plenish was acquired in May 2021 by FTSE 250 listed beverage giant Britvic, realising a 2.3x return on investment. In March 2022 Pembroke VCT’s share of ME+EM was acquired by Highland Europe, realising a 16.2x return on investment. In July 2024, Boat was acquired by Informa Group, realising 1.4x return on investment, and in May 2025, the VCT realised part of its investment in Secret Food Tours, generating a 5.3x realised return for shareholders.

Pembroke has also had 20 loss-making exits or write-downs to date. Any measure of track record depends largely upon the manager’s valuation of its holdings; there are examples where there has been obvious substantial growth at a portfolio company level, for instance Five Guys growing to more than 150 UK restaurants since Pembroke invested but are yet to exit. LYMA is also a notable performer within the portfolio, currently held at a value of £31.8m on an investment of £2m.

Table 6 in the appendix of this report has the details of all of the exits or write downs achieved within the portfolio over the past three years. The two profitable exits mentioned earlier are contained in this Table along with those written off, but there are still some recoupments of debt positions within companies such as Chucs.

Tables 4 & 5 above shows the sector breakdown of the Pembroke VCT across 3 broad sectors.

As at 31 March 2025 the B Ordinary Share portfolio was 1.5x above cost (see Table 7). Whilst this is encouraging, advisers should note that 5% of the investment portfolio is invested in early-stage companies (Table 5).

Pembroke values its investments in accordance with International Private Equity and Venture Capital Valuation Guidelines. Of the B Ordinary Share Portfolio:

- 16% of the portfolio is calculated by reference to valuations that are set by most recent funding round valuations in which mostly non-Pembroke investors also participated
- 84% of the portfolio is calculated with reference to comparable company metrics such as earnings and EBITDA multiples

TER always prefer to see any uplift in the value of unquoted investee companies within a VCT to be accompanied by the rigour of a 3rd party investor participating in the round. So it is encouraging to see over half of the portfolio within the Pembroke VCT being valued this way.

Manager

The key members of the Pembroke investment team is listed in Table 8 with a breakdown of their activities.

The Management Team of Pembroke Investment Managers LLP comprises:

- Peter Dubens –Co-Founder of Oakley
- David Till –Co-Founder of Oakley
- Andrew Wolfson – Chief Executive Officer
- Chris Lewis – Chief Financial & Chief Operating Officer

Comfort could be taken from one of the recent exits being transacted at a price in line with their carrying value. While two of the exits are lower than the carrying value, this is caused by circumstances beyond Pembroke's control.

Overall the performance has held up over the past year. One area of concern, however, could be in how concentrated the portfolio is in the top holdings. The top three companies at present (Lyma, Popsa and Coat) comprise a value of £61m of the AUM. (being 23%) The top 10 holdings are over £115m of the AUM (being 45%).

Whilst it is normal for a VCT of this size and maturity to see it's best performing holdings take a more dominant role within the AUM. But this is still a high level of concentration, and it could make the future performance of the VCT sensitive to the performance of these top holdings.

It has not all been good news as two portfolio companies have entered administration. United Fitness Brands, a £5.3m investment, had previously been written down and has now entered administration. Floom, was a £4.6m investment, which has also recently failed.

In summary, the team at Pembroke should justifiably be proud of the track record, and the profitable exits, that they have managed to achieve over the past 10 years since launching in 2013. Hopefully, this bodes well for the future.

Tax Efficient Review Track Record rating: 33 out of 40

- Fred Ursell – Head of Investments

Not only must an investment manager obtain deal flow, but it must also have a team resourced to invest at the correct rate to satisfy the VCT rules. The 80% investment rule requires that by the end of the third accounting period after launch and in every accounting period thereafter the VCT must have at least 80% of its funds invested in qualifying holdings. Most Boards impose a minimum level that is higher than this to ensure that any exits do not push the VCT below the 80% level.

