

**OFFER FOR SUBSCRIPTION
FOR NEW H SHARES**

**FOR THE 2014/15
& 2015/16 TAX YEARS**



EDGE
PERFORMANCE VCT

**SECURITIES NOTE
INCLUDING APPLICATION FORM**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately qualified adviser authorised under the Financial Services and Markets Act 2000.

This document constitutes a securities note (the "Securities Note"). Additional information relating to the Company is contained in a registration document (the "Registration Document"). A brief summary conveying the essential characteristics of, and risks associated with, the Company and the New H Shares, which are being offered for subscription (the "Offer"), is contained in a summary note (the "Summary"). The Securities Note, the Registration Document and the Summary together constitute a prospectus (the "Prospectus") dated 4 November 2014. The Prospectus has been prepared in accordance with the Prospectus Rules made under section 74 of FSMA and approved by the Financial Conduct Authority in accordance with section 84 of FSMA. The Company and the Directors (whose names appear on page 7 of this Securities Note) accept responsibility for the information contained in the Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best knowledge of the Company and the Directors, in accordance with the facts and does not omit anything likely to affect the import of such information.

All third party information in this Securities Note has been identified as such by reference to its source and in each instance has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by the relevant party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as sponsor to the Company and is not advising any other person in this capacity or treating any other person in this capacity as its customer in relation to the Offer or to the matters referred to in the Prospectus and will not be responsible to anyone other than the Company for providing advice as sponsor in relation to the Offer, the contents of the Prospectus and the accompanying documents or any other matter referred to therein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Dickson Minto W.S. does not accept any responsibility whatsoever for the contents of the Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Investment Manager or the H Shares. Dickson Minto W.S. accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of the Prospectus or any such statement.



EDGE PERFORMANCE VCT PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 05558025)

**Offer for Subscription for up to 7.5 million New H Shares
(together with an over-allotment facility of up to a further 12.5 million New H Shares)**

Sponsored by
Dickson Minto W.S.

Investment Manager



EDGE INVESTMENT MANAGEMENT LIMITED

Application will be made to the UK Listing Authority for the New H Shares to be admitted to a premium listing on the Official List. Application will also be made to the London Stock Exchange for the New H Shares to be admitted to trading on its main market for listed securities. It is expected that Admission will become effective, and that dealings in the New H Shares will commence, within 20 Business Days of the allotment and issue of such New H Shares.

Your attention is drawn to the risk factors set out on page 4 of this Securities Note. The terms and conditions of application under the Offer are set out in Part 8 of this Securities Note. Persons wishing to participate in the Offer should complete the relevant Application Form set out at the end of this Securities Note. Completed Application Forms must be posted or delivered by hand to The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh EH2 1DF. The Offer opens at 8.00 am on 5 November 2014 and will close no later than 5.00 pm on 2 April 2015 in respect of the

2014/2015 Offer and no later than 3.00 pm on 12 June 2015 in respect of the 2015/2016 Offer, or as soon as the Offer is fully subscribed. The Directors, in their absolute discretion, may decide to increase the size of the Offer up to a maximum of 20 million New H Shares in aggregate, close the Offer earlier or extend the closing date of the 2015/2016 Offer.

This Securities Note should be read in conjunction with the Registration Document and the Summary, copies of which are available from the locations listed on page 37 of this Securities Note.

No person receiving a copy of this Securities Note or an Application Form in any territory other than the UK may treat the same as constituting an offer or invitation to him to subscribe for or purchase New H Shares unless, in such territory, such offer or invitation could lawfully be made.

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RISK FACTORS

As a prospective Investor there are a number of risk factors of which you should be aware before investing in the New H Shares. Prospective Investors should read the whole of the Prospectus and not rely solely on the information in this section entitled “Risk Factors”. The business and financial condition of the Company could be adversely affected if any of the following risks were to occur and as a result the trading price of the New H Shares could decline and Investors could lose part or all of their investment.

The Directors consider the following risks to be material for potential Investors, but the risks listed below do not necessarily comprise all those associated with an investment in the Company and are not set out in order of priority. Additional risks and uncertainties currently unknown to the Company (such as changes in legal, regulatory or tax requirements), or which the Company currently believes are immaterial, may also have a materially adverse effect on its financial condition or prospects or the trading price of the New H Shares.

The Offer

Implementation of the Offer is conditional upon Shareholder Approval. In the event that all of the Resolutions are not passed at the General Meeting and the H Share Class Meeting, the Offer will not be implemented.

General

A subscription for New H Shares is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which might result from such an investment (which may be equal to the whole amount invested). Such an investment should be seen as long-term in nature and complementary to existing investments in a range of other financial assets and should not form a major part of an investment portfolio.

The value of the H Shares, and the income derived from them, may go down as well as up. Changes in economic conditions (including, for example, interest rates and rates of inflation), industry conditions, competition, changes in law, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect the value of the H Shares and therefore the H Share Fund's performance and prospects.

The past performance of the Company and of other investments managed by the Investment Manager is not a guide to future performance of the New H Shares.

New H Shares may trade at a discount to Net Asset Value

The Net Asset Value of the H Shares will reflect the values and performance of the underlying assets in the H Share Fund's portfolio. The value of the investments and income derived from them can rise and fall. Realisation of investments in unquoted companies can be difficult and may take considerable time.

Although it is anticipated that the New H Shares will be admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities, it is unlikely that there will be a liquid market for the H Shares as there is a limited secondary market for VCT shares and Investors may find it difficult to realise their investments. The market price of H Shares may not fully reflect, and will tend to be at a discount to, their underlying Net Asset Value. This risk may, however, be mitigated by the Company buying back shares in accordance with its stated share buy-back policy. If the Company lacks sufficient cash or reserves to purchase its own H Shares, the market price of H Shares may not fully reflect, and will tend to be at a discount to, their underlying Net Asset Value.

Taxation

If an Investor who subscribes for New H Shares disposes of those New H Shares within five years of issue, this will result in the withdrawal of some or all of the income tax relief granted on subscription.

An investment in a VCT is free from tax on capital gains. Consequently, any realised losses on disposal of New H Shares cannot be used to create an allowable loss for capital gains tax purposes.

The levels and bases of reliefs from taxation are subject to an Investor's personal circumstances, may change and such changes could be retrospective. The tax reliefs referred to in this Securities Note are those currently available and their value depends on the individual circumstances of Shareholders.

The Finance Act 2014 has amended the VCT Rules so that with effect from 6 April 2014 if a VCT issues shares and the VCT makes a payment to its shareholders that amounts to a repayment of its share capital in respect of those shares (which would include the payment of a dividend or a distribution), other than for the purpose of redeeming or repurchasing such shares, before the end of the third accounting period following the accounting period in which the shares were issued, the VCT status will be withdrawn.

Tax relief on subscriptions for shares in a VCT is restricted where the investor has disposed of shares in the same VCT, or a VCT that has merged with that VCT, within six months (either before or after) of the subscription.

EXPECTED TIMETABLE

Offer opens	5 November 2014
General Meeting and H Share Class Meeting	3 December 2014
First deadline for applications to be eligible for Early Application Incentives	5 January 2015
Second deadline for applications to be eligible for Early Application Incentives	12 February 2015
Closing date for the Offer (in respect of the 2014/15 tax year)	5.00 pm on 2 April 2015
Final allotment and issue of New H Shares under the Offer (in respect of the 2014/15 tax year)	no later than 3 April 2015
Announcement of the results of the Offer (in respect of 2014/15 tax year)	the next Business Day following the closing date in respect of 2014/15 tax year
Admission and dealings commence in the New H Shares issued pursuant to the Offer (in respect of the 2014/15 tax year)	within 20 Business Days following the date of the applicable allotment and issue
First allotment and issue of New H Shares under the Offer (in respect of the 2015/16 tax year)	17 April 2015
Closing date for the Offer (in respect of 2015/16 tax year)	3.00 pm on 12 June 2015
Announcement of the results of the Offer (in respect of 2015/16 tax year)	the next Business Day following the closing date (in respect of 2015/16 tax year)
Final allotment and issue of New H Shares under the Offer (in respect of the 2015/16 tax year)	within 5 Business Days following the closing date (in respect of 2015/16 tax year)
Admission and dealings commence in New H Shares issued pursuant to the Offer (in respect of the 2015/16 tax year)	within 20 Business Days following the date of the applicable allotment and issue
Share certificates dispatched in respect of New H Shares issued pursuant to the Offer (where the Investor does not elect for the New H Shares to be held in CREST)	within 20 Business Days following the date of the applicable allotment and issue
Tax certificates dispatched in respect of New H Shares issued pursuant to the Offer	within 20 Business Days following the date of the applicable allotment and issue

Notes:

- (1) The dates set out in the expected timetable above may be adjusted by the Board, in which event details of the new dates will be notified to the UK Listing Authority and the London Stock Exchange and an announcement will be made through a Regulatory Information Service.
- (2) All references to time in this Securities Note are to London time (unless otherwise stated).
- (3) In this Securities Note, where the context requires, references to 31 October 2014 should be treated as being references to the latest practicable date prior to publication of this Securities Note (unless otherwise stated).
- (4) Subscribers for New H Shares under the Offer for Subscription (and/or where appropriate their authorised financial intermediaries) will receive an acknowledgement letter from the Company on receipt of their Application Form.
- (5) The Offer may close earlier than the dates stated above if it is fully subscribed by an earlier date. The Directors reserve the right to accept Application Forms and to allot and arrange for the listing of New H Shares in respect of applications received in respect of the New H Shares issued under the Offer on or prior to the closing dates of the Offer as the Directors see fit (provided that New H Shares will be allotted and issued, where valid applications are received under the 2014/15 Offer, on 3 April 2015 and any other date or dates prior to 3 April 2015 on which the Directors decide and, for valid applications received under the 2015/16 Offer, on any date or dates after 5 April 2015 which the Directors decide).

OFFER STATISTICS

Maximum amount to be raised, before expenses ⁽¹⁾	£6,837,000
Minimum investment per Investor	£5,000
Latest NAV per H Share ⁽²⁾	86.60p
Maximum net proceeds for the Company, after issue costs ⁽¹⁾	£6,426,780
Maximum expenses of the Offer ⁽¹⁾	£410,220

Notes

(1) Assumes 7.5 million New H Shares to be issued at an issue price of 91.16p per New H Share.

(2) As at 31 August 2014

DEALING CODES

The ISIN number and SEDOL code of the H Shares are as follows:

ISIN: GB00B44VMB16

SEDOL: B44VMB1

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors

Sir Robin Miller (Chairman)
Kevin Falconer
Lord Flight
David Glick
Frank Presland

all of
1 Marylebone High Street
London W1U 4LZ

Secretary and registrar

The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh EH2 1DF

Investment Manager

Edge Investment Management Limited
(trading as Edge Investments)
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Legal adviser and sponsor in relation to the Offer

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London EC2A 2EW

Receiving agent for the Offer

The City Partnership (UK) Limited
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21 Thistle Street
Edinburgh EH2 1DF

VCT tax advisers

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London WC2N 6RH

Auditor

Grant Thornton UK LLP
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London EC2P 2YU

Broker

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

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HSBC Private Bank (UK) Limited
78 St. James's Street
London SW1A 1JB

PART 1 INTRODUCTION

Background

Edge Performance was incorporated on 8 September 2005 and is a Venture Capital Trust. Edge Performance offers investors the opportunity to back an experienced specialist investment team making investments in the creative industries sector, with the advantage of VCT tax reliefs. Edge Performance is managed by Edge Investments, a leading specialist fund manager in the creative industries sector.

The Company has seven classes of Shares in issue: C Shares; D Shares; E Shares; F Shares; G Shares; H Shares; and I Shares and each class of Share is admitted to the premium segment of the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange. A separate pool of assets is attributable to each class of Share. As at 31 August 2014, the Company had total net assets of approximately £67.2 million of which approximately £8.2 million is attributable to the H Shares.

Under the Offer for Subscription described in this Securities Note, Edge Performance is providing Investors with a further opportunity to subscribe for H Shares, an “evergreen” share class with no fixed life or planned realisation date, which seeks to generate growth and a consistent, long-term and tax-free yield for investors.

The H Share Fund

The investment focus for the H Share class will remain the creative industries sector, and in particular entertainment and media, and enabling technologies for the sector.

The principal features of the H Share Fund are as follows:

- *Dividend policy*

The Company will seek to provide consistent tax-free annual dividend distributions to Investors. To align the interests of the Investment Manager with this objective, the Investment Manager's performance fee is payable only if cumulative Dividends paid or declared over the life of the H Share Fund average at least 7p per H Share per year (which would equate to a yield of at least 10% of the Investor's net cost of investment, assuming an issue price of £1.00 per H Share and that upfront income tax relief was obtained at 30% of the amount invested) and the Net Asset Value per H Share exceeds £1.00. In the early years of the H Share Fund, the Company is targeting paying annual dividends of 3.5p per H Share per year (a 5% yield assuming an issue price of £1.00 per H Share and that upfront income tax relief was obtained at 30% of the amount invested), while the anticipated returns from Qualifying Investments start to grow.

Consistent with this profile, the Company paid dividends of 3.5p per H Share in each of April 2013 and June 2014.

The Company has declared a third interim dividend of 3.5p per H Share, which will be paid on 8 May 2015 to all holders of H Shares who are on the Company's register of members as at the close of business on 24 April 2015. Consequently, Investors whose New H Shares are allotted and issued on or before 17 April 2015 will be entitled to receive this interim dividend payment in respect of those New H Shares. New H Shares issued after 17 April 2015 will not qualify to receive this dividend. The Company will publish an updated Net Asset Value per H Share to reflect the payment of this dividend, and the Offer Price in respect of New H Shares issued after 17 April 2015 will therefore be adjusted accordingly.

- *Risk reduction*

The Company will seek, wherever possible, to employ risk reduction strategies in connection with Qualifying Investments. Wherever possible, the portfolio investments will include loan finance, up to the maximum level permitted by VCT Rules, which should provide additional capital protection. In other instances, the risk reduction will stem from the business model of the investee company itself; for example, an investee company may favour licensing its intellectual property rights to third parties in exchange for royalties and other revenues, with the result that much of the risk associated with the costs of development, manufacturing, stock maintenance, distribution and marketing is passed to those third parties.

- *Yield through distribution of gains; growth through reinvestment*

It is intended that the majority of any gains made on realisation of investments held in the H Share Fund will be distributed by way of dividends to H Shareholders, to maintain and improve the H Shareholders' yield. The balance of any proceeds of realisation of investments will be reinvested with the objective of providing compound growth for the H Shareholders.

- *Investment strategy*

The H Share Fund will seek to make Qualifying Investments in businesses in the creative industries sector, and in particular in entertainment and media, and enabling technologies for the sector.

In assessing whether a particular company is suitable for a Qualifying Investment, the Investment Manager will have regard to some or all of a number of criteria, including the track record of the investee company's management team, the level of the company's turnover, the size of the total investment sought by the investee company and the likely attainability of both growth in the business and an appropriate exit opportunity for the Company. Given the degree of sector experience and expertise of the Board and the Investment Manager's team, a consideration, when assessing a potential investment, is whether the Board's and Investment Manager's involvement in the business can add value, and thereby enhance returns to Shareholders.

