

Product

**British Smaller Companies VCT &
British Smaller Companies VCT 2**

Tax Status

Venture Capital Trust

Fund Group

YFM Equity Partners 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

British Smaller Companies VCT & VCT2 (the BSC VCTs)	
Type	Generalist VCT with track record
Size	£524m AUM across both BSC VCTs (as at 30 June 2026) and is seeking £40m in aggregate across the two VCTs with a £20m over-allotment facility
Manager	YFM Private Equity Limited ("YFM")
Sponsor	Howard Kennedy Corporate Services LLP
Registrars	The City Partnership
Receiving Agent	The City Partnership
Focus	To generate tax free capital gains and dividend income for its shareholders through a diversified portfolio of VCT qualifying investments across a broad range of sectors
Promoter	RAM Capital
Funds initially invested	Cash deposits, money market funds and other securities
Minimum investment	£6,000 per tax year, including initial adviser charges
Initial Closing Date	31st March 2027 unless fully subscribed before
Issue costs	Existing: 3% of amount subscribed, 3.5% for direct applicants
Annual costs	1.25% of surplus cash (above £20m), 2% of other assets
Initial advisor charges	If charged, these will be facilitated by the VCT on subscription.

Summary

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

PROs	CONs
The performance of the BSC VCTs has been one of the top performers over the 3, 5 and 10 year timescales used to assess performance. The level of dividends paid to shareholders total 190.15p per share since launch for BSC and 94.75p per share since launch for BSC2 There have been additional profitable exits from portfolio companies in the last year TeraView, a terahertz technology business that listed on the South Korean stock exchange - £0.8m invested in 2011 with £6.1m realised and SharpCloud, an analytics intelligence platform, £7.3m was invested in 2019 with £14.5m realised The BSC VCTs have always had a strong regional focus to their investments and focus on developing companies in the Midlands, North of England and Scotland	The BSC VCTs often use ordinary shares with a participating preference to take a priority return in the event of an exit. This does not in any way guarantee a return and it can reduce potential outperformance, when compared to VCTs with normal equity Although the largest holding of Matillion has dropped to 6% of NAV, this is still a relatively high concentration in one company. The BSC VCTs current top 5 holdings total £134m (25.5%) of the total £524m, which is a fairly high concentration As expected in a venture capital portfolio of this size, there have also been write-downs, including Sipsynergy, which was exited in February 2026.

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TER classification

TER classifies this VCT as a “Generalist VCT with track record” and YFM are experienced fund managers within the VCT market. The first British

Smaller Companies VCT was launched in the 1996/7 tax year.

Review based upon

TER always meet/have an internet call with fund managers prior to a review. This review is based on those meetings, the prospectus for the offer,

(British Smaller Companies VCT & VCT2 prospectus (reference 23rd September 2026) and data provided by YFM Private Equity Limited.

Consumer Duty

The FCA's Consumer Duty came into force from 31 July 2023 for existing products and services. One of the main purposes of this 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 managers. 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: **Funds under management as at 30 June 2026**

Product Name	Net assets	Annual Management fee	Still to be invested
VCT funds			
British Smaller Companies VCT plc	£324.4	2.0%*	£147.3
British Smaller Companies VCT2 plc	£199.6	2.0%*	£77.1
NON VCT funds that can co-invest with VCT Funds			
YFM Equity Partners Growth Fund I**	£10.0	2.0%	£-
YFM Equity Partners Buyout Fund I***	£45.9	2.0%	£3.9
YFM Equity Partners Growth Fund II***	£10.0	2.0%	£-
YFM Equity Partners Buyout Fund II***	£80.4	2.0%	£13.3
YFM Equity Partners Growth Fund III	£10.0	2.0%	£0.9
YFM Equity Partners Buyout Fund III	£95.5	2.0%	£24.7
TOTAL	£775.8		£267.2

*2% per annum, which is reduced to the extent that cash exceeds £20m for each VCT , with a fee of only 1.25% charged on cash amounts above this level.

**Fully invested

*** no new investments, follow-on only

Source: YFM Equity Partners LLP

The Offer

This is the first fund raising for the British Smaller Companies (BSC) VCTs in the new income tax relief regime of 20%, which came into effect on 6th April 2026. This has caused many VCTs in the 2026/2027 tax year to launch earlier than usual to give themselves more time to fund raise in this new environment.

Along with the reduction in the income tax relief however came a wide range of expansions to the criteria for a VCT qualifying company. These expansions of the size of the companies and how much they can receive from VCT managers should serve to both widen the universe of companies available for VCT funding and make it easier for VCT managers to make follow-on investments in VCT companies as they grow.

The new BSC VCTs fundraising which launched on 23rd September 2026. In a similar style to a few other VCTs, the prospectus was launched first, and then started accepting application on 30th September 2026. Like many other VCTs they have reduced their fund raising target from the previous fund raising. In the 2025/2026 tax year BSC VCTs sought £60m in aggregate, plus a further £25m over-allotment facility. In this new offer they are seeking £40m in aggregate with a £20m over-allotment facility.

The exact amounts raised by each VCT will depend on investors' preferences, which have historically been around 60% for BSC and 40% for BSC2, in line with how the companies invest. Investors can allocate their investment between the two VCTs in whatever ratio they choose.

It is planned that there will be two allotments for this offer, with the first allotment of shares in January 2027. For early investors in this new VCT offer there will also be an incentive in the form of additional shares added to their allotment.

Applicants who subscribe for the first £25m in the fundraising will receive additional shares equivalent to 0.125% of their application amount, the costs of which will be met by the Manager. In addition, to the extent possible, Applicants will receive additional New Shares equivalent to receiving a c.2.06 per cent per annum rate of return on funds awaiting allotment (this rate is set by the BSC VCTs' receiving agent's banking provider and is subject to change), calculated by reference to the number of days between receipt of cleared funds by the receiving agent and the

date of allotment.

The British Smaller Companies (BSC) VCT was launched in 1996 and has £324m in assets under management (as at 30 June 2026). The British Smaller Companies VCT2 (BSC2) was launched in 2000 and has £200m in assets under management (as at 30 June 2026).

The investment strategy of each VCT is to create a portfolio of UK companies operating across a broad range of sectors that blends a mix of businesses operating in established and emerging industries that offer opportunities in the application and development of innovation in their products and services.

There has been an increasing level of homogeneity across the two VCTs. Each VCT will invest in UK businesses across a broad range of sectors including, but not limited to, Application Software, Data, Tech-enabled Services, Cloud & DevOps, Business Services, Retail & Brands and New Media. Details of the values in each sector as at 30 June 2026 are given below.

These investments will primarily be in unquoted UK companies which meet the definition of a Qualifying Investment, in order to maintain each VCT's Venture Capital Trust status. The BSC VCTs have always maintained a strong support of venture capital/private equity businesses in the Midlands, North of England, Northern Ireland and Scotland. They also have the ability to invest in companies based in London and the South East, though pride themselves on being a fully regional business.

The BSC VCTs seek to build a broad portfolio of investments in early-stage companies focused on growth with the aim of spreading maturity profiles and maximising return, as well as ensuring compliance with the VCT guidelines in this regard. The offer builds on the existing diversified portfolio of unquoted investments covering a large number of sectors.

Between them, the two BSC VCTs had liquid funds as at 30 June 2026 totalling £224m (after the receipt of £58m from the 2026/27 fundraising in January/April 2026). Since 30 June 2026 the VCTs have invested £7.3m; they have paid gross dividends of £7.1m, with a further gross dividend of £5.7m to be paid on 23 October 2026.

The VCTs have also utilised £0.5m for three months of management fees and other net operating costs. The expectation is that at the end of the 2026/27 tax year the cash before any funds from this offer are forecast to be around £155m.

This is a high level of cash across the two VCTs, which have £524m of AUM between them (as at 30 June 2026). But YFM say that this is necessary, given the forecast level of cash consumption for the VCTs. YFM say the BSC VCTs have a growing pipeline of new and follow-on investment opportunities to deploy capital into, which underpins YFM's expectation that deployment rates will be ahead of the previous 12 months.

The manager of the BSC VCTs (YFM) say that the changes to the VCT tax reliefs and the potential impact that this may have on the fundraising market mean the strong levels of liquidity held by the BSC VCTs should give shareholders confidence in the ability of the VCTs' to continue deploying capital into new and existing portfolio companies, as well as being in a position to maintain their existing approach to dividends and share buybacks.