In this case Pembroke tells us that the Board's

preferred investment level is to keep the % as high as possible. Pembroke intends to invest 30% of the current raise within the first year and 80% within three years, and has consistently met or exceeded this target in recent years. This is supported by Pembroke allotting shares throughout the fundraising period and not waiting until the end of the tax year which extends the amount of time that funds raised are not invested.

As at 31 March 2025 the Manager has invested the majority of its prior funds and the VCT held £67m (25% of its NAV in cash) and the manager says there is a £21m pipeline of potential investments in due diligence.

Overall, TER feel that a potential £50m plus deployment should be achieved with the current team and track record of recent years.

Board of Directors

The Board has overall responsibility for the Company's affairs, including determining its investment policy and having overall control, direction and supervision of the Investment Manager. The past and present Directors have already invested more than £2m in the Company, and intend to invest further under the Offer. Members of the Manager also intend to invest under the Offer.

Pembroke VCT plc has an independent board of directors consisting of

- **Jonathan Djanogly (MP)** – Jonathan is a non-practising solicitor and was, for over ten years, a corporate partner at City law firm SJ Berwin LLP. He specialised in mergers and acquisitions, private equity and joint ventures as well as fund raising on public markets. Jonathan was a Member of Parliament between 2001 and 2024, where he served as a Member of the Trade and Industry Select Committee and latterly as a member of the Public Accounts Committee. He also served on the Opposition front bench as Shadow Solicitor General, as a Shadow Minister for Trade and Industry with responsibility for employment law and corporate governance and as a Justice Minister for over two years.
- **David Till** - David co-founded the Oakley Capital Group in 2002. He plays a key role within the group and has overall responsibility for the operations, finance, due diligence, compliance and fund formation. Oakley Capital

Private Equity invests in, and supports, the continued growth and development of some of Europe's leading companies and seeks to build long-term relationships with talented entrepreneurial founders and managers. Over the past 20 years, Oakley has built expertise in three core sectors: TMT, Digital Consumer and Education, and has strong credentials and networks in these areas. Oakley Capital comprises five mid market private equity funds. The Funds generate strong returns for their Limited Partners as well as Oakley Capital Investments Limited, a listed investment vehicle that invests in Oakley Private Equity Funds

- **Mark Stokes** - Mark has over 30 years' experience in financial services, and 20 years at executive committee level. He is currently an executive director and Chief Commercial Officer at United Trust Bank, and previously held managing director positions at Lloyds Corporate and Commercial Banking, Williams & Glyn, and Metro Bank
- **Louise Wolfson** - Louise is a senior corporate lawyer who was previously a partner at Allen & Overy LLP and Pinsent Masons LLP. She has a particular focus on corporate finance transactions, and has wider experience including mergers and acquisitions, joint ventures, strategic investments, capital raisings and listings. Louise currently works as a freelance legal consultant and sits as a tribunal judge hearing social security and immigration appeals. Louise is also a director of Women's Pioneer Housing, a housing association which supports women in West London. (TER asked if there was any relationship between Louise Wolfson and Andrew Wolfson and Pembroke have confirmed that whilst they share the same surname, they are not related)
- **Chris Allner** - Chris Allner joined the Board of Pembroke VCT plc in June 2024. He brings deep industry experience from a 40-year career in venture capital and private equity, including senior roles at fund, investment manager and portfolio company level. He has been a partner at Downing LLP since 2012 and continues to chair their investment committee as well as being a member of Nesta's Impact investment committee. He also remains on the board of Thames Ventures VCT 1 plc, Thames Ventures VCT 2 plc, and was formerly a Non-Executive Director on the Boards of Firefly Education Ltd, FundingXchange Ltd, Curo Compensation

Limited and Xupes Handbags & Jewellery Ltd. Previously, he held senior investment roles at Octopus Capital, Beringea and Bridgepoint

The Pembroke VCT investment team has expanded of late. Since the last TER review Pembroke has recruited six new employees:

- **Felix Danczak, Head of Growth & AI** - Felix works with portfolio companies to help them use AI more effectively, sharpen their go-to-market strategy (GTM), and prepare for what's next, whether that's scaling, raising, or exiting. His support ranges from strategic workshops and hands-on GTM execution to practical advice on tools, workflows, and how to apply AI where it drives real outcomes. Before joining Pembroke, Felix was VP, Global Head of Marketing at Zuora, a \$450M category leader in Subscription Management. He was previously COO at Zephr, a SaaS business he helped scale and sell for a 10x return, and Head of Strategy at Signal AI, one of the UK's leading NLP and AI companies. Felix is also the author of *Market-Led Growth: A New Operating System for Businesses in the Age of AI*, a book that outlines how companies can stay adaptable and commercially effective in today's fast-moving landscape
- **Emma Ward, Director of Talent**. - Emma is a business and people leadership specialist with 25+ years' experience in management roles for brand consultancies and advertising agencies, looking after marcoms strategy and execution for brands across a broad spectrum of sectors. Before joining Pembroke, she was the European Managing Director of The Talent Business, the leading global executive search firm in the brand and innovation space, helping businesses to identify and secure transformational talent capable of driving positive disruption for commercial impact. Emma will be partnering with the leadership teams of Pembroke's portfolio companies, supporting on Chair, NED and C-suite talent strategy as well as Board hires for future investments
- **Victoria Barber, Sales Director** - having joined the business in August 2024. Victoria is responsible for the distribution of the fund,

through maintaining and developing relationships with key clients and external stakeholders. Prior to joining Pembroke, Victoria spent three years as Head of Strategic Partnerships at TIME Investments where she was successful in building longstanding relationships with national advice firms, financial advice networks and industry service providers. Victoria also has previous experience working within the sales and marketing teams at Octopus Investments and LGT

- **Andy Hall, Investment Manager**. Andy is an ACCA-qualified accountant with over 10 years' experience supporting UK SMEs. Prior to Pembroke, Andy joined from BDO, where he spent his later 4.5 years in the growth capital advisory team where he was supporting UK-based SMEs in raise up to £10m from venture capital, private equity, and venture debt. Focusing mainly on tech and tech-enabled businesses at Series A stage, providing investor readiness, fundraising preparation, engagement, and support through to close
- **Severin Baker, Investment Associate** - Prior to joining Pembroke, Severin worked as a commercial due diligence adviser for Strategy&, providing strategic guidance and commercial diligence for private equity funds
- **Hugo Adams, Investment Associate**. Hugo previously worked in Audit at PwC, focusing on high growth consumer tech businesses

In addition, Fred Ursell has stepped into the role of Head of Investments. Fred leads Pembroke's investment strategy alongside Andrew Wolfson and is responsible for its execution across sourcing, due diligence, capital allocation, and portfolio management. He leads the investment team and is a voting member of Pembroke's Deal Committee.

Lastly, Jamie Kennell, who was previously Chief Investment Officer at Pembroke VCT, has left the team..

Tax Efficient Review Team rating: 17 out of 20

Costs

- **Initial costs:** 3% for Investors who have invested in the Offer through an Intermediary and have received upfront advice including Investors who are investing through Intermediaries/advisers using financial platforms

5% for Investors who have invested directly into the Company or invested through an Intermediary/platform and have not received advice. The VCT may facilitate adviser charging from intermediaries up to a maximum of 4.5%.

Pembroke say that initial adviser charges may be facilitated and be available for tax relief.

- **Annual management fee:** 2% of the VCT's NAV. The Manager also caps the Annual Running Costs of the Company such that they will not exceed 0.5% pa of NAV. In the twelve months ending on 31 March 2025, the Manager contributed £nil under this agreement

In the year to 31 March 2025 the Annual Running Costs to NAV ratio was 0.36% (was 0.39% in year to 31 March 2024) and will continue to be capped at 0.5% in the year to 31 March 2026.