- *Access to existing portfolio*

As at the date of this Securities Note, the H Share Fund holds investments, valued at £3.09 million in aggregate, in five companies, further details of which can be found on pages 20 to 24 of this Securities Note. As explained on page 23, the Company expects to complete an investment from the H Share Fund in a sixth company in November 2014. Successful Applicants for New H Shares under the Offer will thereby gain access to the H Share Fund's existing, and yielding, portfolio of investments.

Specialist team

The Board and the Investment Manager together have a wealth of experience in the creative industries sector. The Board believes that such a level of experience and sector specialisation brings significant advantages, through:

- access to investment opportunities which might not be available to those less familiar with the sector; and
- a deep understanding of the particular nature of the sector, which enables the Company to identify and avoid problems commonly associated with investing in the sector.

Share buy-back policy

Subject to ensuring sufficient liquidity to meet working capital requirements and to the requirements of the Companies Act, it is intended that the Company will make market purchases of its own Shares where it has sufficient cash and reserves available to do so. Market purchases made no later than five years after the date of issue of the relevant Shares will be made at a price no lower than the most recently reported Net Asset Value per Share of the relevant Share class. Market purchases made more than five years after the date of issue of the relevant Shares will be made at a price no lower than 10% below the most recently reported Net Asset Value per Share of the relevant Share class.

Such purchases will also only be made in accordance with the rules of the UK Listing Authority which provide that the price to be paid must not be more than the higher of: (i) 5% above the average of the middle market quotations of that class of share for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid for that class of share not less than the nominal value of the relevant share.

Low total expenses

Assuming full subscription under the Offer, it is anticipated that the total operating expenses of the Company (excluding performance fees, irrecoverable VAT and trail commission to intermediaries) will be no more than 2.5% of the net asset value of the Company, including the Investment Manager's annual fees described in more detail on page 13 of the Registration Document.

Note:

- (1) Although all trail commissions payable in connection with the Offer will be borne by the Investment Manager, the Company will continue to pay trail commissions to authorised intermediaries in respect of some previous offers for subscription.

H Share Offer

7.5 million New H Shares are being offered at a price per New H Share equal to the Net Asset Value per H Share most recently published prior to the date of allotment of the relevant New H Shares, divided by 0.95 (rounded up to the nearest 0.01p). The initial costs of the Offer (at 5% of the gross proceeds of the Offer) will therefore be effectively borne by Investors participating in the Offer and not by Existing Investors.

Applications under the Offer must be for a minimum of £5,000 and thereafter in multiples of £1,000. The Offer has not been underwritten. The net proceeds of the Offer will be invested in accordance with the Company's investment policy.

Tax benefits for Investors

Subscriptions to VCTs in the 2014/15 and 2015/16 tax years can currently attract income tax relief at the rate of 30%. This means that, for every £1 invested, the net cost to an Investor receiving income tax relief should be 70p. Distributions and dividends are tax-free for Qualifying Investors. These tax benefits are available on total VCT investments of up to £200,000 per person in each tax year.

If potential Investors have any questions regarding this investment they should contact their financial adviser. For questions relating to an application, financial advisers should please contact the Receiving Agent, The City Partnership (UK) Limited, by telephone on 0131 243 7210, or via e-mail to info@city.uk.com. Investors should note that no investment or tax advice can be given by the Company, Edge Investments or the Receiving Agent and your attention is drawn to the Risk Factors set out on page 4 of this Securities Note.

PART 2 INFORMATION RELATING TO THE COMPANY

Introduction

Edge Performance was established to invest in the creative industries sector, and in particular entertainment and media, and enabling technologies for the sector.

The Company has seven classes of Shares in issue: C Shares; D Shares; E Shares; F Shares; G Shares; H Shares; and I Shares. Each class of Share is admitted to the premium segment of the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange. A separate pool of assets is attributable to each class of Share. As at 31 August 2014, the Company had total net assets of approximately £67.2 million of which approximately £8.2 million was attributable to the H Shares.

As at the date of this Securities Note, the Company holds Qualifying Investments in 33 portfolio companies, with an aggregate value of £55.8 million. The Company additionally holds Non-qualifying Investments in four of those same companies, with an aggregate value as at the date of this Securities Note of £2.6 million.

Edge Performance continues regularly to identify or receive approaches in respect of attractive investment opportunities in the creative industries sector. The Investment Manager believes that the continued reduced levels of funding generally available to businesses through borrowing means that terms of investment which Edge Performance is able to obtain have become and remain increasingly attractive. For these reasons, the Directors are confident that the required minimum of 70% of the additional funds raised under the Offer can be invested in Qualifying Investments within a reasonable period, and in any event within the three year period required under VCT Rules.

H Share Fund

As a result of previous offers for subscription for H Shares since 2011, Edge Performance has already raised approximately £9.1 million (before expenses) for the H Share Fund. Through the Offer, Edge Performance is now looking to raise up to a further £7.5 million (before expenses).

Edge Performance will continue to make Qualifying Investments with the H Share Fund in the creative industries, and in particular entertainment and media, and enabling technologies for the sector. The Investment Manager will seek to make such investments in Qualifying Investments which it believes have the potential for profitability and growth, in order to generate growth and a consistent yield for Investors.

Potential Qualifying Investments will be assessed by the Investment Manager based on some or all of a number of criteria, including whether the business:

- is in the identified sector of creative industries;
- has proven management;
- has existing revenues;
- requires a total investment round of between £500,000 and £10 million;
- has the capability to scale earnings rapidly;
- offers an exit route within a four to ten year period; and
- is capable of generating a return to the H Share Fund, over a five year period, of at least three times the amount invested.

In assessing a potential investment, consideration will be given to whether the Board's and the Investment Manager's involvement can add value to the business, and thereby enhance returns to Shareholders.

Wherever possible, Qualifying Investments will entail risk reduction strategies. These will include as much of each investment as is permitted by VCT Rules being provided by way of loan finance, security over a business's assets and/or contractually guaranteed revenues, or obtaining suitable third party capital guarantees. In other instances, the risk reduction will stem from the business model of the investee company itself; for example, an investee company may favour licensing its intellectual property rights to third parties in exchange for royalties and other revenues, with the result that much of the risk associated with the costs of development, manufacturing, stock maintenance, distribution and marketing is passed to those third parties.

It is intended that the majority of any gains made on realisation of Qualifying Investments will be distributed to H Shareholders, to maintain and improve the H Shareholders' yield, with the remaining proceeds of realisation being reinvested in new Qualifying Investments, in order to drive compound growth for the H Shareholders.

The Company will seek to provide a consistent tax-free annual dividend yield for Investors. To align the interests of the Investment Manager with this objective, the Investment Manager's performance fee is payable only if cumulative Dividends paid or declared over the life of the H Share Fund average at least 7p per H Share per year (which would equate to a

yield of at least 10% of the investor's net cost of investment, assuming an issue price of £1.00 per H Share and that upfront income tax relief was obtained at 30% of the amount invested) and the Net Asset Value per H Share exceeds £1.00. In the early years of the H Share Fund, the Company will seek to pay annual dividends of 3.5p per H Share per year (a 5% yield, assuming an issue price of £1.00 per H Share and that upfront income tax relief was obtained at 30% of the amount invested), while the anticipated returns from Qualifying Investments start to grow. In each of the C, D, E, F, G and I Share classes, the dividends paid or declared to date have represented a regular, annual, tax-free income which equates to an annual yield of 10% of the investor's net cost of investment, assuming up front income tax relief was obtained at 30% of the amounts invested.

The Company has declared a further interim dividend of 3.5p per H Share, which will be paid on 8 May 2015 to all holders of H Shares who are on the Company's register of members as at the close of business on 24 April 2015. Consequently, Investors whose New H Shares are allotted and issued on or before 17 April 2015 will be entitled to participate in that dividend payment in respect of those New H Shares. New H Shares issued after 17 April 2015 will not qualify to receive the interim dividend to be paid on 8 May 2015. The Company will publish an updated Net Asset Value per H Share to reflect the payment of this dividend, and the Offer Price in respect of New H Shares issued after 17 April 2015 will be adjusted accordingly.

There may be the potential, in some instances, for the H Share Fund to co-invest alongside other Share Funds. However, it is expected that the H Share Fund will be applied in making Qualifying Investments with a greater lifespan than the other Share Funds, as a shorter investment horizon is less likely, in the Investment Manager's opinion, to generate the levels of return required in order to meet the Company's targeted growth and yield for H Shareholders.

The creative industries sector – an overview

The building blocks of the sector

The creative industries sector includes businesses in music, television, radio, film, fashion design, video games, live entertainment, branded content, advertising, merchandising, visual arts, computer games, video, software, publishing and photography. And yet, for all of the sector's diversity, the key aspect which these businesses have in common is the creation, acquisition, management and commercial exploitation of intellectual property.

Intellectual property is the collective name given to a number of rights created by law, such as copyright, trademarks, design rights and patents. The creative industries are founded on the business model of licensing intellectual property to others for specific activities, amounts of time and/or geographical locations. This is a business model which those less well-versed in the sector may not fully understand, but with which the Investment Manager and the Board are very familiar.

The size of the sector

The global entertainment and media market is currently estimated to be worth almost £1 trillion, and is forecast to grow by more than 6%, year on year, reaching an estimated £1.2 trillion in 2017.¹ Of that current global market value, the UK is estimated to account for approximately £58.6 billion, and is expected to grow to some £64 billion by 2018.² Latest estimates suggest that the creative economy employs 2.55 million people in the UK,³ and accounts for approximately 10% of the entire UK economy.⁴

Many parts of the creative economy are growing strongly; for example, the UK's independent television production industry is now worth more than £3 billion - quadruple the industry's value only nine years ago.⁵

The creative industries sector is therefore demonstrably significant and growing.

While the sector includes many major multi-national businesses, it is also characterised by a substantial number of smaller businesses. In the latest Inter-Departmental Business Register published in March 2014, the Office for National Statistics indicated that there are approaching 157,400 businesses in the creative industries sector in the UK.⁶ Approximately 90% of those businesses are small and medium-sized enterprises ("SMEs").⁷

The impact of technology

In recent years, we have seen the emergence, and the ongoing growth, of the internet and other technologies which allow for instant and global distribution. The creative industries are particularly well-placed to capitalise on this: with one press of a button, a song, a book, a TV programme, a film, a computer game or a photograph can be made available to every person on the planet who has access to the internet. The same cannot be said of an industry sector which is based on tangible goods; whilst tangible goods can be purchased online, they cannot be delivered to the consumer by the internet.

¹ McKinsey & co, Wilkofsky Gruen Associates: Global Media Report 2013. At average exchange rates as at 31 October 2014, being the latest practicable date prior to publication of this Securities Note.

² PWC: Entertainment & Media Outlook 2014-2018.

³ DCMS: Creative Industries Economic Estimates, Jan 2014.

⁴ Nesta: A Manifesto for the Creative Economy, April 2013.

⁵ Pact: Independent Production Sector Financial Census and Survey 2014.

⁶ Office of National Statistics: Inter-Departmental Business Register (IDBR) March 2014.

⁷ Creative Industries Council: Access to Finance Working Group Report, December 2012.

The importance of the creative industries in people's lives can be seen in a report by Ofcom that found that the average adult in the UK spends over half of his or her waking hours engaged in media or communications activities.⁸

In particular, mobile technology is changing the way people interact with media, with nearly six in ten consumers now accessing the internet on their mobile.⁹ This has resulted in a significant change to the UK's advertising market where mobile advertising expenditure doubled to £1 billion in 2013; this increase accounted for 59% of the total increase in digital advertising expenditure in 2013.¹⁰

The digital revolution can pose a threat to some parts of the creative industries sector, as is evident from the extent to which record companies and music publishing companies have suffered from online music piracy in the last decade. However, the Investment Manager and the Board believe that, if harnessed correctly, new technology can be a significant force for good for the sector: whilst, as noted above, the overall entertainment and media market is expected to grow by more than 6%, year on year, for the next four years,¹¹ the digital entertainment and media market is forecast to grow by some 12.2%, year on year, over that same period.¹²

PWC estimates that entertainment and media spending on digital will account for 34% of the UK's entertainment and media spending growth.¹³

The UK in the global marketplace

It is the view of the Investment Manager and the Board that, when it comes to the creative industries, the UK 'punches above its weight'.

Decades before the emergence of digital technologies, British creators were making their mark on the world. However, British creators have equally had a significant impact on the digital era itself, including the creator of the internet, and the principal designer of the iPod, the iPhone and the iPad.

The Department for Culture, Media & Sport estimates that the creative industries account for around 10% of the UK's total exports of services.¹⁴ Independent UK production companies grew international earnings by 12% to £939 million in 2013, accounting for almost a third of the industry's total value.¹⁵ 1 in every 8 artist albums sold around the world in 2013 was by a British act, and British acts have accounted for the top-selling album globally in six of the last seven years.¹⁶

The English language is a natural advantage to the sector, as English-speaking countries account for more than 35% of global gross domestic product, almost three times the next most significant bloc, and English is the language of the world's most valuable market for creative content, the United States.¹⁷

In 2013, an estimated 75% of the UK population had broadband access, one of the highest broadband penetrations in Europe and the highest in the EU "Big 5" (i.e. the UK, Germany, France, Spain and Italy).¹⁸

As of June 2014, Ofcom estimates that 78% of UK premises could receive superfast broadband.¹⁹ By the end of the first quarter of 2014, there were 6.1 million UK superfast broadband connections, an increase of 2.2 million (58%) compared to the previous year. Now over a quarter (26.7%) of all broadband connections are superfast.²⁰

The UK is one of only three countries in the world that is a net exporter of music (with the United States and Sweden) and is Europe's largest market for online and mobile advertising and the third highest grossing globally. The filmed entertainment sector in the UK will be worth £4.6 billion by 2018, up from £3.9 billion in 2013, a year on year growth rate of 3.4%. The UK accounted for 7% of total global filmed entertainment revenues in 2013²¹ and thirteen of the top 35 global box office films of all time are based on the works of British novelists.²²

These factors combine to provide a fertile framework in which the UK's creative industries can flourish, and which, in the Investment Manager's and Board's view, should continue to provide many and varied opportunities for investment.

Why invest in small- and medium-sized companies in the creative industries sector?

- Speed to market advantage
 - SMEs which are typically close to their markets will continue to be the wellspring of creative content in many areas of the sector, identifying opportunities that fall beneath the major companies' radars, and moving quickly enough to capture market opportunities.

8 Ofcom: The Communications Market Report August 2014

9 Ofcom: The Communications Market Report August 2014

10 Ofcom: The Communications Market Report August 2014

11 McKinsey & co, Wilkofsky Gruen Associates: Global Media Report 2013

12 PWC: Entertainment & Media Outlook 2014-2018.

13 PWC: Entertainment & Media Outlook 2014-2018.

14 DCMS: Creative Industries Economic Estimates, January 2014.

15 PACT: Independent Production Sector Financial Census and Survey 2014.

16 BPI 2014 Yearbook

17 International Monetary Fund Global Data. <http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weodata.aspx>

18 The European Broadband Scorecard, Ofcom, March 2014

19 Ofcom: The Communications Market Report August 2014.

20 Ofcom: The Communications Market Report August 2014.

21 PWC: Entertainment & Media Outlook 2014-2018.

22 <http://boxofficemojo.com/alltime/world/>

- Scaleable revenues
SMEs can typically produce entertainment and media content relatively cheaply at a local level which retains the potential for global distribution and the opportunity to be sold many times over.
- Natural exit route
It has long been a feature of the sector that smaller independent companies in the market tend to take the lead over established major companies in creativity and innovation, as their size and focus enables them to act more swiftly and without the constraints of legacy business models. This often leads to the larger established companies acquiring smaller independent companies as they seek to access new and faster growing revenue streams.