Between the two VCTs around £40m per annum is normally utilised for the share buy-back scheme, net operating costs and dividends (net of amounts reinvested from the Dividend Re-investment Scheme).

The two VCTs made investments of £50.2m to the year 30 June 2026, which was well-matched to the fundraising offer in the period. Examples of recent investments made by the British Smaller Companies VCTs include:

- **TiPJAR** – digital platform for tipping and service charges – £4.5m
- **Aura Life** – digital funeral plan provider – £2.5m
- **Inploi** – candidate experience platform – £2.5m
- **StudentCrowd** – data insights provider in student accommodation sector – £4.0m
- **NextWave** – consultancy business specialising in digital transformation – £3.0m

There have also been some successful exits for the British Smaller Companies VCTs since the

previous review:

- **TeraView** – Terahertz technology business that successfully listed on the South Korean stock exchange - £0.8m invested in 2011 with £6.1m realised, a multiple of 8.1x
- **SharpCloud** – An analytics and data intelligence platform acquired by Lumivero, a global provider in this area. £7.3m was invested in 2019 with £14.5m realised, a multiple of 2.0x

These exits, plus the other recent exits, are covered in more detail in the Track Record section of this review. There is also a table in this review (Table 7) that contains the details of the exits achieved by the BSC VCTs over the past 3 years.

Whilst the two exits above have been profitable, as would be expected in VCTs of this size, there have also been write-downs of portfolio companies. Sipsynergy, a telecommunications business, was a £4.9m investment in 2016 that has exited to a trade buyer in 2026, returning just under £1m to the BSC VCTs. Sipsynergy faced market headwinds that reduced the attractiveness of further investment for the BSC VCTs, with a third-party willing to acquire the business to unlock its own strategic value.

The two British Smaller Companies VCTs operate similar investment strategies. Therefore, they also have a similar split of investments across different sectors, which is broken down as follows:

Sector	BSC	BSC2	Total
Application Software	40%	38%	39%
Data	19%	21%	20%
Tech-enabled Services	19%	19%	19%
Cloud & DevOps	10%	10%	10%
Retail & Brands	4%	4%	4%
Business Services	4%	4%	4%
New Media	3%	3%	3%
Other	1%	1%	1%
Total	100%	100%	100%

Source: YFM

The similarities between the VCTs continues. Whilst the largest holding in both is still Matillion

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	31/03/2026	1.2%	5.3%	6.3%
	Albion Crown VCT	31/03/2026	0.7%	4.7%	7.4%
	Albion Enterprise VCT	31/03/2026	4.4%	7.3%	9.1%
BERINGEA	ProVen Growth & Income New	31/05/2026	1.9%	0.2%	1.6%
	ProVen VCT	31/05/2026	3.5%	1.0%	2.8%
BLACKFINCH	Blackfinch Spring VCT	30/06/2026	3.5%	2.9%	
CALCULUS	Calculus VCT plc New Ord share	30/06/2026	0.4%	1.5%	-1.2%
FORESIGHT	Foresight VCT	31/12/2025	5.5%	11.0%	6.4%
	Foresight Enterprise VCT	31/12/2025	4.9%	7.7%	4.7%
	Foresight Technology VCT FWT shares	31/03/2026	-3.8%	-1.4%	
	Foresight Ventures VCT	31/03/2026	-7.5%	-5.3%	-4.3%
GRESHAM HOUSE	Gresham House Income & Growth 2 VCT PLC	31/03/2026	1.8%	1.0%	5.2%
	Gresham House Income & Growth VCT PLC	31/03/2026	1.9%	1.3%	5.1%
	Baronsmead Second Venture Trust	31/07/2026	0.2%	-3.7%	1.1%
	Baronsmead Venture Trust	31/07/2026	0.8%	-3.2%	1.4%
MAVEN	Maven Income & Growth VCT 3	31/08/2026	0.4%	-0.2%	1.3%
	Maven Income & Growth VCT 5	31/08/2026	1.8%	0.6%	3.6%
	Maven Income & Growth VCT	31/08/2026	1.5%	0.7%	1.6%
	Maven Income & Growth VCT 4	30/06/2026	-0.7%	-0.4%	1.3%
MERCIA	Northern 2 VCT	30/06/2026	3.8%	1.3%	4.1%
	Northern Venture Trust VCT	30/06/2026	4.3%	0.8%	5.1%
	Northern 3 VCT	30/06/2026	3.7%	1.2%	4.2%
MOLTEN	Molten Ventures VCT	31/03/2026	-3.6%	1.4%	0.2%
OCTOPUS	Octopus Apollo VCT	31/01/2026	2.4%	6.5%	3.3%
	Octopus Titan VCT	31/12/2025	-10.3%	-5.8%	-0.4%
PEMBROKE	Pembroke VCT B share	30/06/2026	-0.5%	0.4%	3.8%
PUMA	Puma Alpha VCT	28/02/2026	-8.6%	-3.3%	
	Puma VCT 13	28/02/2026	-2.2%	2.4%	
SENECA	Seneca Growth Capital VCT B shares	31/03/2026	-12.0%	-9.4%	
TRIPLE POINT	Triple Point Venture VCT Venture shares	31/07/2026	1.1%	0.9%	
YFM	British Smaller Companies VCT	30/06/2026	3.0%	4.7%	5.5%
	British Smaller Companies VCT 2	30/06/2026	2.5%	3.8%	5.8%

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)
FORESIGHT VCT & FORESIGHT ENTERPRISE VCT	3
ALBION	7
YFM BSC VCTs	8
OCTOPUS Apollo VCT	10
MERCIA Northern VCTs	11
GRESHAM HOUSE Mobeus VCTs	12
BERINGEA Proven VCTs	15
CALCULUS	19
MAVEN	20
PEMBROKE	20
MOLTEN	21
GRESHAM HOUSE Baronsmead VCTs	23
OCTOPUS Titan VCT	29

Calculation as at 20/09/2026 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

Table 5: **YFM Equity Partners LLP VCT unquoted analysis of sector (% of original cost) as at 30 June 2026**

Sector name	%
Application Software	22%
Data	11%
Tech-enabled services	11%
Cloud & DevOps	6%
Retail & Brands	2%
Business Services	2%
New Media	2%
Other	1%
Other current assets	1%
Cash etc	43%
TOTAL	100%

Source: YFM Equity Partners LLP

Table 6: **YFM Equity Partners LLP VCT unquoted portfolio analysis of investment stage (% of original cost) as at 30 June 2026**

STAGES	%
Early stage (revenue under £1m):	3%
Growth (revenue £1m-£5m):	27%
Scale up (revenue over £5m):	70%
TOTAL	100%

Source: YFM Equity Partners LLP

Table 7: Realisation analysis including write-offs - last three years to 30 June 2026

Company	Activity	Date of investment	Date of exit	Total invested	Total Proceeds	Multiple
E2E Engineering Limited (2017 - 2023)	Business Services	29/09/2017	02/11/2023	£1,500,000	£3,701,047	2.5
Macro Art Holdings Limited (2014 - 2023)	Business Services	11/06/2014	16/11/2023	£2,100,000	£4,147,541	2.0
Arcus partial (2018-2024)	Application Software	11/05/2018	06/01/2024	£2,074,980	£500,000	0.2
Ketech partial (2015-2024)	Tech-enabled Services	05/11/2015	05/01/2024	£3,980,000	£8,118,723	2.0
Displayplan Holdings Limited (2012 - 2024)	New Media	11/01/2012	29/02/2024	£2,000,000	£19,172,710	9.6
Traveltek Group Holdings Limited (2016 - 2024)	Application Software	01/10/2016	01/10/2024	£2,879,426	£7,712,515	2.7
ACC Aviation Group Limited (2014 - 2025)	Business Services	01/11/2014	01/02/2025	£3,446,667	£16,653,370	4.8
Wooshii (2019 - 2025)	New Media	01/05/2019	01/07/2025	£8,192,309	£0	0.0
Elucidat Ltd (2019 - 2025)	Application Software	07/05/2019	17/10/2025	£7,000,000	£9,119,756	1.3
SharpCloud Software Limited (2019 - 2025)	Data & Analytics	15/10/2019	23/12/2025	£7,300,294	£14,486,527	2.0
Teraview Limited (2011 - 2026)	Advanced manufacturing	22/12/2011	19/01/2026	£753,999	£6,119,075	8.1
Vuealta Group Limited (2021 - 2026)	Tech-enabled Services	22/09/2021	22/01/2026	£5,966,369	£9,013,009	1.5
Sipsynergy via Hosted Network Services Ltd (2016 - 2026)	Cloud & DevOps	30/06/2016	13/02/2026	£4,924,845	£965,717	0.2
TOTAL				£52,118,889	£99,709,990	1.91