- **Performance fee:** 20% fee (+VAT if applicable) on net realised investment gains, since inception. The Performance Fee is only payable to the Manager if the Company's cumulative realised investment gains are greater than its cumulative realised investment losses.

The Total Return Hurdle of 3 pence (or 3% if the NAV per share is below 100p) per year, from 121.3p at August 2020, must also be achieved before a Performance Fee is paid to the Manager. This is not a particularly high

hurdle, but we are pleased to see that the performance fee is paid on profitable exits (not just valuations) over and above a positive return plus an annual hurdle increase each year. But, we would rather this was 3% than 3p. At 31 March 2025 the Total Return NAV per share was 139.7p, and the hurdle is 137.9p per share. No performance fee was paid for the year ended 31 March 2025.

This is refreshing to see in the VCT sector as it reduces the risk of performance fees being paid on valuations which do not hold up to the point of exit. Nevertheless, Pembroke confirms its intention to return to shareholders both the amounts invested and the realised investment gains by paying dividends from the exit proceeds. This has been the case with the exit proceeds from Pasta Evangelists, Plenish, ME+EM, Boat, and Secret Food Tours. The Manager (Pembroke) has confirmed to us that they would not draw their performance fee until such time as the directors did approve a distribution to shareholders.

In April 2023, Pembroke introduced a discretionary Portfolio Support Fee (now renamed Portfolio Monitoring Fee) of £30,000 (+ VAT) per annum, for three consecutive years, payable annually in advance payable by the companies in which Pembroke invests (whether as new or follow-on) an amount greater than £1.0 million, with the three-year period commencing on the date of Pembroke's investment. The Manager intends to maintain the Portfolio Monitoring Fee in its current form but will review it annually.

In addition, as mentioned above, to the Portfolio Support Fee, from 9 September 2024, the Manager may, at its discretion, charge an arrangement fee ("Arrangement Fee") to the portfolio companies in which the Company invests.

Tax Efficient Review Cost rating: 9 out of 10

Conclusion

The previous Offer from the Pembroke VCT raised a healthy £50.8m from investors and assets under management have reached £250m (£189m is in qualifying companies), which is impressive for a VCT which has only recently celebrated its 12 year anniversary. They have also managed to achieve five profitable exits over that time from Pasta Evangelists, Plenish, ME+EM, Boat International Media and, most recently, a partial exit from Secret Food Tours.

This recent partial exit of Secret Food Tours is something which needs to be highlighted and celebrated. Firstly, this is a strong exit multiple (5.3x) at a time when many VCTs have struggled to achieve any profitable exits in the current environment. Secondly, this company illustrates well the type of companies that Pembroke VCT looks to invest in and grow over time. Secret Food Tours is a consumer-facing company which offered visitors to cities such as Florence bespoke tours around restaurants which reflect the cuisine of that city. The partial exit was to Harwood Capital, a hospitality expert Private Equity investor.

The portfolio of companies which make up the Pembroke VCT are fairly concentrated, with the top 10 companies forming £115m of the £189m AUM represented by the qualifying companies (gross AUM is £258m, with approximately £56m held in cash). Whilst the performance of the Pembroke VCT since the previous review has dropped slightly over the past year, the dividend payment history of circa 5p per share has remained consistent.

Pembroke also structure their performance fee based on profitable exits rather than on simple uplifts of NAV per share and TER wish that many other VCT managers would adopt such a position which seems inherently more aligned with the interests of the shareholders in the VCT. The Pembroke position is unusual and refreshing to see as it reduces the risk of performance fees being paid to VCT managers on valuations which don't hold up at the point of exit or are reduced in line with the performance of small cap stocks.

As is to be expected of a VCT of this size, there have been some companies which have been written off recently, namely United Fitness Brands (£5.3 investment) and Floom (£4.6m investment). But overall, the Pembroke VCT, under the stewardship of Andrew Wolfson, has achieved a great deal since they started. They are a VCT which should be considered at the top of the VCT table for what they have delivered for shareholders in the VCT, and also in helping to develop and grow the investee companies in the portfolio.