The Investment Manager, therefore, believes that the macro conditions for the creative industries sector in the UK for the medium- to long-term are positive and provide an attractive context for investment.

Investment policy

The Company's investment policy, as it relates to the H Share Fund, is as follows:

Edge Performance offers the opportunity to invest in the entertainment and media industry in a broad range of companies (thereby diversifying risk), and seeks to allow investors to take advantage of VCT tax reliefs while combining the features listed below.

Edge Performance is seeking to achieve: growth, an annual yield for investors, risk reduction and liquidity.

Edge Performance is seeking to provide a consistent tax-free annual dividend yield for investors. To align the interests of the Investment Manager with this objective, the Investment Manager's performance fee is payable only if cumulative Dividends are at least 7p per H Share per year on average and the Net Asset Value per H Share grows. In the early years of the H Share Fund, the Company is seeking to pay out annual dividends of 3.5p per H Share per year, while the anticipated returns from Qualifying Investments start to grow.

The Company will invest at least 70% of the H Share Fund in Qualifying Investments, using risk reduction strategies wherever available; the intention is that the majority of any gain made from realisation of Qualifying Investments will be distributed to H Shareholders, to maintain and improve the H Shareholders' yield, with the remaining proceeds of realisation being reinvested in further Qualifying Investments in order to drive compound growth for the H Shareholders.

Asset allocation

The H Share Fund will initially be invested in a range of fixed income securities, cash and cash equivalent assets, offering a high degree of capital preservation. Up to 30% of the H Share Fund will remain in such investments, while the balance will be realised to fund making Qualifying Investments.

In instances where more than one of the Company's Share Funds invests in a given portfolio business, the Company will, where appropriate, arrange or rearrange the structure of the investment, so that each of the participating Share Funds holds, *pro rata* to the amount invested by it, the same investment instruments. This approach is intended to ensure that, where the value of a portfolio business changes, that change is reflected, proportionately, to the same extent across all of the participating Share Funds.

In relation to the H Share Fund, the Company will seek to make Qualifying Investments which the Company believes are capable of generating an appropriate level of growth or return.

Qualifying Investments will normally be made up of ordinary shares or other eligible shares (as defined under VCT Rules) in the investee company, together with, wherever practicable, loan stock or other loan finance and/or preference shares.

Risk mitigation

The Company's structure aims to minimise the risk to the investor while still permitting the investor to benefit from attractive returns. Wherever possible, the portfolio investments will be made through loan finance as far as is permitted under VCT Rules which should provide additional capital protection.

Borrowings

It is not intended that the Company will incur borrowings to fund its operations, although the Company may, under its Articles of Association, borrow in aggregate an amount up to 50% of the aggregate of the Company's paid up share capital and the amount standing to the credit of the consolidated capital and revenue reserves of the Company, after adjustments, including for tax and distributions, and such other adjustments as the Company's auditor may consider appropriate).

VCT status and maximum exposures

The Company must be approved by HM Revenue & Customs in order to retain its Venture Capital Trust status. The conditions which must be satisfied to retain such status currently include the restriction on the maximum exposure of the Company that not more than 15% by value of the Company's investments can be held in a single company or group (other than a VCT). The Company will not exceed this level even in the event of an increase in the limit imposed by VCT Rules.

Investment outlook

The Board believes that the Company will continue to be able to identify suitable high quality investment opportunities for the H Share Fund. Accordingly, the Board is confident that the H Share Fund will be fully invested in VCT qualifying opportunities well in advance of the three year period specified by VCT legislation and also that there will continue to be attractive opportunities for the investment of the additional funds raised under the Offer.

Non-qualifying Investments

Initially the net proceeds of the Offer will be invested in a range of fixed income securities and cash and cash equivalent assets, offering a high degree of capital preservation. While a suitable level of return will be sought from such investments, the Company will continue, for as long as it feels it appropriate, to regard capital preservation as an important consideration.

Subsequently, up to 30% of the H Share Fund will be maintained in such investments while the balance is reinvested in Qualifying Investments or in Non-qualifying Investments in portfolio companies.

Details of the Company's Non-qualifying Investments as at the date of this Securities Note are set out in paragraphs 1 and 2 of Part 6 of the Registration Document.

The Directors and the Investment Manager

The collective experience of the Board and the Investment Manager's investment team, which covers VCT fund management, venture capital, investment banking, live event promotion, corporate finance, private equity, artist management, legal and business affairs, accountancy, tax and deal structuring skills will be employed in the selection and management of the Company's investments.

The Investment Manager

The investment manager of the Company is Edge Investments which was established in July 2005 and is authorised and regulated by the FCA. The members of the Edge Investments investment committee are all directors of Edge Investments and their details are shown below.

David Glick (CEO of Edge Investments)

David Glick is an experienced venture capital investor in the creative industries sector who has been involved in investment in, mentoring of, and the sale and purchase of, multi-million pound entertainment and media assets, with a particular emphasis on music, television, film, sport, theatre and fashion, and enabling technologies.

A former solicitor, he co-founded Eatons, a leading music and entertainment law firm, in 1990; in 2000, Eatons merged with law firm Mishcon de Reya where he became head of the entertainment and media group. In 2004, he formed the Edge group of companies as a specialist investment and advisory business for the entertainment and media sector, before selling the advisory business in 2011 in order to concentrate on venture capital investing. At Edge, he has brokered and advised clients on the sale and purchase of a range of entertainment and media related assets and businesses. He has also been both an executive and a non-executive director of Entertainment Rights (now part of DreamWorks), the UK media business which was quoted on the Official List and which, during the period of his involvement, grew from a start-up to a market capitalisation of approximately £213 million, and subsequently to £380 million. He is the founder of Edge Performance.

Charles Miller Smith (Chairman of Edge Investments)

Charles Miller Smith has worked at the highest levels of British industry for many years.

He has held senior positions at Unilever in a career with the company spanning more than 30 years, where he held a wide range of financial and general management positions in the UK, the Netherlands, and India, including five years as Director of Finance.

He was CEO and Chairman of ICI, Deputy Chairman and subsequently Chairman of Scottish Power, a non-executive director of HSBC Holdings plc and an international adviser at Goldman Sachs International. He is currently a non-executive director of Premier Foods plc, a senior adviser at Warburg Pincus and also serves as independent director of Firstsource Solutions Limited.

Gordon Power (Chairman of the investment committee)

Gordon Power has 30 years of venture capital and private equity experience, is chairman of the Investment Manager's investment committee and is a private equity investor in his own right. He founded and was CEO of the private equity business, ProVen Private Equity (now renamed Beringea), and led its buy-out from Guinness Mahon in 1997. By 2002 ProVen, which specialised in media and intellectual property rights investments, had funds under management of US \$370 million including a highly successful range of VCTs. From 1984 to date, he has achieved an overall return in excess of 29% on 239 realised (i.e. sale, flotation or administration/liquidation) investments and unrealised investments.

Harvey Goldsmith CBE (Director)

Harvey Goldsmith is one of the UK's best known music industry impresarios, having since the 1960s produced and promoted shows with leading artists such as The Rolling Stones, The Who, Bruce Springsteen, The Eagles, Led Zeppelin and Sting. He formed Artiste Management Productions in 1973 to produce and manage music artists, and Harvey Goldsmith Entertainments Limited in 1976, which became the UK's leading promoter of concerts and events. He became involved in the Prince's Trust in 1982, producing the first Prince's Trust Rock Gala, and joining the Trust's board. In 1985, he produced the Live Aid concert with Sir Bob Geldof, raising £140 million for famine relief in Africa and the more recent Live 8 concert in 2005. He has also produced major operatic productions and was the worldwide tour producer for Pavarotti. He is responsible for the annual Cirque du Soleil shows in the UK. Harvey was the instigator and producer of the Led Zeppelin reunion concert at the O2 Arena in London in December 2007. From 2008 until 2012, he managed Grammy award-winning guitarist, Jeff Beck. Harvey is Chairman of The British Music Experience.

Alasdair George (Director)

Alasdair George is a former solicitor who has 29 years of experience of legal, strategic, commercial and operational management in the entertainment industry, having been Senior Vice President of Legal & Business Affairs at Sony Music UK & Ireland, sitting on its management board and on the Council of the UK record trade association, the BPI. During his time at Sony Music, he handled, amongst other transactions: the merger of Sony Music and Warner Music's distribution businesses, which created a joint venture business with turnover approaching US\$750 million in its first year of trading; the UK and Irish aspects of Sony Music's global merger with Bertelsmann's BMG; and the US\$500 million Sony-Michael Jackson joint venture (which created Sony/ATV Music Publishing). He has been a director of Edge Investments since 2007.

In addition to the principal investment committee members listed above, the other members of the Investment Manager's investment team collectively have experience in venture capital, private equity, Venture Capital Trusts, corporate finance, accountancy and tax. Their details are set out below.

David Fisher (Investment Director)

David Fisher has over 20 years' experience in consulting, corporate finance, private equity, venture capital and VCTs, including investing in innovative UK companies in media and media technology. Between 1993 and 2000, he worked in strategy consulting and corporate finance at Deloitte and KPMG, following which he moved into venture capital fund management at Elderstreet Investments, where he invested in a range of technology, services, telecoms and new media companies. In 2004, he joined the South East Growth Fund, where he invested in similar small enterprises, including businesses in areas such as embedded advertising in video and mobile content management for the music industry. The investments with which he has personally been involved have to date generated an overall money multiple return of 2.33. He joined the Investment Manager in 2010.

Alison McCarthy ACA (CFO)

Alison McCarthy began her career with the BBC in 1987, working in TV post-production, before becoming responsible for purchasing entertainment programming for the BBC and subsequently moving into television strategy for the corporation. In 2005, she moved to Shipleys, chartered accountants, where she specialised in media and entertainment, and in particular in relation to film tax credits, working with producers on over 50 films, with a total production budget of more than £200 million. In 2008, she joined Disney as finance manager for worldwide post-production, specialising in dubbing of Disney's TV product into foreign languages. She joined the Investment Manager in 2010.

Dan Tubb (Investment Manager)

Dan Tubb started his career in wealth management in 2000, before moving in 2002 to become a fund manager for Unicorn Asset Management, which operated their AIM-based VCT. In 2005, he left to set up his own marketing and

design business focused on the corporate market in the City, successfully building the business and selling it in 2008. He then joined wealth managers Bestinvest where he was instrumental in rolling out a new financial trading platform for retail clients; he subsequently headed up Bestinvest's VCT department, where he covered the entirety of the VCT market. He joined the Investment Manager in early 2013.

The Directors

The Directors listed below, all of whom are non-executive, are responsible for overseeing the investment policy and will have overall responsibility for the Company's activities. The Directors are, with the exception of David Glick, independent of the Investment Manager.

Sir Robin Miller (Chairman of Edge Performance)

Sir Robin Miller was formerly Chief Executive (1985-98 and 2001-03) and Chairman (1998- 2001) of Emap plc, one of the UK's leading media groups with businesses including consumer and trade publishing, commercial radio and music TV channels and events. In 2003, Sir Robin became senior media adviser to HgCapital, and was involved in the successful disposals of Boosey & Hawkes and Clarion Events Limited. He was previously a non-executive director of Channel 4 Television (1999-2006), and was Chairman of their New Business Board, was Non-Executive Chairman of the HMV Group (2004-2005), Senior Non-Executive Director at Mecom Group plc (2005-2009), and Chairman of Entertainment Rights plc (2008-2009) and Setanta Sports Holdings Limited in 2009. Sir Robin is currently also a non-executive director of The Racing Post, Chairman of IBIS Media VCT plc, Golf Club Network, Crash Media Group, a director of Bikesportnews.com and a Trustee of the Golf Foundation and Riders for Health.

Kevin Falconer

Kevin Falconer has spent most of his professional life as a senior private banker specialising in the entertainment and media sector. Until 2005, he was the Head of HSBC Private Bank's global media practice. Since leaving the banking industry, he has devoted his time to providing strategic advice to a small group of highly successful media entrepreneurs, including Chris Blackwell (founder of Island Records) and Pete Waterman. He is currently a non-executive director of Pete Waterman Entertainment Limited and Audiotube Limited.

Frank Presland

Frank Presland practised as a solicitor for 25 years, specialising in music and copyright. He advised numerous musicians including The Beatles, Dusty Springfield, The Troggs, Terence Trent D'Arby and Elton John as well as music publishing companies including BMG Music Publishing Limited and record companies including RCA Records. He became senior partner of law firm Frere Cholmeley Bischoff and later became joint Chairman of the national law firm Eversheds.

In 1999, he established Twenty-First Artists, a music management company, of which he was Chief Executive Officer until 2010. From May 2006 to April 2008, he was Chief Executive Officer of The Sanctuary Group plc, in which role he brokered the sale of the group to Universal Music in 2007. Until his retirement in October 2014, he was Chairman of the Rocket Music Entertainment Group, which provides management services to Elton John, James Blunt, Ed Sheeran and a number of other artists.

Lord Flight

Lord Flight has worked in the financial services industry for over 40 years and co-founded Guinness Flight Global Asset Management. In 1998, upon Guinness Flight's acquisition by Investec, he became Joint Chairman of Investec Asset Management Limited. He was the MP for Arundel and South Downs from 1997 to 2005 and was Shadow Chief Secretary to the Treasury between 2000 and 2004. He was appointed to the House of Lords in January 2011. He is Chairman of the EIS Association and CIM Investment Management Limited and is a director of Metro Bank plc, Marechale Capital Limited, Investec Asset Management Limited and of a number of other companies in the financial services sector. He is also a Commissioner of the Guernsey Financial Services Commission and has been a member of the House of Lords EU Finance and Economics Committee since 2010.

David Glick

See biography above.

Other information

Non-qualifying Investments

Under current VCT legislation, the Company is able to have up to 30% by VCT Value of its investments in Non-qualifying Investments. The Company intends initially to invest the net proceeds raised under the Offer (until they are needed for

Qualifying Investments), and up to 30% of the net proceeds over the life of the H Share Fund, in appropriate investment grade financial instruments through one or more prominent fund managers. While a suitable level of return will be sought from such investments, the Company regards capital preservation as an important consideration.

Financial resources

The capital resources required to implement the Company's investment strategy are to be provided by the proceeds of the Offer and it is not intended that the Company will incur borrowings to fund its operations. It is expected that the sources of the Company's cash following the Offer will be interest and other income from investments, cash deposits and dividends and that its principal outflows will arise in relation to investments and operating expenses.

Management fees and expenses

Edge Investments was first appointed as the investment manager of Edge Performance on 3 February 2006. The agreement between the Company and the Investment Manager has been renewed on a number of occasions, most recently on 8 November 2013, when the Investment Management Agreement was concluded.

Under the terms of the Investment Management Agreement, Edge Investments will manage all of the Share Funds for an initial period ending on 11 April 2018 (11 April 2019 in the case of the H Share Fund), and continuing thereafter until terminated on 12 months' written notice (such notice to be served at the end of the initial period or at any time thereafter), subject to earlier return of these funds. The Investment Manager is paid an annual management fee of 1.75% of the net asset value of the C, D, E, F, G and I Share Funds and 2.25% of the net asset value of the H Share Fund. The Investment Manager may also be entitled to a performance fee, which is described below.