Source: YFM Equity Partners LLP

Table 10: Matrix of individual responsibilities YFM Equity Partners LLP 30 June 2025 where members spend at least 50% of their time on Deal origination and New deal doing and have at least three years involved with VCTs

NAMES	Mike Clarke	Dan Freed	Roshan Puri	Adam Hart	Stephen Murray	Laura Wiggins	Matt Gordon-Smith	Zach Francis	Callum Long	Srikar Karri	Tiffany Young
VCT WORK											
Deal origination %	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	40%
General enquiries %											
New deal doing %	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	25%
Sitting on Boards/ Monitoring %	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Fund raising %											
Internal issues %											10%
Exits %											
NON VCT WORK											
NonVCT work %	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Years in venture capital	9	12	9	9	4	5	15	4	3	7	9
Years involved with VCTs	7	7	9	7	4	5	15	3	3	7	4
Years with current team	7	7	5	7	4	5	3	3	3	0	4

Source: YFM Equity Partners LLP

Limited, it has seen a reduction in the percentage of NAV to 5% for BSC and 7% for BSC2.

Whilst this is still a relatively large percentage for one company to hold within a diversified portfolio, the percentage it makes up of the portfolio has continued to reduce: in 2022 it was 15.96% (BSC) and 19.6% (BSC2) of the portfolio of the respective BSC VCTs.

This reduction has arisen from the VCTs taking profits from this company via a partial sale in 2021, a reduction in its valuation since then, as well as growth in the valuations of other investee companies in the portfolio, including Xapien (5% of NAV as at 30 June 2026), Summize (5% of NAV as at 30 June 2026), Unbiased (5% of NAV as at 30 June 2026) and Vypr (4% of NAV as at 30 June 2026), who make up the top five holdings alongside Matillion (6% of NAV as at 30 June 2026); note all percentages are on a combined BSC and BSC2 basis. YFM point out that Matillion remains a large and well-funded company and the drop in its valuation has been due to adverse exchange rates movements and slower sales growth, with a corresponding reduction in the valuation multiple.

When sourcing new investment opportunities, YFM ideally likes to see businesses with at least £1m of sales in the last 12 months, increasing commercial traction and with the ability to scale fast. The VCTs seek to make investment of a size commensurate with each business' addressable market.

Dividend and Share Buy-Back Policy

Both VCTs aim to pay a consistent annual dividend but this is dependent on the level of investment income and realisations that can be achieved in any one period and cannot be guaranteed. We think investors should no longer expect a regular smooth "yield", although distributable reserves will still allow VCTs to smooth dividends for a time. The table below shows the dividends paid for the past 5 years from the two

British Smaller Companies VCTs:

Past 5 years of dividends paid		
	BSC	BSC2
to 31/12/2022	6.00p	3.00p
to 31/12/2023	8.50p	5.25p
to 31/12/2024	4.00p	3.00p
to 31/12/2025	5.25p	4.00p
to 30/06/2026	0p*	1.50p**

* 2.00p paid on 17 July 2026

** 1.50p to be paid on 23 October 2026

There is also a dividend reinvestment scheme available to shareholders. Cumulative dividends to date of 190.15p (including a 2.00p dividend paid on 17 July 2026) and 94.75p have been paid from BSC and BSC2 respectively. BSC2 has declared a dividend of 1.50p, to be paid on 23 October 2026.

The BSC VCTs operate a share buy-back policy at a 5% discount to net asset value. In the twelve months to 30 June 2026 BSC acquired 6.9m shares at a cost of £5.1m, and BSC2 8.4m shares at a cost of £4.4m.

YFM, the manager of the BSCVCTs, says that all share buy-backs have been conducted at a 5% discount to the prevailing NAV per share, that all buy-back requests have been satisfied and that the share buy-backs are usually processed at the end of each quarter.

Non-Qualifying Investments

The initial proceeds of the Offer may be invested in a portfolio of equities, fixed income and other securities, including money-market funds and cash deposits.

Tax Efficient Review Strategy rating: 29 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 results are in Table 3 and consist of results for each provider and their VCTs over a 3, 5 and 10 year period. As can be seen in this table, the 3, 5 and 10 year annual returns for the BSC VCTs are some of the best over each of the time periods under analysis. This performance has not just been driven by uplifts in the value of portfolio companies, but also from a series of profitable exits, as described below.

In order to reduce the data down to one figure we score each VCT's position in the results from 1 (top position) to the total number of VCTs in the analysis, sum them and take an average over the three periods being measured. Thus lower numbers are better and are in Table 4.

The analysis in Table 4 shows that YFM's performance places them third out of the list of VCT managers with an aggregate score of 5, when the best possible score is 3.

This performance is something that investors have come to expect from the BSC VCTs, and they have consistently been some of the top performing generalist VCT managers.

Recent exits including both profitable exits and write-offs include:

- **TeraView** – 8.1x – long-standing investment that was fully exited following the business successfully listing on the South Korean stock exchange
- **Sipsynergy** – 0.2x - exit to a trade acquirer in response to market headwinds and uncertainty on return on future investment
- **Elucidat** – 1.3x – Brighton based e-learning company sold to Learning Pool, a global provider of workplace solutions
- **Vuealta** – 1.5x – acquired by Keyrus, a global consulting and technology group
- **SharpCloud** - 2.0x – acquired by Lumivero, a leading data insights and collaboration plat-

form, to strengthen its enterprise decision intelligence offering

Since the last fund raising closed in April 2026, there have been seven follow-on investments totalling £15.1m made by the BSC VCTs, as well as £9.5m into three new investments.

Valuing unquoted venture capital backed companies can be a nightmare of interpretation and analysis. The way the BSC VCTs structure their investments is with a high degree of reliance upon preference shares (which confer some form of "liquidation preference") within the structure of the investment. To be clear, this is not a debt structure, but as the name suggests, it does give the investor in the preference shares a preference (or priority) on returns in the event of a sale.

Preference shares can be Participating (known as "hard" preference) or non-Participating (known as "soft" preference). Participating refers to whether after recouping any funds in preference to other shares, the shares continue to share in any funds still available.

For example, a VCT may invest £5m into a company as participating preference shares with a 1x liquidation preference which have a priority on the first £5m (driven by the 1x preference) in the event of the sale of that company to a trade purchaser. So (assuming no other share class has a priority position) if the company is sold for only £5m, the VCT will get their investment back but the other equity holders will get nothing. But if the company were sold for, say £15m, then the VCT (as the holder of the participating preference shares) would receive their £5m preference first and then the remaining £10m would be split across all shareholder(s) (including the VCT) as a normal equity participation.

Clearly, there are many, many ways in which preference shares can be structured in terms of the rights and return profile they give the investor/shareholder, and it's part of the negotiation of an investor when they come to put money into a Venture Capital/Private Equity company.

But TER would like to point out that these preference share structures do not provide any form of safety net or guarantees. If a company with preference shares in its equity structure folds with a nil value, then there is no recourse for the preference shareholder to take a preferred posi-

tion ahead of other shareholders, as there is no equity value remaining in the company.

Why is this important for the performance of comparing BSC VCTs to other VCTs which might not use preference shares? Well, the preference shares mean that the BSC VCTs' performance may be more "static" compared to others which do not use preference shares.

Whilst preference shares typically help to give a priority recoupment on a sale of a company, they also can have a reduced upside in exchange for this priority return.

When negotiating the terms of an investment, YFM will balance what valuation is being sought by the company and what valuation and structure it feels is necessary to achieve its target return, whilst achieving some downside protection. Table 8 has a column indicating the type of shares held by the VCTs: 18 were in participating shares, 8 in a combination of participating/non-participating, 4 in non-participating, 8 with a combination of debt and equity and 7 in just "naked" equity (i.e. with no preference).

Prior to 2015, the structuring of investments with the use of secured loan stock and / or preference shares enabled the VCTs to generate more revenue income than, say, other VCTs which use external gearing. In addition, however, dividends can also clearly come from realised capital profits, and like many other VCT managers YFM has regard to a "total return" of longer-term performance when advising the Boards on setting their dividend policy.

