

Baronsmead Second Venture Trust

Gresham House Asset Management Limited (“GHAM”, the “Firm” or “Investment Manager”) has undertaken a Fair Value Assessment for the shares in the Baronsmead Second Venture Trust (“BSVT”, or the “Company”), in accordance with our obligations under the Consumer Duty obligations of shares offered to retail investors, specifically PRIN 2A.4, as the manufacturer [and a distributor] of the shares. The reader should read the risk factors set out in the most recent Prospectus or Annual Report.

Date of most recent Fair Value Assessment	30/09/2024
Date of next Fair Value Assessment to be completed by	Fair Value Assessments are undertaken in the quarter following every year end for the Company. *

**No later than the next fundraising for the Company.*

Outcome of the Fair Value Assessment

As a result of the fair value assessment undertaken for the shares of the Company we can confirm:

- 1. The shares remain appropriate to the needs of the identified target market.**
- 2. The shares continue to offer fair value from the outcome of the fair value assessment.**
- 3. The intended distribution strategy remains appropriate.**

We have defined “value” verbatim as described in PRIN 2A.4.

- value is the relationship between the amount paid by a retail customer for the shares and the benefits they can reasonably expect to get from the shares; and
- the shares provide fair value where the amount paid for the shares is reasonable relative to the benefits of the shares.

Further information about the Fair Value Assessment

The Firm has concluded the assessments of the products or shares in scope of the requirements under the Consumer Duty obligation of the fair value assessment.

The Firm’s Fair Value Assessments consider the performance of our products against pricing, customer experience, complaints & servicing metrics, Target Market alignment and product distribution arrangements, including fees, in order to understand the impact on the overall value of the shares or products to our customers. The Firm’s Fair Value Assessment summary as both manufacturer [and a distributor] specifically in relation to BSVT is found below.

Review /	Key indicators and measures to	Summary outputs and actions
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assessment area	be considered where available	
Product description		BSVT is a tax efficient listed company which aims to achieve long-term investment returns for private investors, including tax-free dividends. BSVT'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 BSVT's value and which will diversify its portfolio. Investors should read the risk factors set out in the most recent Prospectus or Annual Report. BSVT 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.
Quantitative factors / price	▪ Performance (dividends paid) ▪ Comparable market rates ▪ Comparable services ▪ Costs and charges	Assessment of quantitative factors associated with the shares ensure that the manager can have ongoing oversight over the alignment of costs and charges with the expectations of shareholders at subscription. Detailed review of fees, charges and non-financial costs by the investment team with oversight from the Ongoing Product Governance Committee, ultimately reporting to the Board of the Investment Manager ensures that shareholders do not experience unreasonable or unexpected costs that are not aligned with prospectus disclosures. Though not directly relevant

		to the shares in the Company, quantitative assessment also assists the assessment of any differential outcomes. Our assessment of quantitative factors confirmed the ongoing fair value of this product. We will continue to monitor our fees on at least an annual basis to ensure that the Company maintains its position of providing fair value to investors. Please see appendix 1.1 for the fee breakdown.
Qualitative factors / quality of service	When assessing the quality of service provided by Baronsmead VCT the following activities were considered: - Communications. Effective and good quality communication with investors, and the documentation that accompanies financial products, are crucial to the service provided. Communications should be timely and internal service levels should be regularly reviewed. - Operational Service Metrics including experience of the investment team, quality of disclosures and reporting. - Complaints and incidents root cause analysis.	Our assessment of qualitative factors confirmed the ongoing value of this product. The Investment Manager GHAM as Investment Manager is appointed and overseen by an independent VCT Board of directors, each highly experienced and knowledgeable. On an ongoing basis and at least on a quarterly basis, board meetings are held where GHAM provides management information and is challenged on their discretionary management activities including interrogating how GHAM are in compliance with their Consumer Duty obligations. Communications with Shareholders (directly and indirectly) An investor should have a good understanding of what they are buying and what they are paying for from the outset of subscription and on an ongoing basis. Effective, good quality communications and the range of documents that accompany financial products are therefore crucial to the service provided.

		The quality of the manager's centralised support functions is vital to ensuring a high quality of service, including the processes used to manage the underlying Investment. Good service also depends on the quality of the practical infrastructure of the product, such as quarterly factsheets that are sent to clients. Other Services – Support of intermediaries and end investors. Gresham House continues to offer intermediaries / advisers clear marketing materials and prepares a Key Investor Document and Target Market Assessment in respect of the shares to allow them to make an effective assessment of client suitability for the product. External Experts We use a limited number of external third parties, who are experts in their relevant fields, to support the operation of the Baronsmead VCTs and ensure that a high quality of service is provided to investors in the product. These experts would cover areas such as legal, investment advisory and VCT registrar operations. Services provided to investors. Our assessment considers the services experienced directly by investors, including both direct services and outsourced services such as custody and accounting. The quality of outsourced services is continually monitored through robust internal processes of the Investment Manager and reported to the Board.
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		Oversight of service providers Gresham House communicate with professional third parties who distribute our products, such as financial advisers and investment platforms. We assessed the value of the service that Gresham House provides to these clients and how it oversees the relationship with service providers who Manage consumer relationships on our behalf. The Board, with the knowledge of the services provided, continue to support the Investment Manager through their appointment. Please see attached document 1.2 EMT file.
Assurance activity	Results of previous assessments of this product ▪ Review of Risks or Incidents associated with this product. ▪ Review of other relevant Monitoring and Oversight activity relating to this product.	Assurance activities are key to confirmation of fair value as assurance activities function to provide a second line oversight, challenge and a governance framework to capture foreseeable harms before they occur or identify potential future risks that could impact the product and service shareholders have subscribed to. The assurance activities also review contextual factors that might be impacting the product to capture any foreseeable harms in relation to shareholder expectations around returns, and how the macroeconomic environment might be impacting return models. Our assessment of these measures confirmed the ongoing fair value of the shares. Alongside the oversight conducted, the figures are based on audited figures from BDO adding independent oversight to the

		assessment and value. Our ongoing assessment of the shares will be based on key performance indicators, investor feedback, distributor feedback (where available), breaches, incidents, and complaints. Key performance indicators are reported to our Ongoing Product Governance Sub-Committee, as sub-committee of the New Product Development Committee for consideration and review, and fair value assessed at least annually. The output is then reported to the Board of the Investment Manager at Quarterly Board Meetings for an additional layer of oversight.
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Important information.

This document has been produced by Gresham House Asset Management Limited at your express request and is not for redistribution without prior approval by Gresham House Asset Management.

Appendix

1.1

Shareholder status	Investment channel					
	Advised		Direct		Execution only	
	Existing	New	Existing	New	Existing	New
Headline offer costs	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Waived initial commission					1.50%	1.50%
Investment Manager discount to headline offer costs	1.50%	1.50%	1.00%	1.00%		
Ultimate offer costs borne by applicant	3%	3%	3.50%	3.50%	3%	3%

Early bird fees	Early bird fees available, please refer to the <u>prospectus</u>
AMC	2.5%
Ongoing charge	2.82%*

Fees as at 06^h January 2025

*Ongoing charge includes direct and indirect costs and charges