Under the Administrative Services Agreement, the Investment Manager is currently entitled to an administrative fee of £275,000 (plus VAT) per annum in total (across all Share Funds). The amount of this fee is adjusted annually in accordance with RPI.

Assuming that the Offer is fully subscribed, it is anticipated that the annual operating expenses of the Company (excluding performance fees, irrecoverable VAT and trail commission to intermediaries) will be no more than 2.5% of the net asset value of the Company. The total annual operating expenses of the Company (excluding performance fees, irrecoverable VAT and trail commission to intermediaries) are capped by the Investment Manager at 3% of the net asset value of the Company.

Performance fees

Under the Investment Management Agreement, in respect of each class of Share separately (save the H Shares), once total paid or declared Dividends have reached £1.00 per C Share, D Share, E Share, F Share, G Share or I Share (as the case may be) all further amounts which, in the opinion of the Board are available to be distributed as Dividends, will be paid as to 80% as a Dividend to C Shareholders, D Shareholders, E Shareholders, F Shareholders, G Shareholders or I Shareholders (as the case may be) and 19% to the Investment Manager by way of performance fee. Once total paid or declared Dividends have reached £1.20 per C Share, D Share, E Share, F Share, G Share or I Share (as the case may be) all further amounts which, in the opinion of the Board are available to be distributed as Dividends, will be paid as to 70% as a Dividend to C Shareholders, D Shareholders, E Shareholders, F Shareholders, G Shareholders or I Shareholders (as the case may be), and 29% to the Investment Manager by way of performance fee.

In respect of the H Shares, the Investment Manager will receive a performance fee equal to 19% of the Net Asset Value per H Share in excess of £1.00, payable once and for so long as cumulative Dividends paid or declared equal or exceed an average of 7p per H Share per annum, and a performance fee equal to 29% of the Net Asset Value per H Share in excess of £1.00, payable once and for so long as cumulative Dividends paid or declared equal or exceed an average of 14p per H Share per annum.

In respect of share buy-backs undertaken in relation to some, but not all, Shareholders, the Investment Manager will be entitled to a performance fee in respect of such distributions; however, the cost of such fee will only be borne by those Shareholders participating in the share buy-backs.

In respect of each Share Fund, the Chairman of the Company will be entitled to receive a performance fee of 1% calculated on the same basis as the Investment Manager's performance fee.

Life of the H Share Fund

As an "evergreen" fund, the H Share Fund is not anticipated to have a defined lifespan.

VCT status monitoring

PricewaterhouseCoopers LLP is retained by the Company to advise on compliance with the tax requirements relating to VCTs. It is intended that PwC will, if requested by the Board, review the qualifying status of new investment opportunities and carry out regular reviews of the Company's investment portfolio. PwC will work closely with the Investment Manager and the Company's auditor but will report direct to the Board.

Shareholder communication and Net Asset Values

The Company makes up its annual report and accounts to 28 February in each year and these are normally sent to Shareholders in June. Shareholders are also sent in October unaudited half-yearly reports made up to 31 August in each year. These accounts are also made available on the Company's website at www.edge.uk.com; details of priority booking arrangements for Shareholders in relation to certain events are also published on the website.

In addition, interim management statements in respect of the quarters to 31 May and 30 November each year will be announced each year via a Regulatory Information Service. The interim management statements are normally released by the Company in January (covering the quarter to the preceding 30 November) and July (covering the quarter to the preceding 31 May) each year.

The Net Asset Value of each class of Share is calculated by the Board on a quarterly basis, in accordance with the Company's accounting policies and published through a Regulatory Information Service. Investments may, at the discretion of the Board, be re-valued in accordance with the Company's accounting policies on the occurrence of a material event relating to an investment. Any change in the Net Asset Value of each class of Share will be announced as soon as reasonably practicable through a Regulatory Information Service.

PART 3 EXISTING H SHARE FUND PORTFOLIO

Overview of existing H Share Fund Portfolio

As at the date of this Securities Note, the Company has made the following Qualifying Investments from the H Share Fund:

Coolabi Group Limited ("Coolabi")

Cash cost of H Share Fund's investment (£'000) ^{(1) (2)}	691
Valuation of H Share Fund's investment (£'000)	1,033
Basis of valuation	EBITDA multiple

Notes:

- (1) The cash cost of investment shown above excludes £109,000 of accrued interest and loan note redemption premium which was reinvested in Coolabi in 2013; the total cost of the H Share Fund's investment, including that reinvestment, is therefore £800,000.
- (2) The cost of investment, as shown above, includes £300,000 invested in Coolabi's wholly-owned subsidiary, WP Acquisitions Limited in June 2013.

Coolabi specialises in children's and family entertainment, with its business now spanning TV production, brand management and licensing, books and video games.

Significant levels of M & A activity in the children's and family entertainment sector in recent years have led to an absence of quality mid-sized businesses. The Investment Manager identified Coolabi as an opportunity to build a business to that level, thereby creating an attractive acquisition prospect for the larger sector players. When the Company first invested in Coolabi, it was listed on AIM, which imposed significant restraints on the business's ability to raise capital to pursue the very 'buy and build' strategy which the management team had been brought in to achieve. The Investment Manager viewed the management team as strong, based on long-standing working relationships with them; and the business as one which would fare much better in a private company environment, where its potential could be maximised without the pressure of shareholder demands for short-term results at the expense of longer-term growth. The Company therefore funded taking Coolabi private in late 2011, and has since backed the management team to build the business, through a combination of organic growth and acquisition.

The last 12 months have marked the most notable period of activity since Coolabi was taken private, and the Investment Manager and the Directors regard the business as now being poised to deliver significant growth.

In 2013, Coolabi announced that it was producing a second series of *Poppy Cat*, its pre-school animated series which has been broadcast in more than 100 countries.

This was followed by the announcement that the company was producing a brand new series of the iconic *Clangers*, the first new episodes to be produced since the 1970s; in September 2014, Coolabi announced that Michael Palin would be narrating the programme.

In June 2014, Coolabi reported that it was about to go into production of a further animated series, *Scream Street*, based on the successful books published by leading children's publisher, Walker Books.

Across these three productions, Coolabi has been able to establish very lucrative broadcast, distribution, publishing and merchandising relationships with the likes of the BBC, BBC Worldwide, PBS Sprout, ZDF, Penguin Books and Character Options.

In November 2013, Coolabi Group successfully acquired the Working Partners group of companies (through its parent company WP Acquisitions Limited) and the Beast Quest group of companies (through its parent company Beast Quest Acquisitions Limited). The Company held investments in both WP Acquisitions Limited and Beast Quest Acquisitions Limited, and Coolabi's purchase of the two groups resulted in additional preference shares and ordinary shares in Coolabi being issued to the Company in exchange for its holdings. Those transactions mean that Coolabi is now the largest investment in the Company's portfolio, and one in which all of the Share Funds participate.

Working Partners and Beast Quest specialise in the creation of serial fiction for children aged between 5 and 14, with more than 1,000 books in over 80 series now published in more than 35 languages around the world. Ten of the book series have achieved sales in excess of one million copies each, and sales of the Beast Quest books alone have topped 11 million copies. Other successful book series created by Working Partners include Seekers, Warriors, Survivors, Dinosaur Cove and Animal Ark. In Working Partners and Beast Quest, the Coolabi management team and the Investment Manager identified businesses which were already highly profitable but which crucially also offered meaningful opportunities to carry established and valuable children's brands into different media other than books; to that end, the combination of the Coolabi team's expertise and the Working Partners and Beast Quest brands is already seeing new avenues opening up in film, TV, merchandising and video games.

These developments for Coolabi over the last year mean that 2014 and 2015 will see a step change in the value of the business, with its profitability anticipated to increase substantially over the next 12 months.

As at the date of this Securities Note, the Company has valued its investment in Coolabi Group at £27.4 million, of which £1.2 million is attributable to the H Share Fund. The investment has been valued on the basis of a multiple of Coolabi's projected earnings before interest, tax, depreciation and amortisation (EBITDA); the multiple which has been applied reflects the market norm for businesses of this type, but has then been discounted by 25% to reflect the fact that not all of the projected EBITDA for the current financial year has been earned. At £27.4 million, the current valuation represents a cumulative uplift of 94% from the Company's cash cost of investment.

As at the date of this Securities Note, Edge Performance holds 50% of the equity voting rights in Coolabi.

Intent HQ Holdings Limited ("Intent HQ")

Cost of H Share Fund's investment (£'000)	611
Valuation of H Share Fund's investment (£'000)	366
Basis of valuation	Third party/cost

Intent HQ's technology seeks to provide an important missing link in online and mobile marketing and advertising - a highly predictive human profile of each visitor to a company's website. This means that Intent HQ's customers can enable one-to-one personalisation of their offers and content, and this information can be used to enhance the commercial value of the visitor through greater user engagement, more effective content marketing and higher value advertising.

Intent HQ's technology incorporates the next generation of artificial intelligence: starting with a visitor's social media data (such as from Facebook or Twitter), and augmenting that with the visitor's real-time mobile and web activity as well as history, Intent HQ's software creates a very detailed profile of that visitor. Using machine-learning, its unique technology can "understand" text in almost any language, accurately extract a person's interests and make human-like predictions on what will interest them. For each person who uses a site or an app which has Intent HQ's software installed, the software returns an always-current, highly granular, ranked and weighted set of that person's interests and affinities.

During the last year, Intent HQ continued the development of additional functionality of its technology, and validated it through successful customer trials which demonstrated that Intent HQ's software achieved far better results than rival solutions.

Whilst Intent HQ has contracted several quality customers including Sky, leading UK technology media publisher IDG, The Telegraph Group and the Food Network in the UK and USA, and has also built a pipeline of customers including leading retail brands and publishers, the company still faces the challenge of successfully implementing a sales and marketing strategy to commercialise its technologies. Consequently, the company has not met its near-term revenue forecast, and therefore continues to require additional funding.

Principally as a result of its revenues being behind forecast, Intent HQ was required to undertake a further, and urgent, phase of fundraising, of £3.5 million in total. That fundraising process started in August 2014. As at the date of this Securities Note, £975,000 of the target amount has already been invested by existing shareholders, including £225,000 from Edge Performance, and the company has received additional commitments from existing investors for the full balance of the £3.5 million.

In the latter stages of the negotiations for the fundraising round, it became apparent that the £3.5 million target would not be achieved without a significant reduction in price, even though the original price was one which the participants in the fundraising round had previously paid. Given that Edge Performance was constrained by VCT rules from participating in this fundraising round beyond the £225,000 noted above, the Investment Manager was therefore faced with the difficult choice of whether to agree to this reduction or alternatively run the very real risk that Intent HQ's available working capital would rapidly be entirely depleted. The Investment Manager concluded that allowing further investment in Intent HQ at a reduced valuation was the preferable course.

This reduction in the valuation of Intent HQ for the purposes of its fundraising round in turn required the Company to revalue its existing investment in Intent HQ. The Company's investment in Intent HQ has therefore been revalued as at 31 August 2014 at £3.65 million.

However, the investment and commitments received by Intent HQ in this fundraising round demonstrate that the company enjoys the continued support of its principal institutional investors, and the total raise of £3.5 million means that the company will now have sufficient working capital to see it through to profitability, assuming that it now meets its revenue forecasts for the remainder of the current financial year. The progress recently made by Intent HQ towards converting its pipeline of opportunities to revenue-generating customer relationships has been encouraging, but this is an area on which the company will have to continue to focus.

As at the date of this Securities Note, Edge Performance holds 28.4% of the equity voting rights in Intent HQ.

LeanForward Limited ("LeanForward")

Cost of H Share Fund's investment (£'000)	500
Valuation of H Share Fund's investment (£'000)	500
Basis of valuation	Cost

LeanForward is a new TV-based entertainment and "lite" betting service, with a strong online offering. Its service will include a digital TV channel on satellite, cable, Freeview, IPTV and mobile. It will be supported by a full service remote betting website and smartphone apps.

Over 56% of UK adults have participated in some form of gambling in the last year – excluding the National Lottery which would increase this figure to over 73%. 3.7 million individuals have bet online in the last year, of which 1.3 million did so at least once a month. The majority of this activity is currently through a combination of bricks and mortar and remote web-based businesses. Gambling is a £22 billion market in the UK and recent changes in gambling legislation have opened up the market.

LeanForward will use proven TV entertainment and interaction techniques to broaden the market for TV home-betting and importantly to offer the participants a fun, interactive game.

The CEO and founder of the business has a successful background in transactional television.

Edge Performance invested £500,000 in Leanforward in September 2014, all of which is attributable to the H Share Fund; the Company's investment formed part of an overall fundraising round of £8 million, which included investment from the founder and a number of private investors, as well as from Edge Performance.

As at the date of this Securities Note, Edge Performance holds 4.15% of the issued share capital of LeanForward. As the investment is recent, it has been valued at cost as at the date of this Securities Note.

Mirriad Limited ("Mirriad")

Cost of H Share Fund's investment (£'000)	830
Valuation of H Share Fund's investment (£'000)	1,003
Basis of valuation	Third party/cost

Over the period from August 2012 to the date of this Securities Note, the Company has invested a total of £2.54 million in Mirriad, of which just over £1 million is attributable to the H Share Fund.

Mirriad's proprietary technology enables advertisements, brands and products to be inserted into finished programming, including catalogue programmes, in such a way that it appears not to be advertising at all, but a part of the programme. It does this digitally, at scale at the point of transmission rather than when the programme is made. This allows the advertising to be targeted by geography or demographic, as it can be different in each transmission and changed as often as required. The market for such "native advertising" is predicted to grow rapidly as consumers increasingly skip conventional TV advertising.

In 2013, the Investment Manager was instrumental in securing a strategic investment in Mirriad by the Zee media group, the largest television producer and broadcaster in the Asia region. Mirriad is now working with Zee to roll out Mirriad's platform across Zee's extensive television networks, which include more than 670 million viewers in 169 countries.

Mirriad is also working with an increasing number of other national and international broadcasters, and now has customers in Australia, India, Europe and North and South America, with its technology being used in more than 100 television shows globally.

In May 2014, Mirriad announced its move into online programming, with a ground-breaking deal with digital music video platform Vevo, designed to unlock significant new revenues for content owners and recording artists. In September 2014, Mirriad announced that it had concluded deals with Universal Music, the world's largest record company, and with French advertising agency, Havas, to use Mirriad's technology to incorporate brands in Universal's substantial catalogue of music videos.

Mirriad is working with many world-leading brands, including Coca Cola, LG, Unilever, Samsung, Levi's, Grand Marnier and Honda.

As at the date of this Securities Note, the Company has valued its investment in Mirriad at £3.46 million, representing an uplift of 36% from its cost of investment. This valuation is based on the share price paid by investors participating in two fundraising rounds in 2014.

As at the date of this Securities Note, Edge Performance holds 10.8% of the issued share capital of Mirriad.

GamesAnalytics Limited (trading as deltaDNA) ("deltaDNA")

The video games industry is currently estimated to be worth £43 billion globally, and growing at 6.5% per annum. The traditional model of the industry, with games being sold to consumers for a one-off purchase price of up to £50 per game, is in the process of being superseded by the 'free-to-play' (F2P) model, where players pay little or nothing to acquire the game, but are then encouraged to pay small and frequent amounts in order to progress through the game or to improve the gaming experience (such as through 'in-app purchasing'). Under the F2P model, the commercial success of a game therefore relies upon retaining customers and encouraging them to continue to pay. A good example of a successful F2P game is *War Thunder*, a World War 2 aerial combat game published by Electronic Arts in which players can obtain better airplanes through in-app purchasing; *War Thunder* is presently generating in-app purchasing revenues of some £300,000 per day.

deltaDNA has developed a software platform which, when integrated into a video game, will provide the game developer with live reporting and analysis of players' activity; this allows the developer to make real-time changes to the game which improve player retention and thereby monetisation.