The balance of investment from 2015 has seen a heavier weighting towards TMT (Technology, Media and Telecoms), with a strong emphasis on Application Software, Data, Tech-enabled Services, Cloud & DevOps, and New Media. In total 37 investments have been made in these sectors of which 31 are still in the portfolio.

As at 30 June 2026, BSC held 43 unquoted investments valued at £173m and BSC2 held 44 unquoted investments valued at £119m.

Despite this level of diversification, there is still a reliance on the top 10 holdings within the portfolio. The portfolio weighting of the BSC VCTs stands at 35.8% of NAV although YFM say that this includes a number of businesses that are per-

forming strongly.

It is often to be expected with private equity/venture capital portfolios that the "winners" become more predominant within a portfolio as the "losers" see their value erode and disappear within a portfolio. Within the top ten, the largest holding is Matillion, which represents approximately 6% of the NAV. This is still relatively large for one company, but it is less than half of what it comprised four years ago when it was 15.99% (BSC) and 169.6% (BSC2) of the two portfolios respectively.

The underlying performance of Xapien (5% of NAV as at 30 June 2026), Summize (5% of NAV as at 30 June 2026), Unbiased (5% of NAV as at 30 June 2026) and Vypr (4% of NAV as at 30 June 2026) has contributed to Matillion's reduced concentration in the BSC VCTs' portfolio.

Within the BSC VCTs the current top five holdings total £134m (25.5%) of the total £524m of AUM (as at 30 June 2026). The top ten holdings equate to £187m (35.8%), and the top 15 holdings equate to £228m (43.6%) (as at 30 June 2026).

Table 7 shows the exits achieved over the past 3 years. Within the 13 exits achieved, 10 of them have been profitable and at considerable margins to comfortably outweigh the losses with an average return multiple of 1.91x (which would increase to 2.03x if the potential deferred consideration is received at its recognised 30 June 2026 value). NB the average return multiple over the period is 2.27x, if the nil return on Wooshii is excluded.

The exits, alongside the performance of the remaining portfolio, have helped to drive a healthy level of dividends across the BSC VCTs. The average dividends paid over the last 5 and 10 years to 30 June 2026, as well as the level of cumulative dividends to date are shown in the two tables below:

British Smaller Companies VCT

Average over last 5 years:	6.15p
Average over last 10 years	7.95p
Cumulative since launch:	188.15p*
* 190.15p after the 2p dividend paid on 17 July 2026.	

British Smaller Companies VCT 2

Average over last 5 years:	4.65p
Average over last 10 years	4.425p
Cumulative since launch:	94.75p*

* excludes a 1.5p dividend to be paid on 23 October 2026

In summary, the investors in BSC and BSC2

should be happy with the returns they have seen over recent years as the YFM team have continued to deliver profitable exits in some of the most difficult market conditions for private equity and venture capital seen in the past 5 years.

The BSC VCTs, under the management of YFM, have consistently delivered for their shareholders, and this has continued with the recent exits of TeraView, Vuealta and SharpCloud.

Tax Efficient Review Track Record rating: 34 out of 40

Manager

YFM, the manager of the BSC VCTs, have been running for over 40 years and have realised over 150 investments in that time. The investment manager has also developed relationships with CEOs and NEDs of these businesses, as well as their advisors across the UK regions.

In January 2026, Jamie Roberts (Managing Partner), Eamon Nolan (Head of Fundraising and Investor Relations) and Marcus Karia (COO / CFO) led the buyout of YFM's three previous senior partners. The business remains an independently owned partnership, with 16 partners. Given the importance of the BSC VCTs to YFM (they make up c.70% of YFM's total funds under management), the continuation of this ownership structure maintains the alignment with the shareholders in the BSC VCTs.

YFM's investment team has grown over time and now comprises 39 investment/portfolio partners, directors and managers. This is one of the largest VCT teams in the UK and gives a substantial presence in each region, giving the manager a larger reach than most. YFM's investment team also includes an in-house direct origination function (established in recent years), which comprises four individuals who are responsible for sourcing proprietary investment opportunities through direct outreach to businesses. YFM says that this combination of a large regional team with long-standing relationships across the country and its in-house capability to identify and engage with prospective investee businesses, gives the BSC VCTs access to investment opportunities that many others do not see and which are not the subject of private equity auctions. Indeed, YFM has seen c.1,000 new opportunities for the

BSC VCTs over the last 12 months.

YFM say that their dedicated portfolio resource is a point of difference to several other VCT managers and allows them to allocate portfolio managers (who are not also required to originate and transact new investments) to each of the BSC VCTs' portfolio businesses and support their growth journey. YFM further enhances the support it provides to management teams by appointing external non-executive directors and / or chairmen with industry expertise. Table 9 shows the key team members.

The role of YFM's in-house Value Creation specialists is to work with portfolio companies alongside YFM's portfolio managers, providing support and guidance across Talent (helping portfolio companies to source new executive and non-executive hires) and Revenue Operations (working with portfolio companies to improve their Sales and Go-To-Market functions).

YFM has five offices providing national coverage and local presence, through which deals can be sourced. Over the last few years, most deals have been sourced through the YFM network and from the network of Chairmen and CEOs that they work with on a regular basis. Six of the last 21 new investments made by the BSC VCTs have been sourced by YFM's Direct Origination team. The local offices also see proprietary deal flow from local banks and intermediaries, which is a further benefit of YFM's regional office network.

Over the last 12 months, YFM has continued to add investment professionals to its London office, as well as hiring several senior investment profes-

sionals to expand its Leeds and Manchester offices. This included the appointment, in September 2025, of a Head of New Investments North, who previously led the British Growth Fund's investment team in the North and Midlands. YFM say that their Leeds and Manchester teams are now larger than they have been for several years, underlining YFM's commitment to be an active regional investor.

Not only must a VCT manager obtain deal flow, but it must have a team resourced to invest at the correct rate to satisfy the VCT rules. The 30% and 80% investment rules require that by the end of the first accounting period after launch that 30% of the funds raised must be invested and by the end of the third accounting period, and in every accounting period thereafter, the VCT must have at least 80% of its funds invested in qualifying holdings. In this case both VCTs have a preferred investment level of around 85% or more.

As well as the BSC VCTs, YFM manages a number of Limited Partnership Funds, details of which are included in Table 2.

The growth capital funds that invest alongside the VCTS, are dedicated to providing the replacement capital element of the transactions, which the VCTs are unable to provide. The funds invest on the same economic terms as the VCTs. The buyout funds provide funding where the VCTs are completely precluded; focusing on supporting entrepreneurs, owners and management teams of small businesses throughout the UK who wish to progress with management buyouts and cash out situations.

The BSC VCT position as to funds needing investing by the team is as follows. Prior to the raising of these monies, the liquid funds of the BSC VCTs at 31 March 2027 are forecast to total c.£155m. The initial offer, assuming the full over-allotment facility is utilised, will raise around £58m after costs making a forecast total of c.£213m.

With a NAV post fundraise of c.£582m this equates to approximately 37% of the NAV being in liquid funds at 31 March 2027, which is lower than the equivalent figures of c.47% at 31 March 2026 (with the 2025/26 fundraising included) and 43% at 31 March 2025 (with the 24/25 fundraising included).

In considering the deployment of cash, it should

be noted that since 2024 there has been a step towards buyback levels being more commensurate with longer term trends, and it would not be unreasonable for future annual levels to increase by c.£5m. In addition, as the BSC VCT's portfolio continues to grow, there is likely to be increased demand for follow-on investments into portfolio businesses, which, when combined with the pipeline of new investment opportunities, is expected to take annual investment deployment to c.£60m.

For good governance, the VCTs will likely always retain a level of cash of c.20% of NAV, or around £116m at 31 March 2027. This would leave cash to utilise of c.£97m from 31 March 2027 onwards.

Between the BSC VCTs, around £40m per annum is currently utilised for the share buy-back scheme, net operating costs and dividends (net of amounts reinvested from the Dividend Re-investment Scheme). This would leave a net £57m to invest. This compares to investments (new and follow-on) of £48m in the year to 30 September 2026, and the target to invest £60m in the year to 31 March 2027. (Figures supplied by YFM).

The LP funds work differently. YFM tell us that generally they would seek to invest 80-85% of the fund total over a four-year period.

YFM's Growth Funds I, II and III are closed for new investment, with Funds I and II targeting exits for their existing portfolio companies over the next few years. YFM tell us that the Growth Fund III will undertake small follow-on investments alongside the VCTs.