Tax Efficient Review rating: 87 out of 100 for a generalist VCT with track record

Table 7 (1 of 2): Pembroke B Share Exits & Write-downs in the three years to July 2025

Investee Company name	Second Home	Stitch & Story	Kinteract (Note 1)	Kat Maconie (Note 1)	Boat
Structure of investment	Equity	Equity & Debt	Equity	Equity & Debt	Equity & Debt
Sector	Food, Beverage & Hospitality	Education	Business Services	Consumer	Business Services
Financing stage when first invested	Early Stage, post-revenue	Early Stage, post-revenue	Early Stage, pre-revenue	Early Stage, post-revenue	Early Stage, post-revenue
Board seat	No	Yes	Yes	Yes	Yes
Amount originally invested	£0.525m Jun 2014	£1.0m Nov 2019	£0.5m Apr 2019	£0.3m Jun 2013	£1.7m Nov 2013
Further investment	£0.960m equity	£3.0m equity; £0.1m debt	£3.1m equity	£1.5m equity; £1.02m debt	£1.55m debt
Realisations/Dividends	£nil	£nil	£nil	£nil	£4.64m
Profit/Loss	(£1.485m)	(£4.100m)	(£3.6m)	(£2.85m)	£1.4m
Length of investment: to final realisation *	10 years	3 years	5 years	11 years	11 years

Notes: *From first investment by either Ordinary or B-Ordinary share classes

(1) Kinteract, Kat Maconie, Floom & United Fitness Brands: Remains in administration/orderly wind-down. Held at nil valuation

Source Pembroke August 2025

Table 7 (2 of 2): Pembroke B Share Exits & Write-downs in the three years to July 2025

Investee Company name	Beryl	Secret Food Tours	Floom (Note 1)	United Fitness Brands (Note 1)
Structure of investment	Equity	Equity	Equity & Debt	Equity
Sector	Technology	Consumer	Technology	Consumer
Financing stage when first invested	Early Stage, post-revenue	Early Stage, post-revenue	Early Stage, post-revenue	Early Stage, post-revenue
Board seat	No	Yes	No	No
Amount originally invested	£0.1m Oct 2014	£1.0m Aug 2018 (£0.8m cost was exited)	£0.6m Nov 2018	£0.3m Apr 2013
Further investment	£0.45m equity	£1.0m equity (none exited)	£3.85m equity; £0.15m debt	£5.0m equity
Realisations/Dividends	£0.27m	£4.3m	£nil	£nil
Profit/Loss	(£0.29m)	£3.5m	(£4.6m)	(£5.3m)
Length of investment: to final realisation *	10 years	7 years	7 years	12 years

Notes: *From first investment by either Ordinary or B-Ordinary share classes

(1) Kinteract, Kat Maconie, Floom & United Fitness Brands: Remains in administration/orderly wind-down. Held at nil valuation