The collective experience of the founders of deltaDNA spans customer analysis and video game development. The business started in 2011 as a consultancy which secured work with some of the biggest names in the games industry. During that time, it also developed software which could provide the same range of analytical insights as a human consultant, but in real time, and crucially scalable in a way which a human dependant analysis could never achieve. The software platform was launched at the Games Developer Conference in San Francisco in March 2014; since then, deltaDNA has contracted with in excess of 120 games developers for the use of the deltaDNA platform in games which will start to be released in late 2014 and into 2015.

In October 2014, Edge Performance committed to investing £750,000 in deltaDNA, all of which will be met from the H Share Fund. Completion of the investment is conditional on the customary procedure of securing HMRC's prior confirmation that the investment will qualify under VCT rules; it is anticipated that completion will take place in November 2014. On completion of the investment, Edge Performance will hold 12.4% of the issued share capital of deltaDNA.

Portfolio

As at the date of this Securities Note, the H Share Fund's portfolio comprises investments in five companies with an aggregate (unaudited) value of £3.09 million, as follows:

Qualifying Investments	Cost (£'000)	Valuation (£'000)	% of net assets of H Share Fund by value
Coolabi Group Limited	500	919	11.2
Intent HQ Holdings Limited	161	62	0.8
LeanForward Limited	500	500	6.1
Mirriad Limited	830	1,003	12.2
Total Qualifying Investments	1,991	2,483	30.3
Non-qualifying Investments			
WP Acquisitions Limited	300	300	3.7
Intent HQ Holdings Limited	450	305	3.7
Total Non-qualifying investments	750	605	7.4
Total fixed asset investments	2,741	3,088	37.6
Net current assets		5,117	62.4
Net assets		8,205	100.0

The information above is unaudited information on the Company, which (save as noted below in respect of the Company's investments in Intent HQ Holdings Limited, LeanForward Limited and Mirriad Limited) has been extracted from the Company's published half-yearly report for the six months ended 31 August 2014 and has not been reported on by an independent auditor.

The Company has made the following investments from the H Share Fund since 31 August 2014:

- £225,000 was invested in Intent HQ Holdings Limited on 1 September 2014.
- £500,000 was invested in LeanForward Limited on 18 September 2014.
- £192,832 was invested in Mirriad Limited on 10 October 2014.

As at the date of this Securities Note, these three investments are valued at cost, in accordance with the Company's valuation policy.

As a result of these three investments, the cash held by the H Share Fund has reduced by £917,832 since 31 August 2014 and the aggregate value of the H Share Fund's fixed asset investments has increased by the same amount since that date.

Further details of the Company's investment portfolio and details of all Qualifying Investments and Non-qualifying Investments held by the other Share Funds can be found on pages 25 to 34 of the Registration Document.

PART 4 INFORMATION RELATING TO THE H SHARES AND THE OFFER

H Share Offer

7.5 million New H Shares are being offered at a price per New H Share equal to the Net Asset Value per H Share most recently published prior to the date of allotment of the relevant New H Shares (the “applicable Net Asset Value per H Share”), divided by 0.95 (rounded up to the nearest 0.01p). The Offer Price will be announced through a Regulatory Information Service on the next Business Day following each allotment and issue of New H Shares.

The Offer is being made to raise funds for the Company to invest in businesses in the creative industries sector. The Board believes that the increased number of Shares in issue following the Offer may in due course improve the liquidity in the market for its Shares. In addition, the increased capital base of the Company would allow the operating costs to be spread across a larger number of Shares which should cause the total expense ratio to fall.

Of the Directors, David Glick has indicated that he will subscribe for £25,000 of New H Shares pursuant to the Offer. Across the Company’s previous offers for subscription for H Shares, the Directors have already subscribed for, in aggregate, £135,000 of H Shares.

The estimated total net proceeds of the Offer (assuming Maximum Subscription and after expenses, but prior to the impact of the Early Application Incentives) are £6.43 million, assuming that the applicable Net Asset Value per H Share is the same as the Net Asset Value per H Share as at the date of this Securities Note (namely 86.60p per H Share) and the Offer Price is therefore 91.16p per New H Share.

It is intended that funds raised by the Offer will be invested in accordance with the Company’s investment policy. The H Share Fund will continue to be administered as a separate investment pool from the other Share Funds. The Offer is not being underwritten. If the Offer is, or in the opinion of the Directors is likely to be, over-subscribed, it may be increased at the discretion of the Directors to no more than 20 million New H Shares in aggregate. The over-allotment facility may be utilised while the Offer remains open.

If the Directors exercise their discretion to increase the number of H Shares that are the subject of the Offer to 20 million, assuming that the Offer Price is 91.16p per New H Share, the net assets of the Company will be increased by £17.14 million.

The Existing H Shares will represent approximately 56% of the enlarged H Share capital immediately following the Offer if 7.5 million New H Shares are issued. On this basis, the percentage holding of Existing H Shareholders will be diluted by approximately 44% as a result of the Offer (although the H Share Fund will increase by the amount of the net proceeds of the Offer). If the over-allotment facility is utilised and 20 million New H Shares are issued in aggregate, the Existing H Shares will represent approximately 32% of the enlarged H Share capital immediately following the Offer and the percentage holding of Existing H Shareholders will be diluted by approximately 68% as a result of the Offer (although the H Share Fund will increase by the amount of the net proceeds of the Offer).

How to invest

Application Forms in respect of the Offer are included at the end of this Securities Note. The minimum investment is £5,000 and applications in excess of that amount should be made in multiples of £1,000. Although there is no maximum size of investment, tax reliefs are available on a maximum VCT investment of £200,000 per individual in any one tax year.

Category of potential Investors

The Directors believe that the typical investor for whom the Offer is designed is a UK income tax payer over 18 years of age with an investment range of between £5,000 and £200,000 in any one tax year who, having regard to the risk factors set out on page 4 of this Securities Note and pages 4 to 6 of the Registration Document, considers the investment policy of the Company to be attractive. This may include retail, institutional and sophisticated investors and high net worth individuals who already have a portfolio of non-VCT investments and who are willing to invest over the medium to long term (and who have sufficient resources to bear any loss which may result from such an investment).

Costs and expenses of the Offer

The Company has agreed to pay the Investment Manager an initial offer fee of 5% of the gross funds raised under the Offer and an annual fee equal to 0.25% per annum of the gross funds raised under the Offer, for a period of four years. If 7.5 million New H Shares are issued under the Offer at the Offer Price, the total costs and expenses payable by the Company will be £410,220, all being fees payable to the Investment Manager (including annual fees) assuming, as above, that the Offer Price is 91.16p per New H Share. From this fee, the Investment Manager will meet all costs and expenses of the Offer. Any costs and expenses of the Offer in excess of 5% of the gross funds raised under the Offer will be borne by the Investment Manager.

The costs and expenses of the Offer for which the Investment Manager will be responsible include, as applicable, (i) all commission to authorised financial intermediary firms described below; (ii) the cost of Waiver Shares issued where the financial intermediary firm elects to waive some or all of its initial commission; and (iii) the cost of Additional New H Shares issued where the financial intermediary firm is not permitted under FCA Rules to receive commission.

Interest earned on subscriptions pending allotment will be paid to the Company following allotment.

Investors participating in the Offer will effectively bear the initial offer fee of 5% of the gross funds payable to the Investment Manager, as the Offer Price will be at a premium to the latest published Net Asset Value per H Share.

The annual fee payable to the Investment Manager equal to 0.25% per annum of the gross funds raised under the Offer for a period of four years will be paid from the H Share Fund and therefore borne by all H Shareholders at the time of payment. The Investment Manager will meet the costs of intermediary firms' trail commission from this annual fee.

Financial Intermediaries

Initial commission

The costs of the Offer to be borne by the Investment Manager include an initial commission to authorised financial intermediary firms (where permitted by the FCA Rules) of 2.25% of the amounts invested by their clients in successful subscriptions under the Offer.

Trail commission

The Investment Manager will also pay trail commission to authorised financial intermediary firms (where permitted by the FCA Rules) at the rate of 0.25% per annum of the amounts invested by their clients under the Offer for up to four years on successful applications which are submitted through them and in respect of which the Investor continues to hold New H Shares as at 30 April in each year. The first payment of trail commission in respect of the New H Shares is expected to be made in June 2016 in respect of the period ending 30 April 2016. The final payment of trail commission in respect of the New H Shares is expected to be made in June 2019 in respect of the period ending 30 April 2019. The entitlement to trail commission will belong to the financial intermediary firm through which the successful application is received and not to any individual financial adviser nor to any financial intermediary firm who may subsequently employ or engage such individual adviser, nor to any financial intermediary firm instructed by an Investor after the date on which New H Shares are allotted and issued to the Investor under the Offer.

Waiver of commission

Financial intermediary firms may elect to waive some or all of the initial commission otherwise payable to them, in which case Waiver Shares to the value of that waived initial commission will be issued to the relevant Applicant. The number of such Waiver Shares will be calculated based on the Offer Price (discounted, if applicable, by virtue of the Early Application Incentives) and will be rounded down to the nearest whole number of Waiver Shares. The costs of the Waiver Shares will be borne by the Investment Manager.

FCA Rules

The FCA Rules, and in particular Rule 6 of the FCA's Conduct of Business Sourcebook, state that, where a financial intermediary firm gives advice to a retail client after 30 December 2012, that firm may only be remunerated for that advice through 'adviser charges' and may not receive commission. A retail client is defined in the FCA Rules as anyone who is not an eligible counterparty or a professional client (within the meaning of MiFID). Financial intermediary firms should note that the Application Form therefore requires them to certify to Edge Performance that they are permitted by FCA Rules (and in particular by Rule 6 of the FCA's Conduct of Business Sourcebook) to receive commission in respect of the relevant application. If Section IFA 2 of the Application Form is not signed by an authorised signatory of the intermediary firm, Edge Performance or the Investment Manager (as applicable) will not be able to pay commission or to issue Waiver Shares in respect of waived commission.

In instances of successful applications under the Offer introduced by a financial intermediary firm which is not permitted, by virtue of the FCA Rules, to receive introductory commission:

- the Company will issue the Applicant with Additional New H Shares, to the value of 3.25% of the amount invested (rounded down to the nearest whole number of Additional New H Shares); the Offer Price of those Additional New H Shares will be calculated based on the Offer Price (discounted, if applicable, by virtue of the Early Application Incentives) and will be met by the Investment Manager; and
- the Investment Manager will, if requested, facilitate the payment of that intermediary's initial adviser charges by means of a one-off payment (in an amount approved and authorised by both the Investor and the adviser, through the completion of Section IFA 3 of the Application Form, with that amount to be deducted from the payment

received by the Company from the Applicant, so that only the net payment received, after deduction of the adviser charges, will be applied in subscription for New H Shares). Investors should note that initial income tax relief may only be claimed on the amount of that net payment.

Conditions of the Offer

The Offer is conditional upon Shareholder Approval.

Timetable

The Offer will remain open for subscription until 5.00 pm on 2 April 2015 for applications in respect of the 2014/15 tax year and until 3.00 pm on 12 June 2015 (or such other dates as may be determined by the Directors, being no later than 30 September 2015 in any event) for applications in respect of the 2015/16 tax year. The Directors reserve the right to extend or increase the Offer.

The Offer may close before the dates stated above if the Maximum Subscription of the Offer is achieved before those dates. It is expected that the New H Shares to be issued pursuant to the Offer will be admitted to the premium segment of the Official List and to trading on the main market of the London Stock Exchange and dealings will commence within 20 Business Days of the relevant allotment and issue.

Early Application Incentives

Successful early applications for New H Shares which are received by the Company on or before 5 January 2015 or after 5 January 2015 but on or before 12 February 2015 will receive the following discounts.

Applications received on or before 5 January 2015:

- **Existing Investors**

The issue price of all New H Shares issued in respect of an application made by, or on behalf of, an Existing Investor, including where applicable all Waiver Shares and Additional New H Shares, will be discounted by 5% from the Offer Price (and rounded up to the nearest 0.01p); and

- **New Investors**

The issue price of all New H Shares issued in respect of an application made by, or on behalf of, a New Investor, including where applicable all Waiver Shares and Additional New H Shares, will be discounted by 3% from the Offer Price (and rounded up to the nearest 0.01p).

Applications received after 5 January 2015 but on or before 12 February 2015:

- **Existing Investors**

The issue price of all New H Shares issued in respect of an application made by, or on behalf of, an Existing Investor, including where applicable all Waiver Shares and Additional New H Shares, will be discounted by 3.5% from the Offer Price (and rounded up to the nearest 0.01p); and

- **New Investors**

The issue price of all New H Shares issued in respect of an application made by, or on behalf of, a New Investor, including where applicable all Waiver Shares and Additional New H Shares, will be discounted by 1.5% from the Offer Price (and rounded up to the nearest 0.01p).

By way only of an illustration, assuming that the Offer Price is 91.16p per New H Share, if an Existing Investor's successful application is received by the Company by 5 January 2015, the issue price of all New H Shares issued to that Existing Investor in relation to that application will be 86.60p per New H Share.

Application procedure

The Directors in their absolute discretion will determine the basis of allocation of the New H Shares but expect to allocate on a first come/first served basis. To the extent that any application is not accepted, any excess payment will be returned without interest by returning the Applicant's payment through the post at the risk of the person entitled thereto. The Receiving Agent will acknowledge receipt of applications.

Two versions of an Application Form are at the end of this Securities Note, together with notes on their completion. One version of the Application Form (green) is to be used where the Investor is applying in his or her own name. The other version of the Application Form (grey) is to be used where a Nominee is applying on behalf of an Investor. **Applications using the incorrect version of the Application Form will be rejected.**

Applicants under the Offer must specify a fixed sum in sterling, being the aggregate subscription for the New H Shares for which they wish to apply at the Offer Price. The minimum investment per Investor is £5,000 (which may be spread across two tax years) and applications in excess of that amount should be made in multiples of £1,000. There is no maximum investment per Investor. Multiple applications are permitted. Application Forms should be sent or delivered, together with the full amount payable in respect of the application, by post or by hand (during normal business hours only) to the Receiving Agent so as to be received by no later than 5.00 pm on 2 April 2015 in respect of the 2014/15 tax year and 3.00 pm on 12 June 2015 in respect of the 2015/16 tax year (or such other dates as may be determined by the Directors). All payments must be made in pounds sterling by cheque or banker's draft drawn on a bank in the UK, the Channel Islands or the Isle of Man bearing a UK bank code in the top right hand corner. Cheques and banker's drafts should be made payable to "Edge Performance VCT Offer Account" and crossed "A/C payee only". Your attention is drawn to the statements concerning the Money Laundering Regulations in the Terms and Conditions of Application.

Monies which are not sufficient to subscribe for one whole New H Share will not be refunded and fractions of H Shares will not be issued.

The Company and the Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of New H Shares by financial intermediaries. The offer period within which subsequent resale or final placement of New H Shares by financial intermediaries can be made and for which consent to use the Prospectus is given is from the date of the Prospectus until 12 June 2015, unless previously extended by the Directors to a date not later than 30 September 2015. There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus in the UK.