Buyout Funds I, II and [III] are also now closed for new investments. Buyout Fund I has c.£4m, Buyout Fund II c.£13m and Buyout Fund III c.£15m available for further investments into the current portfolio.

YFM launched a fundraise process for its Buyout Fund IV in late 2025, which is expected to take 12-18 months to close. Whilst a larger target than Buyout Fund III (at a £150m target), the Fund will start to invest, now Buyout Fund III has finished its investment programme (in September 2026). The Fund will follow the same investment strategy as the previous three Buyout Funds. The only difference is that it will target 12-13 investments (as opposed to ten in previous Buyout Funds) and is expected to be invested over a

slightly longer investment period of four years.

Between funds, this suggests the need for an overall investment rate of c.£75-90m per annum (with a target of £60m for the VCTs). YFM have highlighted the continuing investment they have made in growing the size and experience of their investment team, in particular the expansion of their investment team in their Leeds and Manchester offices, and are confident this rate of deployment is achievable.

YFM tell us that they invested £38m in new investments and £30m in follow-ons in the year to 30 September 2026, a total of £68m (across BSC VCT, Growth and Buyout funds), which compares to £75m in the previous year. In our view this indicates that the team are well resourced to invest the funds being sought.

The principal members of the investment team are:

- Jamie Roberts (Director, Managing Partner, 23 years' experience)
- Eamon Nolan (Director, Head of Investor Relations and Fundraising, 27 years' experience)
- Marcus Karia (Director, CFO/COO, 18 years' experience)
- David Bell (Director, Senior Portfolio Partner, 27 years' experience)
- Steve Harrison (Senior Portfolio Partner, 19 years' experience)
- Nick Holt (Senior Portfolio Partner, 21 years' experience)
- Nicola McQuaid (Senior Portfolio Partner, 16 years' experience)
- David Wrench (Head of New Investments South, 16 years' experience)
- Neil Inskip (Head of New Investments North, 17 years' experience)
- Jen Townshend (Chief Compliance & HR Officer, 15 years' experience)

David Wrench (South) and Neil Inskip (North)

lead the new investment activity, with the four Senior Portfolio Partners, Steve Harrison, Nick Holt, Nicola McQuaid and David Bell, leading YFM's portfolio management function.

YFM has incorporated assessments on Artificial Intelligence (AI) into its investment processes. For example, understanding a business' ability to use AI to scale itself and assessing the potential impact of future developments in AI, are both key considerations when YFM is looking at new investment opportunities for the BSC VCTs. YFM has proactively engaged external specialist AI consultants to review the BSC VCTs portfolio, with YFM's portfolio leads working closely with management teams to understand and manage the potential AI opportunities and risks, as part of the company's overarching strategy.

Finally, YFM say they continue to invest in their digital infrastructure and hired a Digital Transformation manager in February 2026 to lead its adoption of AI tools into its operational processes. YFM maintains comprehensive information security policies and procedures, which are reviewed regularly.

The VCT directors of the VCTs are:

BSC VCT

- Rupert Cook – Chairman
- Adam Bastin
- Jonathan Cartwright
- Purvi Sapre

BSC VCT 2

- Barbara Anderson - Chair
- Arif Ahmed
- Roger McDowell

There is a large and well-established team within YFM who are responsible for managing over £500m of AUM across the two VCTs. It is also good to know that they are not distracted by multiple other tax-efficient retail offers like some other managers are in this area.

Tax Efficient Review Team rating: 18 out of 20

Costs

The costs for BSC are as follows:

- **Initial costs:** The Initial Application Fee is 3.0 per cent of the Application Amount and is paid by BSC to the Manager. In consideration, the Manager has agreed to meet the costs associated with the Offers, save for commissions payable to execution only brokers, on behalf of the BSC VCTs and the Manager will, therefore, be responsible for all of these costs. For investors who apply direct i.e. not via a broker or adviser the initial cost is 3.5%.

Applicants who subscribe for the first £25m in the fundraising will receive additional shares equivalent to 0.125% of their application amount, the costs of which will be met by the Manager. In addition, to the extent possible, Applicants will receive additional New Shares equivalent to receiving a c. 2.06 per cent (this rate is set by the BSC VCTs' receiving agent's banking provider and is subject to change) rate of return on funds awaiting allotment, calculated by reference to the number of days between receipt of cleared funds and the date of allotment.

- **Annual management fee:** 1.25% of surplus cash 2% of other assets. The annual fee for the twelve months to 31 March 2026 was £4,489,000, equal to 1.62 per cent of the average NAV.

Following approval from the Board of BSC, the annual management fee was increased from 1 January 2026, from the previous level of a 1% charge on surplus cash (above £7.5m for BSC) and 2% on other assets. BSC estimates that the annual fee for the year ended 31 March 2026 would have been c.1.71 per cent of the average NAV had the new fee arrangements been in place for the full year.

The annual fee payable to the Manager from 1 January 2026 is calculated as 1.25 per cent on all surplus cash, defined as all cash above £20 million. The annual fee on all other assets is 2.0 per cent per annum. This is calculated half yearly at 31 March and 30 September

In the year ended 31 March 2026 annual operating expenses (including the management fee but excluding any payment of the performance incentive) were 1.83% (they are capped at 2.9% of Net Asset Value). At this level the costs are at the lower end of charges for generalist funds.

- **Performance Fee:** a performance incentive fee of 20% is payable subject to BSC achieving a target level of Total Return (the "BSC Total Return Hurdle") and dividend ("BSC Dividend Hurdle"). Subject to meeting the BSC Total Return Hurdle, the Manager will receive an amount equivalent to 20% of the amount by which dividends paid per BSC share exceeds the BSC Dividend Hurdle, multiplied by the number of shares in issue at the year end. The incentive fee in any financial year will be subject to a cap if the excess of dividends paid over the BSC Dividend Hurdle is greater than the sum of the excess of the Total Return over the BSC Total Return Hurdle divided by 1.2.

The Total Return Hurdle is increased annually by an RPI-adjusted 4.0 pence per BSC share. For the year ended 31 March 2027 the annual increase in the BSC Total Return Hurdle and the BSC Dividend Hurdle is 7.80 pence per BSC share.

No fee was paid in respect of the year ended 31 March 2026. As the Hurdles for the year ended 31 March 2027 have not been met to date, no accrual for a 2027 performance fee has been made at 30 June 2026.

The costs for BSC2 are as follows:

- **Initial costs:** The Initial Application Fee is 3.0 per cent of the Application Amount and is paid by BSC2 to the Manager. In consideration, the Manager has agreed to meet the costs associated with the Offers, save for commissions payable to execution only brokers, on behalf of the BSC VCTs and the Manager will, therefore, be responsible for all of these costs. For investors who apply direct i.e. not via a broker or adviser the initial cost is 3.5%.

Applicants who subscribe for the first £25m in the fundraising will receive additional shares equivalent to 0.125% of their application amount, the costs of which will be met by the Manager. In addition, to the extent possible, Applicants will receive additional New Shares equivalent to receiving a c.2.06 per cent (this rate is set by the BSC VCTs' receiving agents' banking provider and is subject to change) rate of return on funds awaiting allotment, calculated by reference to the number of days between receipt of cleared funds and the date of allotment.

- **Annual management fee:** 1.25% of surplus cash (above £20m) 2% of other assets. The annual fee for the twelve months ending 31 December 2026 was £2,845,000, equal to 1.64 per cent of the average NAV.

Following approval from the Boards of the BSC VCTs, the annual management fee was increased from 1 January 2026, from the previous level of a 1% charge on surplus cash (above £5m for BSC2) and 2% on other assets. The Company estimates that the annual fee for the year ended 31 December 2025 would have been c.1.87 per cent of the average NAV had the new fee arrangements been in place for the full year.

The annual fee payable to the Manager is calculated as 1.25 per cent on all surplus cash, defined as all cash above £20 million. The annual fee on all other assets is 2.0 per cent per annum. This is calculated half yearly at 30 June and 31 December.

In the year ended 31 December 2025 annual operating expenses (including the management fee but excluding any payment of the performance incentive) were 1.98% (they are capped at 2.9% of Net Asset Value). At this level the costs are at the lower end of charges for generalist funds.

- **Performance Fee:** a performance incentive fee of 20% is payable subject to BSC2 achieving a Hurdle; NB the BSC2 hurdle is different to that of BSC VCT.