Source Pembroke August 2025

Table 8: Pembroke VCT holdings as at 31 March 2025

Companies	Share class	Sector Classification	First investment	Equity (cost) £'000	Loan (cost) £'000	Total invested (cost) £'000	Current valuation £'000	Multiple on cost
Lyma		Technology	Dec-18	2,000	-	2,000	33,778	16.88
Secret Food Tours		Consumer	Aug-18	1,195	-	1,195	7,749	6.48
Five Guys		Consumer	Aug-13	1	2,725	2,726	9,772	3.58
Popsa		Technology	Feb-18	5,200	-	5,200	17,253	3.31
Stillking		Business Services	Oct-14	1,452	-	1,452	4,273	2.94
Thriva		Business Services	Jul-19	1,330	-	1,330	3,266	2.45
Toucantech		Business Services	May-20	1,000	-	1,000	2,437	2.43
N is for Nursery		Consumer	Aug-18	3,000	-	3,000	7,297	2.43
SeatFrog		Business Services	Feb-23	3,000	-	3,000	7,268	2.42
KX		Consumer	Sep-13	700	-	700	1,654	2.36
Peckwater Brands		Business Services	Sep-21	4,000	-	4,000	9,375	2.34
Troubadour		Consumer	Sep-13	2,540	-	2,540	5,381	2.11
Coat		Technology	Jun-21	5,000	-	5,000	10,275	2.05
Unbolted		Technology	Nov-16	400	-	400	553	1.38
Smartify		Technology	Nov-20	2,300	-	2,300	3,045	1.32
OnePlan		Business Services	May-21	5,000	-	5,000	6,448	1.28
HotelMap		Business Services	Nov-18	3,300	-	3,300	4,200	1.27
Credentially		Business Services	Feb-21	5,000	-	5,000	6,110	1.22
Hackney Gelato		Consumer	Jan-20	3,200	1,800	5,000	5,878	1.17
Tala		Consumer	Dec-21	3,200	-	3,200	3,510	1.09
Vieve		Consumer	Oct-22	1,000	-	1,000	1,025	1.02
Smartr365	Pembroke declined to provide this data	Business Services	Dec-24	3,500	-	3,500	3,500	1
Mindset AI		Business Services	Mar-25	2,000	-	2,000	2,000	1
Bloobloom		Consumer	Aug-22	4,500	-	4,500	4,500	1
Ro&Zo		Consumer	Oct-22	2,600	-	2,600	2,600	1
With Nothing Underneath		Consumer	Oct-24	1,500	-	1,500	1,500	1
My Expert Midwife		Consumer	May-22	1,500	-	1,500	1,500	1
Annie Mals		Consumer	Mar-22	500	-	500	500	1
Transreport		Technology	Dec-23	3,000	-	3,000	3,000	1
Ryft		Technology	Feb-25	660	-	660	660	1
Bella Freud		Consumer	Nov-13	3,379	900	4,279	4,191	0.97
Roto VR		Technology	Dec-19	2,250	-	2,250	1,823	0.81
KXU		Consumer	Mar-17	244	790	1,034	790	0.76
Wishi		Business Services	Sep-16	153	-	153	114	0.74
Auddy		Technology	Jul-22	1,800	-	1,800	1,108	0.61
Droplless		Business Services	Mar-21	3,000	2,750	5,750	2,831	0.49
Cydar		Business Services	Feb-22	3,000	-	3,000	1,360	0.45
Eave		Business Services	Oct-20	3,900	250	4,150	1,590	0.38
Rubies In The Rubble		Consumer	Jul-19	1,328	-	1,328	510	0.38
Heist		Consumer	Jul-17	7,249	1,100	8,349	2,508	0.3
Rated People		Technology	Jan-14	641	-	641	189	0.29
JustWears		Consumer	Sep-21	2,000	-	2,000	420	0.21
United Fitness Brands		Consumer	May-13	5,276	-	5,276	1,028	0.19
Chucs Restaurants		Consumer	Oct-13	2,220	-	2,220	200	0.09
Floom		Technology	Nov-18	4,415	145	4,560	145	0.03
Active portfolio companies				£114.4m	£10.5m	£124.9m	£189.1m	1.5

Source Pembroke VCT

Table 9: Pembroke VCT matrix of individual responsibilities where Deal Origination & New Deal doing exceed 30% of an individual's time and with at least three years VCT involvement September 2024

	Andrew Wolfson	Fred Ursell
	VCT RELATED	
Deal origination	30%	30%
General enquiries		5%
New deal doing	35%	35%
Investee board seats No.	18	7
Sitting on Board and/or portfolio strategy	20%	10%
Fund raising	5%	10%
Internal issues	5%	5%
Exits	5%	5%
	NON VCT	
Non-VCT work	-	-
TOTAL	100%	100%
Years in venture capital	16	10
Years involved with VCTs	13	10
Years with current team	13	6

Source Pembroke