Information on the terms and conditions of the Offer by the financial intermediary will be given to Investors by financial intermediaries at the time the Offer is made to them by the financial intermediary. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent set out on this page of this Securities Note.

Admission to trading and dealing arrangements

The basis of allocation, including calculation of the Offer Price and the final amount of H Shares to be allotted under the Offer, will be announced to the public via a Regulatory Information Service announcement.

Application will be made for Admission in respect of the New H Shares. It is expected that Admission will become effective and dealings in the New H Shares will commence within 20 Business Days of the relevant allotment and issue. No application is being made for the New H Shares to be admitted to listing or to be dealt in on any other exchange. Share certificates are expected to be despatched to each successful Applicant by post within 20 Business Days of each allotment and issue, unless the applicant has elected to have Shares issued direct into CREST. Temporary documents of title will not be used in connection with the Offer. Dealings prior to receipt of share certificates will be at the risk of Applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all. The Offer will not be revoked in respect of the H Shares that have been admitted to the premium segment of the Official List and to trading on the London Stock Exchange.

The New H Shares will be in registered form capable of being transferred by means of the CREST system. Investors who wish to take advantage of the ability to trade in New H Shares in Uncertificated Form, and who have access to a CREST account, may arrange with their CREST operator to have their New H Shares issued directly to their CREST nominee or subsequently to convert their holdings into dematerialised form in CREST. Investors should be aware that New H Shares delivered in Certificated Form are likely to incur higher dealing costs than those in respect of New H Shares held in CREST. The Company's share register will be kept by Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.

PART 5 TAXATION POSITION OF INVESTORS AND OF THE COMPANY

1. Introduction

- 1.1. The following statements are based upon current UK tax law and what is understood to be the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident and ordinarily resident for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents) who hold Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Shares.
- 1.2. The information contained in this Securities Note relating to taxation matters is a summary of the taxation matters which the Directors consider should be brought to the attention of Shareholders and is based upon the law and published practice currently in force and is subject to changes therein. All potential Investors, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Shares under the laws of their country and/or state of citizenship, domicile or residence.

2. Tax position of Investors

2.1. *General*

The tax reliefs set out below are available to investors aged 18 or over who invest in shares in a VCT. There is no specific limit on the amount an individual can invest in a VCT but tax reliefs will only be given to the extent that the total of an individual's subscription or other acquisitions of shares in VCTs in any tax year does not exceed £200,000.

2.2. *Income Tax*

2.2.1. Relief on subscription

An investor subscribing for shares in a VCT will be entitled to claim income tax relief on amounts invested up to a maximum of £200,000 in any tax year. Regardless of the investor's marginal rate of tax, the relief is given at the rate of up to 30% on the amount invested in the 2014/15 tax year, subject to a maximum amount which reduces the investor's income tax liability to nil.

2.2.2. Dividend relief

An investor who acquires, in any tax year, VCT shares up to a maximum of £200,000 will not be liable to income tax on dividends paid by the VCT on those shares.

2.2.3. Withdrawal of relief

Relief from all or some of the income tax on subscription for shares in a VCT is withdrawn if the shares are disposed of (other than between spouses) within five years of issue or if the VCT loses its approval within this period.

2.3. *Capital Gains Tax*

2.3.1. Relief from capital gains tax on the disposal of shares

Gains made on shares held in a VCT are not subject to capital gains tax (subject to a maximum investment of £200,000 in any one tax year). Similarly, any losses on shares held in a VCT will not be treated as an allowable loss. Both of the above apply to the extent that the shares have been acquired within the limit of £200,000 for any tax year.

2.3.2. Purchasers in the market

An individual purchaser of existing shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph 2.3.1 of this Part 5).

2.3.3. Withdrawal of relief

If a VCT which has been granted approval subsequently fails to comply with the conditions for approval, any gains on the shares after the date on which loss of VCT status takes effect will be taxable. Where VCT status is treated as never having been given, all gains are taxable.

2.4. *Obtaining tax reliefs*

2.4.1. Income tax relief

A VCT issues each investor with a certificate which should be used to claim the income tax relief, either by obtaining from HMRC an adjustment to his/her tax coding under the PAYE system, or by waiting until the end of the tax year and using his/her self-assessment tax return to claim relief.

Dividends received on shares acquired in VCTs up to the qualifying maximum of £200,000 per tax year need not be shown in the investor's self-assessment tax return.

2.4.2. Investors not resident in the UK

Investors not resident in the UK should seek their own professional advice as to the consequences of making an investment in a VCT as they may be subject to tax in other jurisdictions as well as in the UK.

2.4.3. Loans

VCT reliefs may not be available if the investor takes out a loan specifically to subscribe in the VCT.

2.4.4. Linked sales

If an investor subscribes for shares in a VCT within 6 months before or after selling any shares in that same VCT (or a VCT which has merged with that VCT), or if there is a contractual link between the subscription and the disposal, the tax reliefs in relation to that subscription will apply only to the amount invested less the amount for which the shares are sold.

3. *Consequences of loss of VCT status*

3.1. *For the VCT*

The exemption from corporation tax on capital gains will not apply to any gain realised after the time from which VCT status is lost. Should tax status be lost under section 274 of the Income Tax Act, the FCA will be notified as soon as possible and an announcement would be made using an approved Regulatory Information Service provider.

3.2. *For Qualifying Investors*

If VCT approval is lost before the shares have been held for five years, the relief will be withdrawn by the making of an assessment for the year of assessment for which the relief was originally given on an amount equal to that relief. Interest on overdue tax may arise.

3.3. *For Qualifying Investors and purchasers*

3.3.1. Dividend income

Dividend income will not be exempt from tax in respect of profits or gains arising or accruing in any accounting period at a time when VCT status has been lost. A notional tax credit equal to 1/9th of the net dividend paid will be available to offset against income tax due on the dividend.

3.3.2. Capital gains

If full VCT approval is withdrawn, the individual is treated as having disposed of his shares immediately before the status is lost, for market value at that time, and is treated as reacquiring them at that value immediately after the status is lost. Thus, any capital gains realised up to that date will be exempt from tax, but gains after that date will be taxable in the ordinary way.

4. *The Company*

The following is a general guide to the tax position of a VCT. This summary is not intended to be comprehensive and prospective Investors are advised to seek their own independent professional advice.

4.1. *Qualifying as a VCT*

A VCT must not be a close company and must be approved as a VCT by HMRC. The main conditions for approval are that throughout its most recent complete accounting period:

- 4.1.1. each class of the VCT's ordinary share capital has been quoted on a regulated European market;
- 4.1.2. the VCT's income has been derived wholly or mainly from shares or securities (including loans to companies with a five year or greater maturity period);
- 4.1.3. the VCT has not retained more than 15% of the income derived in that period from shares and securities;
- 4.1.4. not more than 15% by value of its investments has been held in a single company or group (other than a VCT) and the VCT must not control the companies in which it invests in such a way as to render them subsidiary undertakings;
- 4.1.5. at least 70% by value of the VCT's investments are represented by shares or securities in "qualifying holdings" (see paragraph 4.2 below);
- 4.1.6. at least 70% (30% in the case of investments made from funds raised by a VCT before 6 April 2011) by value of the VCT's qualifying holdings are represented by holdings of "eligible shares";
- 4.1.7. the VCT has not made, and will not during the period make, an investment in a company which breaches the "investment limits condition" (i.e. a maximum of £5 million in total relevant European State-aided investment received by the company in the period of 12 months ending on the date of the VCT's investment); and
- 4.1.8. in respect of shares issued by a VCT after 5 April 2014, the VCT has not (other than for the purpose of redeeming or repurchasing shares), prior to the end of the third accounting period following the accounting period during which the shares are issued, made any payment to its shareholders which represents a repayment of share capital or of share premium, or used share capital to pay up new shares to be issued by the VCT.

Normally, HMRC cannot give approval of a VCT unless the conditions set out in paragraphs 4.1.1 to 4.1.8 above have all been met throughout the company's most recent accounting period and HMRC is satisfied that they will be met throughout its current accounting period at the time of application for approval. However, to facilitate the launch of VCTs, HMRC may give provisional approval if it is satisfied that the conditions set out in paragraphs 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.7 and 4.1.8 above will be met throughout the current or subsequent accounting period, and the conditions set out in paragraphs 4.1.5 and 4.1.6 above will be met in relation to an accounting period commencing no later than three years after the date of the provisional approval.

4.2. *Qualifying holdings*

- 4.2.1. Qualifying holdings comprise new shares or securities (including loans with a five-year or greater maturity period) issued by unquoted trading companies which exist wholly for the purpose of carrying on one or more qualifying trades.
- 4.2.2. If an investee company receives in aggregate investment under the VCT or EIS schemes, or other European State-aided investment schemes, in excess of £5 million in any consecutive 12 month period, any excess over that amount is not a qualifying holding.
- 4.2.3. At least 10% of the investment in a qualifying holding must be for eligible ordinary shares (although in the case of investments made from funds raised by a VCT after 5 April 2011, the requirement is that at least 10% of the investment in a qualifying holding must be for "eligible shares", which includes certain forms of preference shares) and this minimum percentage must be maintained for qualifying status to be continued.
- 4.2.4. Companies in which an investment is made must not be controlled by the VCT or any other company and their gross assets must not exceed £15 million immediately prior to the investment or £16 million immediately thereafter. Additionally, they must have fewer than 250 full time equivalent employees at the time of investment.
- 4.2.5. Companies whose securities are traded on AIM or PLUS count as unquoted companies for the purposes of determining qualifying holdings. Shares in an unquoted company which subsequently becomes quoted may still be regarded as part of a qualifying holding for a further five years following quotation.

- 4.2.6. The company must employ the money invested (either directly or via a qualifying subsidiary - see below) for the purpose of a qualifying trade within certain time periods. It must also have no subsidiary companies other than qualifying subsidiaries, and must not itself be controlled by another company.
- 4.2.7. An investee company will not be a qualifying holding if the shares or securities are issued by that company to the VCT in consequence of, or otherwise in connection with, "disqualifying arrangements".
- 4.3. *Qualifying trades and qualifying subsidiaries*
- 4.3.1. Companies in which investments are made must exist wholly for the purpose of carrying on one or more qualifying trades and/or be a holding company only of qualifying subsidiaries. The trade must either be carried on by, or be intended to be carried on by, the company in which an investment is made or by a qualifying subsidiary. In the case of a company intending to carry on a qualifying trade, the qualifying trade must begin within two years of the issue of shares or securities to a VCT and continue thereafter. For investments made by a VCT prior to 6 April 2011, the trade must be carried on wholly or mainly in the UK but the company need not be UK resident; in the case of investments made by a VCT after 5 April 2011, the trade need not be carried on wholly or mainly in the UK provided that the company in which the investment is made has a permanent establishment in the UK.
- 4.3.2. Certain trades (for example, dealing in land or shares or providing financial services) are excluded.
- 4.3.3. A subsidiary will be a qualifying subsidiary if the majority of its issued share capital is owned by the company invested in and certain other tests are also satisfied.
- 4.3.4. Companies in which an investment is made, or a relevant qualifying subsidiary, must spend 100% of the money invested within 24 months of the date of the investment, or, if later, within 24 months after the company commences trading. A relevant qualifying subsidiary is either (a) a subsidiary which is at least 90% held by the company or by a directly held 100% subsidiary, or (b) a wholly owned subsidiary of a 90% directly held subsidiary of the company.
- 4.3.5. To the extent that the VCT's investment is made from funds raised by the VCT after 5 April 2012, the use by a VCT's investee company of the VCT's investment on the acquisition of shares will not of itself amount to employing the money for the purposes of a relevant qualifying activity.
- 4.4. *Withdrawal of approval*
- Approval of a VCT may be withdrawn if the conditions set out in paragraph 4.1 of this Part 5 are not met. Withdrawal of approval generally has effect from the time when notice of withdrawal is given to a VCT. If a VCT does not obtain full approval, and the tests have not been met, approval is deemed never to have been given. The taxation consequences of approval being withdrawn or being deemed never to have been given are set out in paragraphs 3.2 and 3.3 of this Part 5.
- 4.5. *UK withholding tax on dividends*
- There is no requirement to withhold tax at source on the payment of dividends by a UK resident company.

PART 6 OTHER INFORMATION RELATING TO THE COMPANY

1. Incorporation

The Company was incorporated in England as a public company with limited liability on 8 September 2005 with registered number 05558025. The principal legislation under which the Company operates and under which the New H Shares will be created is the Companies Act and regulations made thereunder. The Existing H Shares are admitted to the premium segment of the Official List and are traded on the London Stock Exchange's main market for listed securities.

2. Duration of the Company

There is no requirement in the Articles of Association for the Directors to put forward a continuation vote and the Company does not therefore have a fixed life. Although there are planned realisation dates for other classes of Shares, the H Share Fund does not have a defined lifespan.

3. Capitalisation and Indebtedness

The following table shows the capitalisation of the Company (distinguishing between guaranteed and unguaranteed, secured and unsecured) as at 31 August 2014 (being the end of the last financial period of the Company for which financial information has been published).

	As at 31 August 2014 £'000
Current debt	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	-
Total current debt	-
Non-current debt	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	-
Total non-current debt	-
Shareholders' equity	
Share capital	11,698
Legal reserve	65,913
Other reserves	(10,402)
Total Shareholders' equity	67,209
Total debt and Shareholders' equity	67,209

The information in the table above is unaudited financial information of the Company as at 31 August 2014, extracted from internal accounting records. There has been no material change to the capitalisation of the Company since 31 August 2014 (being the end of the last financial period of the Company for which financial information has been published).

The following table shows the Company net indebtedness as at 31 August 2014 (being the end of the last financial period of the Company for which financial information has been published).

	£'000
A. Cash	902
B. Cash equivalent	7,464
C. Trading Securities	-
D. Liquidity (A + B + C)	8,367
E. Current financial receivable	-
F. Current bank debt	-
G. Current portion of non-current debt	-
H. Other current financial debt	-
I. Current financial debt (F + G + H)	-
J. Net current financial indebtedness (I – E – D)	(8,367)
K. Non-current bank loans	-
L. Bonds issued	-
M. Other non-current loans	-
N. Non-current financial indebtedness (K + L + M)	-
O. Net financial indebtedness (J + N)	(8,367)

The information in the table above is unaudited financial information of the Company as at 31 August 2014, extracted from internal accounting records.

4. Working capital statement

The Company is of the opinion that its working capital is sufficient for its present requirements, that is for at least 12 months from the date of the Prospectus.

5. Share rights

The rights and restrictions attaching to the New H Shares are as follows:

Voting Rights

Subject to any special terms as to voting upon which any Shares may for the time being be held, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by its duly appointed representative shall have one vote and on a poll every member present in person or by representative or proxy shall have one vote for every share in the capital of the Company held by him. A proxy need not be a member of the Company.

Dividends and other distributions

Subject to the provisions of the Articles, the H Shares entitle their holders to receive such dividends as the Directors may resolve to pay *pro rata* to their respective holdings of H Shares.

Rights as to capital

Subject to the provisions of the Articles, on a return of capital on a winding up the surplus capital and assets attributable to the H Shares shall be divided amongst the holders of H Shares *pro rata* according to the nominal capital paid up on their respective holdings of H Shares.