From 1 January 2024 an amended scheme is in force. The BSC2 Hurdle for each financial year will be increased by an agreed percentage of the corresponding Share Price for each of the five years commencing with 1 per cent for the year ending 31 December 2024 and

increasing by an additional 1 percentage point per year until the year ending 31 December 2028 when the increase to the Hurdle will be 5 per cent of the corresponding Share Price. Following the changes, the Hurdle for the year ending 31 December 2025 was 143.80 pence per ordinary share.

As at 31 December 2025 the total of cumulative cash dividends paid and the Share Price was 144.75 pence per ordinary share. Consequently, the Hurdle was exceeded and a performance related incentive of £623,000 for the year ended 31 December 2025 was payable. The Hurdle for the year ending 31 December 2026 is 146.295 pence per share.

Based on the BSC2 net asset value per share at 30 June 2026, the Hurdle would not be exceeded and no fee would be due. Any incentive fee ultimately paid will be calculated on the actual share price total return at 31 December 2026, and not on the estimated level at 30 June 2026.

In addition to the fees described above, which are paid by the BSC VCTs, the Manager receives advisory fees in connection with new investments which are paid by the relevant investee company. In respect of each of the VCTs there is an aggregate annual cap applied to these fees for new investments of 3 per cent and for further investments of 2 per cent, with any fees above this cap being payable to the VCTs. Where expenses have been incurred and the investment does not proceed, the Manager pays any abort fees. The Manager also receives monitoring or non-executive director fees from unquoted portfolio companies. In respect of each of the BSC VCTs these fees are capped at a maximum of £60,000 per annum for an unquoted company. The cap was increased to £60,000 per annum from 1 January 2026, following the approval of the Boards of the BSC VCTs to replace the previous cap of £40,000 per annum that had been in place since 2014.

Tax Efficient Review Cost rating: 8 out of 10

Conclusion

This review is for the first fund raising of the British Smaller Companies VCTs (BSC) in the new income tax relief regime which came into effect on 6th April 2026. Like many other VCT managers in this new fund raising environment the BSC VCTs have reduced the amount of funds they are seeking in anticipation of a more sedate VCT fund raising market than that seen in the previous tax year.

In the previous (2025/2026) tax year the BSC VCTs sought £60m in aggregate, plus a further £25m over-allotment facility, which rapidly reached full subscription. In this new offer they are seeking £40m in aggregate with a £20m over-allotment facility, so an overall reduction from £85m to £60m for this fund raising.

But financial advisers who are considering a VCT investment for their clients this year may not want to hang around in getting an application in for some of the top-performing VCTs, of which the British Smaller Companies VCTs are certainly one.

The BSC VCTs have developed an enviable track record over the years and have consistently been at the top of the generalist VCT performance tables. This performance is not just from uplifts in the value of portfolio companies but from a large number of significant profitable exits achieved from portfolio companies.

Recent exits include TeraView, whose specialist technology is used in the inspection of items such as semi-conductors. Following the initial investment in 2011, the BSC VCTs realised £6.1m in January 2026 (a 8.1x return), against a holding cost of £0.8m, following a successful listing on the South Korean stock exchange. Also, SharpCloud, an analytics and data intelligence platform that was acquired by a global trade purchaser, generating £14.5m in December 2025, from a £7.3m investment that was initially made in October 2019 (a 2.0x to 2.2x return).

As is to be expected in a venture portfolio, there have been some failures as well in the last 12 months: Sipsynergy was a £4.9m investment that was held since 2016 and was sold to a strategic acquirer in February 2026 for just under £1m. There have also been previous concerns raised by Tax Efficient Review in previous reviews of the size of portfolio company Matillion. This company is still the largest holding and represents approximately 6% of the NAV, but this is less than half of what it comprised four years ago when it was 15.9% (BSC) and 19.6% (BSC2) of the two portfolios respectively.

Aside from the exits achieved, there has also been strong growth from several portfolio businesses, in particular Xapien and Summize, who have delivered revenue growth of 136% and 86% respectively in the 12 months to 30 June 2026. Both of these companies have successfully completed Series B funding rounds in 2026, where the BSC VCTs participated alongside new institutional investors.

Whilst the recent drop in income tax relief for VCT investing is unfortunate, the expansion in the VCT qualifying criteria which was introduced at the same time means that VCT managers have a far wider universe of companies to consider and can make follow-on investments into successful portfolio companies more easily.

Given the strong track record that the BSC VCTs have developed since launch in 1996 and 2000, if financial advisers are looking to invest clients into VCTs this tax year, they may not wish to hang about too long to gain access to the BSC VCTs for their clients.

Tax Efficient Review rating: 89 for a generalist VCT with a track record.

Table 8: YFM VCTs unquoted holdings as at 30 June 2026 sorted by Multiple of Cost

Investee Company	Cost £m	Value £m	Cost multiple
Ketech	0.02	2.39	119.50
Matillion	3.23	31.44	9.73
Summize	9.25	27.87	3.01
Unbiased	9.33	27.23	2.92
Vypr	9.50	20.30	2.14
Xapien	12.68	26.87	2.12
Tonkotsu	3.98	7.33	1.84
OC Engineering	1.00	1.60	1.60
Stormharvester	3.50	5.37	1.53
EL Support	1.00	1.52	1.52
Automate Pro	9.81	12.32	1.26
Auralife	2.50	3.09	1.24
Frescobol	3.00	3.64	1.21
DrDoctor	8.93	10.75	1.20
Spotless Water Limited	9.64	11.60	1.20
Workbuzz	7.84	9.07	1.16
Plandek	8.54	9.74	1.14
GEEIQ	8.71	9.30	1.07
Dynarisk	3.00	3.16	1.05
Fuuse Ltd	8.00	8.37	1.05
S4labour	4.00	4.15	1.04
Force 24	7.13	7.19	1.01

Table 8: YFM VCTs unquoted holdings as at 30 June 2026 sorted by Multiple of Cost

Investee Company	Cost £m	Value £m	Cost multiple
Arcus	3.05	3.05	1.00
Inploi	2.50	2.50	1.00
Ohalo Limited	4.28	4.30	1.00
StudentCrowd	4.00	4.00	1.00
TeamFeePay	4.50	4.50	1.00
TiPJAR	4.50	4.50	1.00
NB Technology	1.00	0.99	0.99
Outpost	9.58	8.97	0.94
Biorelate	3.85	2.53	0.66
Quality Clouds	9.70	6.23	0.64
SH Healthcare	1.00	0.49	0.49
SP Manufacturing	1.00	0.48	0.48
Integrum	2.90	1.30	0.45
Panintelligence	2.97	1.28	0.43
Relative Insight	7.64	1.99	0.26
Sipsynergy	4.70	0.57	0.12
Immunobiology	2.77	0.07	0.03
Wooshii	8.19	0.23	0.03
B2M	3.16	0.00	0.00
Eikon	1.25	0.00	0.00
Intamac	1.21	0.00	0.00
TOTALS	218.34	292.28	1.34

Source: YFM

Table 9: YFM VCTs unquoted holdings as at 30 June 2026

Investee Company	Share class (one per row)	Cost £m	Value £m	Date invested	YFM is Lead investor Y/N	Structure of investment (Equity/Loan)	Industry Sector	Stage of Investment	Valuation method	Multiple on cost
Arcus	Loan	0.25	0.25	31/12/2021	Y	Fixed Return	Application Software	Scale-Up	Note 1	1.00
	Preference shares	2.80	2.80	11/05/2018	Y	Fixed Return	Application Software	Scale-Up	Note 1	1.00
Arcus Total		3.05	3.05							1.00
Auralife	B Ordinary Shares	2.50	3.09	25/03/2026	Y	Participating	Tech-enabled Services	Scale-Up	Note 1	1.24
Auralife Total		2.50	3.09							1.24
Automate Pro	B Ordinary Shares	3.71	4.66	22/12/2022	Y	Participating	Cloud and DevOps	Growth	Note 1	1.26
	C Ordinary Shares	3.00	3.77	29/07/2024	Y	Participating	Cloud and DevOps	Growth	Note 1	1.26
	D Ordinary Shares	3.10	3.89	09/09/2025	Y	Participating	Cloud and DevOps	Growth	Note 1	1.25
Automate Pro Total		9.81	12.32							1.26
B2M	B Ordinary Shares	2.50	0.00	01/10/2016	Y	Participating	Application Software	Early Stage	Note 2	0.00
	C Ordinary Shares	0.26	0.00	13/03/2019	Y	Participating	Application Software	Early Stage	Note 2	0.00
	D Ordinary Shares	0.20	0.00	16/06/2021	Y	Participating	Application Software	Early Stage	Note 2	0.00
	D Ordinary Shares	0.20	0.00	17/09/2021	Y	Participating	Application Software	Early Stage	Note 2	0.00
B2M Total		3.16	0.00							0.00
Biorelate	Preferred Ordinary Shares	2.60	1.01	28/11/2022	Y	Participating	Application Software	Growth	Note 2	0.39
	Preferred Ordinary Shares	1.25	1.52	18/09/2024	Y	Participating	Application Software	Growth	Note 2	1.22
Biorelate Total		3.85	2.53							0.66

Note 1: Revenue: Uplift in value, manager valuation based on revenue multiple

Note 2: Write down 100%

Note 3: Net assets

Note 4: Price of recent investment

Note 5: Write down c50%

Note 6: Earnings: Uplift in value, manager valuation based on earnings multiple

Note 7: Write down 0% to 25%

Note 8: Write down 51% to 75%

Note 9: Write-down 1% to 25%

Source:YFM

Table 9: YFM VCTs unquoted holdings as at 30 June 2026

Investee Company	Share class (one per row)	Cost £m	Value £m	Date invested	YFM is Lead investor Y/N	Structure of investment (Equity/Loan)	Industry Sector	Stage of Investment	Valuation method	Multiple on cost
DrDoctor	A2 Ordinary Shares	5.94	4.30	03/02/2023	Y	Non-Participating	Application Software	Scale-Up	Note 2	0.72
	A3 Ordinary Shares	2.98	6.45	07/03/2025	Y	Participating	Application Software	Scale-Up	Note 2	2.16
DrDoctor Total		8.93	10.75							1.20
Dynarisk	E Ordinary Shares	3.00	3.16	18/07/2025	Y	Participating	Application Software	Growth	Note 2	1.05
Dynarisk Total		3.00	3.16							1.05
Eikon	D Ordinary Shares	0.75	0.00	26/03/2018	Y	Equity	New Media	Scale-Up	Note 2	0.00
	D Ordinary Shares	0.50	0.00	01/01/2023	Y	Equity	New Media	Scale-Up	Note 2	0.00
Eikon Total		1.25	0.00							0.00
EL Support	Loan	0.30	1.00	04/04/2015	Y	Loan	Other	Early Stage	Note 3	3.33
	Ordinary shares	0.70	0.52	04/04/2015	Y	Equity	Other	Early Stage	Note 3	0.74
EL Support Total		1.00	1.52							1.52
Force 24	Preference shares	1.25	1.41	16/10/2023	Y	Fixed Return	Application Software	Scale-Up	Note 3	1.13
	A Ordinary Shares	4.00	1.47	20/11/2020	Y	Participating	Application Software	Scale-Up	Note 3	0.37
	A Ordinary Shares	1.25	2.11	08/07/2022	Y	Participating	Application Software	Scale-Up	Note 3	1.69
	A Ordinary Shares	0.63	2.20	19/05/2025	Y	Participating	Application Software	Scale-Up	Note 3	3.49
Force 24 Total		7.13	7.19							1.01
Frescobol	A Ordinary Shares	3.00	3.64	20/03/2019	Y	Participating	Retail & Brands	Scale-Up	Note 3	1.21
Frescobol Total		3.00	3.64							1.21
Fuuse Ltd	Senior Ordinary Shares	5.00	3.35	31/05/2024	Y	Non-Participating	Application Software	Growth	Note 3	0.67
	B Ordinary Shares and £0.0001	3.00	5.02	15/08/2025	Y	Participating	Application Software	Growth	Note 3	1.67
Fuuse Ltd Total		8.00	8.37							1.05
GEEIQ	A1 Ordinary Shares	3.93	3.72	13/09/2023	Y	Participating	Data	Growth	Note 3	0.95
	A1 Ordinary Shares	4.78	5.58	01/05/2026	Y	Participating	Data	Growth	Note 3	1.17
GEEIQ Total		8.71	9.30							1.07
Immunobiology	Ordinary shares	2.77	0.07	01/09/2015 to 13/5/25	N	Equity	Other	Early Stage	Note 4	0.03
Immunobiology Total		2.77	0.07							0.03
Inploi	C ordinary shares	2.50	2.50	02/04/2026	Y	Non-Participating	Application Software	Growth	Note 4	1.00
Inploi Total		2.50	2.50							1.00
Intamac	F Ordinary shares	1.00	0.00	05/06/2012	Joint lead	Equity	Business Services	Early Stage	Note 4	0.00
	F Ordinary shares	0.10	0.00	11/12/2015	Joint lead	Equity	Business Services	Early Stage	Note 4	0.00
	F Ordinary shares	0.10	0.00	12/08/2016	Joint lead	Equity	Business Services	Early Stage	Note 4	0.00
Intamac Total		1.21	0.00							0.00
Integrum	A Ordinary Shares	2.90	1.30	19/09/2024	Y	Participating	Data	Early Stage	Note 5	0.45
Integrum Total		2.90	1.30							0.45
Ketech	A Ordinary Shares	0.02	2.39	01/11/2015	Y	Equity	Tech-enabled Services	Scale-Up	Note 6	119.50
Ketech Total		0.02	2.39							119.50
Matillion	A Ordinary Shares	2.29	12.90	29/11/2016	Y	Equity	Data	Scale-Up	Note 6	5.63
	Series B Ordinary Shares	0.93	18.50	16/03/2018	Y	Equity	Data	Scale-Up	Note 6	19.89
	Deferred Ordinary shares	0.01	0.04	16/03/2018	Y	Equity	Data	Scale-Up	Note 6	4.00
Matillion Total		3.23	31.44							9.73
NB Technology	Loan	0.30	0.30	04/04/2015	Y	Loan	Other	Early Stage	Note 6	1.00
	Ordinary shares	0.70	0.69	04/04/2015	Y	Equity	Other	Early Stage	Note 6	0.99
NB Technology Total		1.00	0.99							0.99
OC Engineering	Loan	0.30	0.30	04/04/2015	Y	Loan	Other	Early Stage	Note 6	1.00
	Ordinary shares	0.70	1.30	04/04/2015	Y	Equity	Other	Early Stage	Note 6	1.86
OC Engineering Total		1.00	1.60							1.60