Alteration of share capital

The Company may from time to time by ordinary resolution:

- (i) increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; and

- (iii) cancel any shares which have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the nominal amount of the shares so cancelled.

Subject to the provisions of the Companies Act, the Company may by special resolution:

- (i) purchase any of its own shares (including any redeemable shares);
- (ii) reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner; or
- (iii) sub-divide its shares, or any of them, into shares of a smaller nominal amount (subject, nevertheless, to the provisions of the Companies Act) and by the same resolution may confer special rights on any of the shares resulting from the sub-division.

Issue of Shares

The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to section 570(1) of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the authorised but unissued share capital of the Company, except to the extent disapplied by the Company in general meeting. Subject to the provisions of the Companies Act relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued Shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

Transfer of Shares

The Shares are in registered form and are freely transferable. All transfers of Shares must be effected by a transfer in writing in any usual form or any other form approved by the Directors. The instrument of transfer of a Share shall be executed by or on behalf of the transferor and, in the case of a partly paid Share, by or on behalf of the transferee. The Directors may refuse to register any transfer of a partly paid Share, provided that such refusal does not prevent dealings taking place on an open and proper basis, and may also refuse to register any instrument of transfer unless:

- (i) it is duly stamped (if so required), is lodged with the Company's registrar or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (ii) it is in respect of only one class of Share;
- (iii) the transferees do not exceed four in number; and
- (iv) it does not relate to any Shares in respect of which the Company has a lien.

6. Dilution

At Maximum Subscription, the Existing H Shares will be diluted by a maximum of 44%, as a result of the Offer.

7. Sources

Information in this Securities Note sourced from third parties has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third parties, no facts have been omitted which would render such information inaccurate or misleading.

8. Overseas Investors

No person receiving a copy of this Securities Note in any territory other than the UK may treat the same as constituting an offer or invitation to him to subscribe for or purchase New H Shares unless, in such territory, such offer or invitation could lawfully be made. It is the responsibility of any person outside the UK wishing to make an application to satisfy himself as to the full observance of the laws of the relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. No action has been taken to permit the distribution of this Securities Note in any jurisdiction outside the UK where such action is required to be taken. All Applicants under the Offer will be required to warrant that they are not a US person as defined under the US Securities Act, nor a resident of Canada.

9. Taxes withheld at source

No income tax on income from the Shares is withheld at source.

10. Mandatory bids, squeeze-out and sell-out rules

Mandatory bids

As a company incorporated in England and Wales with shares to be admitted to trading on the London Stock Exchange, the Company will be subject to the provisions of the Takeover Code. The Takeover Code is issued and administered by the Panel on Takeovers and Mergers (the "Panel"). The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Takeovers Directive. Following the implementation of the Takeovers Directive, the rules set out in the Takeover Code which are derived from the Takeovers Directive now have a statutory basis in the United Kingdom.

Under Rule 9 of the Takeover Code, any person or group of persons acting in concert with each other which, taken together with shares already held by that person or group of persons, acquires 30% or more of the voting rights of a public company which is subject to the Takeover Code or holds not less than 30% but not more than 50% of the voting rights exercisable at a general meeting and acquires additional shares which increase the percentage of their voting rights, would normally be required to make a general offer in cash at the highest price paid within the preceding 12 months for all the remaining equity share capital of the Company.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9.

However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when it had reason to believe that a purchase by the company of its own voting shares may take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buy-back by the Company of Shares could, therefore, have implications for Shareholders with significant shareholdings.

Squeeze-out and sell-out rules

Other than as provided by the Companies Act, there are no rules or provisions relating to squeeze-out and sell-out rules in relation to the Shares.

11. Restrictions on transfer

General

The distribution of the Prospectus and offer of New H Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession the Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

European Economic Area

In relation to each of the EEA States (other than the United Kingdom) which has implemented the Prospectus Directive (each a "relevant member state"), with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the "relevant implementation date") no New H Shares have been offered or will be offered pursuant to an offer to the public in that relevant member state, except that with effect from and including the relevant implementation date, offers of New H Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual net turnover of more than 50 million as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive, provided that no such offer of New H Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a relevant member state and each person who initially

acquires any New H Shares or to whom any offer is made under the Offer will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purpose of the expression an “offer of any New H Shares to the public” in relation to any New H Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Offer of any New H Shares, so as to enable a potential Investor to decide to purchase or subscribe for the New H Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

12. Documents available for inspection and availability of the Prospectus

Copies of the following documents are available for inspection at the Company's registered office, 1 Marylebone High Street, London W1U 4LZ and at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this Securities Note until the closing date of the Offer:

- (a) the memorandum and Articles of Association of the Company;
- (b) the consent letters from Dickson Minto W.S. and Edge Investments referred to in paragraph 14 of Part 8 of the Registration Document;
- (c) the audited annual accounts of the Company for the years ended 29 February 2012, 28 February 2013 and 28 February 2014 and the unaudited half-yearly reports for the six month periods ended 31 August 2013 and 31 August 2014;
- (d) the Registration Document;
- (e) the Summary; and
- (f) this Securities Note.

Copies of the Prospectus may be obtained, free of charge, whilst the Offer remains open, from the Company's registered office or can be downloaded from the Company's website at www.edge.uk.com. In addition, a copy of the Prospectus has been submitted to the National Storage Mechanism and is available to the public for viewing online at the following website address: <http://www.morningstar.co.uk/uk/nsm>.

4 November 2014

PART 7 DEFINITIONS

The following definitions apply throughout this Securities Note, unless the context otherwise requires:

2014/15 Offer	the Company's offer for subscription for H Shares in respect of the 2014/15 tax year
2015/16 Offer	the Company's offer for subscription for H Shares in respect of the 2015/16 tax year
Additional New H Shares	additional New H Shares which are issued in instances where the Investor's financial intermediary firm is not permitted, by virtue of FCA Rules, to receive introductory commission, as described in Part 4 of this Securities Note
Administrative Services Agreement	the administrative services agreement dated 18 February 2013 between the Company and the Investment Manager, the principal terms of which are summarised in Part 7 of the Registration Document
Admission	admission of the New H Shares to be issued under the Offer to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities
AIM	the Alternative Investment Market operated by the London Stock Exchange for unlisted securities
Applicable Issue Price	the issue price of a given New H Share issued under the Offer, being the Offer Price, discounted, if applicable, by virtue of the Early Application Incentives
Applicant	a party who subscribes for New H Shares under the Prospectus, whether as Investor or as Nominee, by completing an Application Form
Application Form	the relevant application form for New H Shares under the Offer, set out at the end of this Securities Note
Articles or Articles of Association	the articles of association of the Company, as amended from time to time
Associate	has the meaning given in the Listing Rules
Beneficial Owner	a person in whom the beneficial ownership of shares is vested, or will be vested immediately upon their issue
Board or Directors	the directors of the Company from time to time, the names of the current directors being set out on page 7 of this Securities Note
Business Day	any day (other than a Saturday, Sunday or public holiday) on which clearing banks are open for normal banking business in London
C Share Fund	the net assets of the Company attributable to holders of C Shares
C Shareholders	holders of C Shares
C Shares	C shares of 10p each in the capital of the Company
Certificated Form	not in Uncertificated Form (that is, not in CREST)
Companies Act	the Companies Act 2006 (as amended)
Company or Edge Performance	Edge Performance VCT plc

CREST	the relevant system as defined in the CREST Regulations in respect of which Euroclear UK & Ireland Limited is operator (as defined in the CREST Regulations) in accordance with which securities may be held in Uncertificated Form
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI2001/3755) (as amended)
D Share Fund	the net assets of the Company attributable to holders of D Shares
D Shareholders	holders of D Shares
D Shares	D shares of 10p each in the capital of the Company
Deferred Shares	deferred shares of 10p each in the capital of the Company
Dividend	for the purposes of the performance incentive fee payable to the Investment Manager: <ul style="list-style-type: none"> (i) a dividend of the Company to holders of the C Shares, D Shares, E Share, F Shares, G Shares, H Shares and/or I Shares (in respect of which such dividend is paid); and (ii) any distribution (as defined in section 829 (1) of the Companies Act) to holders of the C Shares, D Shares, E Share, F Shares, G Shares, H Shares and/or I Shares; (iii) any distribution by way of the reduction of the C Share capital, D Share capital, E Share capital, F Share capital, G Share capital, H Share capital and/or I Share capital of the Company; (iv) any distribution of assets on the winding up of the Company; and (v) any other payment made by the Company to all holders of C Shares, D Shares, E Shares, F Shares, G Shares, H Shares and/or I Shares as a class
E Share Fund	the net assets of the Company attributable to holders of E Shares
E Shareholders	holders of E Shares
E Shares	E shares of 10p each in the capital of the Company
Early Application Incentives	the discounts to the Offer Price, as described in Part 4 of this Securities Note
Edge Investments or Investment Manager	Edge Investment Management Limited
EEA States	the member states of the European Economic Area
Existing H Shares	H Shares issued prior to the date of this Securities Note
Existing Investor	a person who, as at the date of this Securities Note, is the Beneficial Owner of any Shares, or who, as at the date of this Securities Note, is the spouse or civil partner of the Beneficial Owner of any Shares, as the context so permits
F Share Fund	the net assets of the Company attributable to holders of F Shares
F Shareholders	holders of F Shares
F Shares	F shares of 10p each in the capital of the Company
FCA	the Financial Conduct Authority, or its successor regulator
FCA Rules	all applicable rules from time to time issued by the FCA, and including without limitation the Conduct of Business Sourcebook
FSMA	the Financial Services and Markets Act 2000 (as amended)

G Share Fund	the net assets of the Company attributable to holders of G Shares
G Shareholders	holders of G Shares
G Shares	G shares of 10p each in the capital of the Company
General Meeting	the general meeting of the Company to be held at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW at 9.30 am on 3 December 2014 (or any adjournment thereof)
H Share Class Meeting	the meeting of the holders of the H Shares to be held at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW at 9.45 am on 3 December 2014 (or any adjournment thereof)
H Share Fund	the net assets of the Company attributable to holders of H Shares
H Shareholders	holders of H Shares
H Shares	H shares of 10p each in the capital of the Company
HMRC	HM Revenue & Customs
I Share Fund	the net assets of the Company attributable to holders of I Shares
I Shareholders	holders of I Shares
I Shares	I shares of 10p each in the capital of the Company
Income Tax Act or ITA	the Income Tax Act 2007 (as amended)
Independent Shareholders	Shareholders other than the Investment Manager and its Associates
Investment Management Agreement	the investment management agreement dated 8 November 2013 between the Company and the Investment Manager, the principal terms of which are summarised in Part 7 of the Registration Document
Investor	(i) where an Applicant subscribes for New H Shares in his or her own right, that person; or (ii) where an Applicant subscribes for New H Shares as Nominee of a Beneficial Owner, that Beneficial Owner
Listing Rules	the listing rules issued by the FCA
London Stock Exchange	London Stock Exchange plc
Maximum Subscription	the maximum subscription under the Offer which is for 7.5 million New H Shares
MiFID	the Markets in Financial Instruments Directive (2004/39/EC)
Net Asset Value or NAV	in relation to a Share, its net asset value on the relevant date calculated on the basis of the Company's normal accounting principles and policies
New H Shares	H Shares to be issued under the terms of the Offer
New Investor	an Investor who is not an Existing Investor
Nominee	a party who holds, or subscribes for, shares on behalf of, and as trustee of, a Beneficial Owner
Non-qualifying Investments	investments which are not Qualifying Investments
Ofcom	the Office of Communications

Offer or Offer for Subscription	the offer for subscription for H Shares as described in this Securities Note, comprising the 2014/15 Offer and the 2015/16 Offer
Offer Price	in respect of a given New H Share, such amount as equals A divided by 0.95 (rounded up to the nearest 0.01p), where A is the Net Asset Value per H Share most recently published by the Company prior to the date of allotment of that New H Share
Official List	the Official List of the UK Listing Authority
Ordinary Shares	Ordinary shares of 10p each in the capital of the Company in issue before their conversion into Deferred Shares
PAYE	pay as you earn
PLUS	PLUS Markets plc, a recognised investment exchange in the UK and a market operator under MiFID, authorised to operate both secondary (trading) and primary (listing/quotation) markets
Prospectus	together this Securities Note, the Registration Document and the Summary
Prospectus Directive	Directive 2003/71 and any relevant implementing measure in each EEA State which has implemented this directive
Prospectus Rules	the prospectus rules issued by the FCA
PwC	PricewaterhouseCoopers LLP
Qualifying Investment	an investment in an unquoted trading company which comprises a qualifying holding for a VCT as defined in Chapter 4 of Part 6 of the ITA
Qualifying Investor	an individual who subscribes for or acquires shares in a VCT and satisfies the conditions of eligibility for tax relief available to investors in a VCT
Receiving Agent	The City Partnership (UK) Limited
Registration Document	the registration document prepared in accordance with the Prospectus Rules in connection with the Offer
Regulatory Information Service	a regulatory information service that is on the list of regulatory information services maintained by the FCA
Resolutions	the resolutions to be proposed at the General Meeting and the H Share Class Meeting relating to the Offer
RPI	the Retail Prices Index published by the Office for National Statistics
Securities Note	this document
Share Fund(s)	any one or more of the C Share Fund, D Share Fund, E Share Fund, F Share Fund, G Share Fund, H Share Fund and I Share Fund
Shareholder	a holder of Shares
Shareholder Approval	the passing of all of the Resolutions
Shares	Ordinary Shares, C Shares, D Shares, E Shares, F Shares, G Shares, H Shares, I Shares and/or Deferred Shares as the case may be
Sponsor	Dickson Minto W.S.
Summary	the summary of the Offer, prepared in accordance with the Prospectus Rules
Takeover Code	the City Code on Takeovers and Mergers
Takeovers Directive	the European Union's Directive on Takeover Bids (2004/25/EC)

UK Listing Authority	the Financial Conduct Authority, in its capacity as the competent authority for the purposes of Part VI of FSMA
Uncertificated Form	recorded on the relevant register of Shares as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or USA	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
US Securities Act	the United States Securities Act 1933 (as amended)
VAT	value added tax
VCT or Venture Capital Trust	a venture capital trust as defined in section 259 of the ITA
VCT Rules	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of Venture Capital Trusts
VCT Value	the value of an investment for VCT purposes calculated in accordance with section 279 of the ITA
Waiver Shares	additional New H Shares which are issued in instances where the Investor's financial intermediary firm is permitted, under FCA Rules, to receive introductory commission, but elects to waive some or all of its initial commission in favour of the Applicant, as described in Part 4 of this Securities Note