Note 1: Revenue: Uplift in value, manager valuation based on revenue multiple

Note 2: Write down 100%

Note 3: Net assets

Note 4: Price of recent investment

Note 5: Write down c50%

Note 6: Earnings: Uplift in value, manager valuation based on earnings multiple

Note 7: Write down 0% to 25%

Note 8: Write down 51% to 75%

Note 9: Write-down 1% to 25%

Source:YFM

Table 9: YFM VCTs unquoted holdings as at 30 June 2026

Investee Company	Share class (one per row)	Cost £m	Value £m	Date invested	YFM is Lead investor Y/N	Structure of investment (Equity/Loan)	Industry Sector	Stage of Investment	Valuation method	Multiple on cost
Ohalo Limited	B Ordinary Shares	2.78	2.80	10/06/2024	Y	Participating	Data	Growth	Note 6	1.01
	A4 Preferred Shares	1.50	1.50	22/12/2025	Y	Participating	Data	Growth	Note 6	1.00
Ohalo Limited Total		4.28	4.30							1.00
Outpost	Loan	1.67	1.67	30/06/2022	Y	Fixed Return	New Media	Scale-Up	Note 7	1.00
	Preferred A Ordinary Shares	2.50	2.31	12/02/2021	Y	Participating	New Media	Scale-Up	Note 7	0.92
	Preferred A Ordinary Shares	3.33	3.08	30/06/2022	Y	Participating	New Media	Scale-Up	Note 7	0.92
	Preferred A Ordinary Shares	2.08	1.92	08/02/2024	Y	Participating	New Media	Scale-Up	Note 7	0.92
Outpost Total		9.58	8.97							0.94
Panintelligence	A Ordinary Shares	2.50	1.00	26/11/2019	Y	Non-Participating	Data	Growth	Note 7	0.40
	A2 Preference Shares	0.47	0.28	07/07/2025	Y	Participating	Data	Growth	Note 7	0.60
Panintelligence Total		2.97	1.28							0.43
Plandek	C Ordinary Shares	3.45	3.94	14/10/2022	Y	Non-Participating	Cloud and DevOps	Growth	Note 7	1.14
	D2 Ordinary Shares	2.45	2.90	14/06/2024	Y	Participating	Cloud and DevOps	Growth	Note 7	1.18
	D2 Ordinary Shares	2.64	2.90	31/10/2025	Y	Participating	Cloud and DevOps	Growth	Note 7	1.10
Plandek Total		8.54	9.74							1.14
Quality Clouds	Y1 Preferred Shares	2.50	2.50	04/05/2022	Y	Non-Participating	Cloud and DevOps	Growth	Note 7	1.00
	Series A Ordinary Shares	4.03	1.87	31/03/2023	Y	Participating	Cloud and DevOps	Growth	Note 7	0.46
	Series A Ordinary Shares	3.18	1.87	05/08/2024	Y	Participating	Cloud and DevOps	Growth	Note 7	0.59
Quality Clouds Total		9.70	6.23							0.64
Relative Insight	Preference shares	0.30	0.64	03/10/2024	Y	Fixed Return	Tech-enabled Services	Growth	Note 8	2.13
	Preference shares	0.34	0.16	26/06/2025	Y	Fixed Return	Tech-enabled Services	Growth	Note 8	0.47
	Ordinary shares	5.00	0.00	25/03/2022	Y	Participating	Tech-enabled Services	Growth	Note 8	0.00
	A Ordinary Shares	1.34	0.96	10/05/2023	Y	Participating	Tech-enabled Services	Growth	Note 8	0.72
	A Ordinary Shares	0.66	0.23	12/02/2024	Y	Participating	Tech-enabled Services	Growth	Note 8	0.35
Relative Insight Total		7.64	1.99							0.26
SH Healthcare	Loan	0.30	0.30	04/04/2015	Y	Loan Equity	Other	Early Stage	Note 8	1.00
	Ordinary shares	0.70	0.19	04/04/2015	Y	Equity	Other	Early Stage	Note 8	0.27
SH Healthcare Total		1.00	0.49							0.49
S4labour	A Ordinary Shares	4.00	4.15	28/04/2025	Y	Participating	Application Software	Growth	Note 8	1.04
S4labour Total		4.00	4.15							1.04
Sipsynergy	A Ordinary Shares	2.25	0.00	30/06/2016	Y	Participating	Cloud and DevOps	Early Stage	Note 8	0.00
	D Ordinary Shares	0.53	0.28	23/06/2017	Y	Participating	Cloud and DevOps	Early Stage	Note 8	0.53
	D Ordinary Shares	1.02	0.28	23/04/2021	Y	Participating	Cloud and DevOps	Early Stage	Note 8	0.27
	Preferred Ordinary Shares	0.90	0.00	18/02/2022	Y	Fixed Return	Cloud and DevOps	Early Stage	Note 8	0.00
Sipsynergy Total		4.70	0.57							0.12
SP Manufacturing	Loan	0.30	0.30	04/04/2015	Y	Loan Equity	Other	Early Stage	Note 8	1.00
	Ordinary shares	0.70	0.18	04/04/2015	Y	Equity	Other	Early Stage	Note 8	0.26
SP Manufacturing Total		1.00	0.48							0.48
Spotless Water Limited	Preferred Ordinary Shares	3.64	5.04	21/06/2024	Y	Participating	Business Services	Scale-Up	Note 8	1.38
	Preferred Ordinary Shares	6.00	6.56	03/06/2026	Y	Participating	Business Services	Scale-Up	Note 8	1.09

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Note 2: Write down 100%

Note 3: Net assets

Note 4: Price of recent investment

Note 5: Write down c50%

Note 6: Earnings: Uplift in value, manager valuation based on earnings multiple

Note 7: Write down 0% to 25%

Note 8: Write down 51% to 75%

Note 9: Write-down 1% to 25%

Source:YFM

Table 9: YFM VCTs unquoted holdings as at 30 June 2026

Investee Company	Share class (one per row)	Cost £m	Value £m	Date invested	YFM is Lead investor Y/N	Structure of investment (Equity/ Loan)	Industry Sector	Stage of Investment	Valuation method	Multiple on cost
Spotless Water Limited Total		9.64	11.60							1.20
Stormharvester	A1 Ordinary Shares	3.50	5.37	20/01/2025	Y	Soft Participatng	Data	Scale-Up	Note 8	1.53
Stormharvester Total		3.50	5.37							1.53
StudentCrowd	A1 Preferred Ordinary Shares	4.00	4.00	28/04/2026	Y	Non-Participating	Data	Growth	Note 8	1.00
StudentCrowd Total		4.00	4.00							1.00
Summize	Preferred Ordinary Shares	3.00	9.04	24/10/2022	Y	Participating	Application Software	Scale-Up	Note 8	3.01
	Preferred Ordinary Shares	1.25	3.77	14/06/2024	Y	Participating	Application Software	Scale-Up	Note 8	3.02
	B1 Shares of £0.01 nominal value	5.00	15.07	12/01/2026	N	Non-Participating	Application Software	Scale-Up	Note 8	3.01
Summize Total		9.25	27.87							3.01
TeamFeePay	A Ordinary Shares	4.50	4.50	15/12/2025	Y	Non-Participating	Application Software	Growth	Note 8	1.00
TeamFeePay Total		4.50	4.50							1.00
TIPJAR	A Ordinary Shares	4.50	4.50	23/03/2026	Y	Non-Participating	Application Software	Growth	Note 8	1.00
TIPJAR Total		4.50	4.50							1.00
Tonkotsu	P preference shares £0.0001	3.60	4.71	10/06/2019	Y	Participating	Retail & Brands	Scale-Up	Note 8	1.31
	Y Share £0.01	0.38	2.62	10/06/2019	Y	Participating	Retail & Brands	Scale-Up	Note 8	6.89
Tonkotsu Total		3.98	7.33							1.84
Unbiased	C ordinary shares	4.91	13.62	19/12/2019	Y	Participating	Tech-enabled Services	Scale-Up	Note 8	2.77
	C1 ordinary Shares	4.42	13.62	21/10/2022	Y	Participating	Tech-enabled Services	Scale-Up	Note 8	3.08
Unbiased Total		9.33	27.23							2.92
Vypr	A Ordinary Shares	2.50	5.34	07/01/2021	Y	Participating	Tech-enabled Services	Scale-Up	Note 8	2.14
	A Ordinary Shares	3.00	6.41	10/08/2022	Y	Participating	Tech-enabled Services	Scale-Up	Note 8	2.14
	A Ordinary Shares	4.00	8.54	17/03/2025	Y	Participating	Tech-enabled Services	Scale-Up	Note 8	2.14
Vypr Total		9.50	20.30							2.14
Wooshii	B Ordinary Shares	3.60	0.23	17/05/2019	Y	Participating	New Media	Early Stage	Note 9	0.06
	B Ordinary Shares	2.50	0.00	09/06/2021	Y	Participating	New Media	Early Stage	Note 9	0.00
	D Convertible Ordinary Shares	0.66	0.00	25/11/2022	Y	Fixed Return	New Media	Early Stage	Note 9	0.00
	D Convertible Ordinary Shares	0.98	0.00	25/07/2023	Y	Participating	New Media	Early Stage	Note 9	0.00
	B Ordinary Shares	0.45	0.00	28/11/2024	Y	Participating	New Media	Early Stage	Note 9	0.00
Wooshii Total		8.19	0.23							0.03
Workbuzz	C Ordinary Shares	4.30	5.44	20/06/2023	Y	Participating	Application Software	Scale-Up	Note 9	1.27
	C2 Ordinary shares	3.54	3.63	25/03/2025	Y	Participating	Application Software	Scale-Up	Note 9	1.03
Workbuzz Total		7.84	9.07							1.16
Xapien	A1 Ordinary shares	2.90	6.71	31/03/2023	y	Participating	Application Software	Scale-Up	Note 9	2.31
	A1 Ordinary shares	7.26	16.80	19/07/2024	y	Participating	Application Software	Scale-Up	Note 9	2.31
	Unsecured Convertible Loan Notes 2025	2.52	3.36	15/12/2025	Y	Convertible Loan	Application Software	Scale-Up	Note 9	1.33
Xapien Total		12.68	26.87							2.12
Grand Total		£218.32m	£292.27m							1.34

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Note 2: Write down 100%

Note 3: Net assets

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Source:YFM