PART 8 TERMS AND CONDITIONS OF APPLICATION

1. Save where the context otherwise requires, words and expressions defined in this Securities Note have the same meanings when used in the Application Form and explanatory notes in relation thereto. The section headed "Application Procedure" on page 28 of this Securities Note forms part of these terms and conditions of application.
2. The contract created by the acceptance of an application under the Offer will be conditional on the passing of the Resolutions.
3. The right is reserved to reject any application or to accept in part only. If any application is not accepted, the application monies or, as the case may be, the balance paid on application will be returned without interest by returning each relevant Applicant's cheque, banker's draft or a crossed cheque in favour of the Applicant, through the post at the risk of the Applicant. In the meantime, application monies will be retained in a separate account.
4. The right is reserved by the Company to present all cheques and banker's drafts for payment on receipt and to retain share certificates and application monies pending clearance of successful Applicants' cheques and banker's drafts.
5. The Company expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Offer. The Company may treat applications as valid and binding even if not made in all respects in accordance with the prescribed instructions. The Company may, at its discretion, accept an application in respect of which payment is not received by the Company prior to the relevant closing of the Offer.
6. By completing and delivering an Application Form, you, the Applicant:
 - (i) offer to subscribe for such number of New H Shares as is arrived at by dividing the amount specified in Box C of Section 2 of your Application Form(s) by the Applicable Issue Price (or any smaller numbers of New H Shares for which your application is accepted) at the Applicable Issue Price on the terms of and subject to the Prospectus, including these terms and conditions, and subject to the memorandum and Articles of Association of the Company;
 - (ii) agree, in consideration of the Company agreeing that it will not on or prior to the relevant closing date of the Offer, issue, allot or offer any New H Shares to any person other than by means of the procedures referred to in this Securities Note, that your application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post or delivery by hand of your Application Form(s) to the Receiving Agent;
 - (iii) agree and warrant that your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive a certificate in respect of the New H Shares until you make payment in cleared funds for such New H Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, the Sponsor and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment in respect of such shares, the Company may (without prejudice to any other rights it may have) avoid the agreement to subscribe for such New H Shares and may issue or allot such New H Shares to some other person, in which case you will not be entitled to any payment in respect of such New H Shares other than the refund to you, at your risk, of the proceeds (if any) of the cheque or banker's draft accompanying your Application Form(s) without interest;
 - (iv) agree that any monies refundable to you may be retained by the Receiving Agent pending clearance of your remittance and any verification of identity which is, or which the Company or the Receiving Agent may consider to be, required for the purposes of the Money Laundering Regulations 2007 and that such monies will not bear interest;
 - (v) authorise the Receiving Agent to send by post to your address set out in the Application Form share certificate(s) in respect of the number of New H Shares for which your Application is accepted and to procure that your name is placed on the register of members of the Company in respect of such New H Shares and/or to send by post to your address set out in the Application Form a crossed cheque for any monies returnable, without interest;
 - (vi) agree that all applications, acceptances of applications and contracts resulting therefrom shall be governed by and construed in accordance with English law and that you submit to the jurisdiction of the English courts and nothing shall limit the right of the Company or the Sponsor to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or any court of competent jurisdiction;

- (vii) confirm that, in making such application, you are not relying on any information or representation in relation to the Company other than the information contained in the Prospectus and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof shall have any liability for such information or representation;
- (viii) irrevocably authorise the Receiving Agent and/or the Sponsor or any person authorised by either of them as your agent to do all things necessary to effect registration of any New H Shares subscribed by or issued to you into your name and authorise any representative of the Receiving Agent or of the Sponsor to execute any document required therefor;
- (ix) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and statements concerning the Company and the New H Shares contained therein;
- (x) confirm that you have reviewed the restrictions contained in paragraph 11 below and warrant that neither you nor the Investor is a "US Person" as defined in the United States Securities Act of 1933 ("Securities Act") (as amended) nor a resident of Canada and that you are not applying for any New H Shares with a view to their offer, sale or delivery, whether by you or by the Investor, to or for the benefit of any US Person or resident of Canada;
- (xi) warrant that the Investor is an individual aged 18 or over;
- (xii) agree that all documents in connection with the relevant Offer and any returned monies will be sent at your risk and may be sent by post to you at your address as set out in the Application Form;
- (xiii) agree, on request by the Company or the Sponsor on behalf of the Company, to disclose promptly in writing to the Company any information which the Company or the Sponsor may reasonably request in connection with your application including, without limitation, satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations 2007 and authorise the Company and the Sponsor to disclose any information relating to your application as it considers appropriate;
- (xiv) agree that the Sponsor will not treat you as its customer by virtue of your application being accepted or owe you any duties or responsibilities concerning the price of the New H Shares or the suitability for you of New H Shares or be responsible to you for providing the protections afforded to its customers;
- (xv) where applicable, authorise the Company to make on the Investor's behalf any claim to relief from income tax in respect of any dividends paid by the Company;
- (xvi) declare that the Application Form (or, if more than one, each Application Form) has been completed to the best of your knowledge and is accurate;
- (xvii) undertake that you will notify the Company if the Investor is not or ceases to be either a Qualifying Investor or beneficially entitled to the New H Shares;
- (xviii) declare that a loan has not been made to you or the Investor or any associate which would not have been made, or not have been made on the same terms, but for you offering to subscribe for or acquiring New H Shares and that the New H Shares are being acquired for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose of which is the avoidance of tax. Obtaining tax reliefs given under the VCT legislation contained in the Income Tax Act 2007 is not in itself tax avoidance;
- (xix) agree that, in respect of those New H Shares for which your application has been received and processed and not rejected, acceptance of your application shall be constituted by the Company instructing the Receiving Agent to enter your name on the share register;
- (xx) warrant that, in connection with your application, you and the Investor have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that neither you nor the Investor has taken any action which will or may result in the Company, the Receiving Agent or the Sponsor acting in breach of the regulatory or legal requirements of any territory in connection with the relevant Offer or your application;
- (xxi) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, you warrant that you and the Investor have complied with all such laws and none of the Company, the Receiving Agent or the Sponsor or any of their respective agents will infringe any laws of any such territory or jurisdiction directly or indirectly as a result or in consequence of any acceptance of your application;
- (xxii) agree that your Application Form (or, if more than one, each Application Form) is addressed to the Company and to the Sponsor; and

- (xxiii) warrant that if you sign an Application Form on behalf of somebody else, yourself and another, others jointly or a corporation you have the requisite power to make such investments as well as the authority to do so and such other person will also be bound accordingly and will be deemed to have given the confirmations, warranties and undertakings contained in these terms and conditions of application and undertake to enclose a power of attorney or a copy thereof duly certified by a solicitor with the Application Form.
7. This application is addressed to the Company and the Sponsor. The rights and remedies of the Company and the Sponsor under these terms and conditions of application are in addition to any rights and remedies which would otherwise be available to either of them and the exercise or partial exercise of one will not prevent the exercise of others.
 8. The dates and times referred to in these terms and conditions of application may be altered by the Company with the agreement of the Sponsor.
 9. Authorised financial intermediary firms who, acting on behalf of their clients, return valid Application Forms bearing their FCA number and either their stamp or their full address, and who complete Section IFA 2 of the Application Form, will be entitled to initial and (if permitted by FCA Rules) trail commission on the amount invested by the Applicant (i.e. excluding the value of any Waiver Shares or Additional New H Shares) for the number of New H Shares allocated for each such Application Form. Such commission will be payable by the Investment Manager at the rates specified in the section headed "Financial intermediaries" in Part 4 of this Securities Note. Authorised intermediary firms may agree to waive part or all of their initial commission in respect of an application. If this is the case, then such application will be treated as an application to apply for the number of New H Shares as results from the amount of the subscription stated in Box C of Section 2 of the Application Form, together with a number of Waiver Shares equal to the amount of commission waived divided by the Applicable Issue Price (rounded down to the nearest whole number of Waiver Shares). The waived commission will be applied in paying for New H Shares. The Company and/or the Receiving Agent are authorised to amend the Application Form to include any such Waiver Shares. Financial intermediary firms should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for their commission. The Company and the Investment Manager may treat a completed Section IFA 2 as conclusive as to the question of whether the financial intermediary firm elects to receive trail commission and to waive any initial commission as described above (and if so, the amount waived). If an Investor subsequently instructs a new financial intermediary firm (including in circumstances where the individual adviser who advised the Investor becomes employed or engaged by a different firm) any remaining trail commission payments will not be payable to that new financial intermediary firm unless the financial intermediary firm through which the application for New H Shares was made consents in writing. The Company or the Investment Manager (as applicable) may, in its discretion, decline to pay any commission (whether initial commission or trail commission) to a financial intermediary firm, or to issue Waiver Shares in respect of waived initial commission, where (i) it appears to the Company or the Investment Manager that the financial intermediary firm is not authorised under FSMA, or (ii) Section IFA 2 of the Application Form has not been signed by an authorised signatory of the financial intermediary firm, or (iii) it appears to the Company or the Investment Manager that the nature of the application and/or of any advice given by the financial intermediary firm to the Investor (whether prior to the application being made or subsequently) is such that the financial intermediary firm is not permitted, or ceases to be permitted, under FCA Rules (and in particular Rule 6 of the Conduct of Business Sourcebook) to receive commission.
 10. If Section IFA 3 of the Application Form is fully completed, the Company will, no earlier than the date on which the New H Shares are allotted and issued to the relevant Applicant, pay to the financial intermediary firm named in Section IFA 1 of the Application Form the amount specified in Box Y of Section IFA 3 of the Application Form. Such payment will be by way of facilitation of the financial intermediary firm's adviser charges to the Investor. In agreeing to make such payment, the Company does not assume any responsibility for the financial intermediary firm's adviser charges, and such payment by the Company is made purely as an accommodation to the financial intermediary firm and the Investor, and solely in respect of the amount specified in Box B of Section 8 of the Application Form. Without limiting the immediately preceding sentence, the Company shall be under no obligation to facilitate payment of adviser charges in an amount exceeding that specified in Box Y of Section IFA 3 of the Application Form or of any subsequent adviser charges which may be payable to the financial intermediary firm. If the financial intermediary firm's adviser charges are subject to value added tax, and the amount specified in Box Y of Section IFA 3 of the Application Form is exclusive of value added tax, the Investor shall be solely responsible for paying such value added tax to the financial intermediary firm. No payment will be made by the Company as referred to in this paragraph 10 unless Section IFA 3 of the Application Form is signed both by an authorised signatory of the financial intermediary firm and by the Investor.
 11. No person receiving a copy of the Prospectus or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form unless,

in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any regulations or other legal requirements. It is the responsibility of any person outside the UK wishing to make an application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required.

12. The H Shares have not been and will not be registered under the Securities Act, as amended, and may not be offered or sold in the United States of America, its territories, possessions or other areas subject to its jurisdiction ("the USA"). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Investment Manager will not be registered under the United States Investment Advisers Act of 1940, as amended. No application will be accepted if it bears an address in the USA.
13. The basis of allocation of New H Shares will be determined by the Company in its absolute discretion after consultation with the Sponsor. The right is reserved to reject in whole or in part or scale down and/or ballot any application or any part thereof including, without limitation, applications in respect of which any verification of identity which may be required for the purposes of the Money Laundering Regulations 2007 has not been satisfactorily supplied and multiple applications. Dealings prior to the issue of certificates for New H Shares will be at the risk of Applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all.
14. It is a condition of the Offer that the Applicant shall provide such documents and/or information as the Company may require in order to ensure compliance with the Money Laundering Regulations 2007. The Receiving Agent is entitled to require, at its absolute discretion, verification of identity from any Applicant or Investor including, without limitation, any person who either (i) tenders payment by way of a cheque or banker's draft drawn on an account in the name of a person or persons other than the Applicant or (ii) appears to the Receiving Agent to be acting on behalf of some other person. Pending the provision of evidence satisfactory to the Receiving Agent as to the identity of the Applicant and/or Investor and/or any other person on whose behalf the Applicant appears to be acting, the Company may, in its absolute discretion, retain an Application Form lodged by an Applicant and/or the cheque or other remittance relating thereto and the Receiving Agent may not enter the Applicant on the register of members or issue any share certificates in respect of such application. If verification of identity is required, this may result in delay in dealing with and rejection of the application. The Company reserves the right, in its absolute discretion, for it or the Receiving Agent to reject any application in respect of which the Receiving Agent considers that, having requested verification of identity, it has not received satisfactory evidence of such identity by such time as was specified in the request for verification of identity or in any event within a reasonable period. In the event of an application being rejected in such circumstances, the Company reserves the right, in its absolute discretion, but shall have no obligation, to terminate any contract of allotment relating to or constituted by such Application Form (in which event the money payable or paid in respect of the application will be returned (without interest) to the account of the drawee bank from which sums were originally debited) and/or to endeavour to procure other subscribers for the New H Shares in question (but in each case without prejudice to any rights the Company may have to take proceedings to recover in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid). The submission of an Application Form will constitute an undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by it as being required for the purpose of the Money Laundering Regulations 2007.
15. The right is also reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects complying with the Notes on the Application Form. In particular, but without limitation, the Company may accept applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner acceptable to the Company to apply in accordance with these terms and conditions of application.
16. Where the Applicant is a Nominee, the Applicant:
 - (i) warrants that there is in force a valid and binding agreement between the Applicant and the Investor, pursuant to which:
 - (a) the Applicant is authorised and entitled to make the application under the Offer on behalf of the Offer; and
 - (b) the Investor will be the Beneficial Owner of all New H Shares issued in respect of that application immediately upon their issue;
 - (ii) warrants that the Applicant has made the Investor aware of these terms and conditions, and that the Investor has assented to them; and
 - (iii) undertakes, at no expense to the Company, to do all such acts and to procure that the Investor do all such acts as the Company may from time to time reasonably require to ensure the full compliance by the Investor with these terms and conditions, as though the Investor were the Applicant.

NOTES FOR COMPLETION OF THE APPLICATION FORM BY INDIVIDUALS

IMPORTANT: The GREEN Application Form at the end of this Securities Note should be used where an individual wishes to apply for New H Shares in his or her own right. Where an application is being made by a Nominee on behalf of an individual, the GREY Application Form at the end of this Securities Note should be used.

1

SECTION 1 - APPLICANT'S DETAILS

Please insert the Applicant's title, full name, permanent residential address, e-mail address, daytime telephone number, national insurance number and date of birth in Section 1. The Applicant's national insurance number is required to ensure that the Applicant obtains income tax relief.

If the Applicant, or the Applicant's spouse or civil partner, was the Beneficial Owner of any Shares in Edge Performance as at 4 November 2014, please tick the box at the end of Section 1.

Joint applications are not permitted but spouses or civil partners may apply separately.

2

SECTION 2 - APPLICATION

Please indicate how much is to be invested in each of the tax years 2014/15 and 2015/16.

If Section IFA 3 of the Application Form is completed, the amount inserted in Box C of Section 2 must be the same as the amount inserted in Box Z of Section IFA 3.

The minimum investment is £5,000 and applications in excess of this amount should be made in multiples of £1,000. The maximum investment on which tax reliefs on investments in VCTs are available is £200,000 for the tax year 2014/15.

A cheque or banker's draft should accompany the relevant Application Form for the total amount of the investment. The cheque or banker's draft should be made payable to "Edge Performance VCT Offer Account" and crossed "A/C Payee only". Cheques must be from a recognised UK bank account and your payment must relate solely to this application.

If payment is to be made by direct bank transfer rather than by cheque or banker's draft, please contact the Company's Receiving Agent, The City Partnership (UK) Limited, on 0131 243 7210, to obtain details of how to pay by bank transfer.

3

SECTION 3 - DIVIDENDS

If dividends are to be paid by Edge Performance to the Applicant by direct bank transfer, please complete the details requested in Section 4. If Section 4 is not completed, dividends will be paid by cheque.

4

SECTION 4 - APPLICANT'S SIGNATURE

The Applicant should read the declaration below and then sign and date the Application Form.

If this form is completed and signed by the Applicant:

By signing this form I hereby declare that:

- (i) I have received the Prospectus (comprising the Securities Note, the Registration Document and the Summary) dated 4 November 2014 and have read the terms and conditions of application therein and agree to be bound by them;
- (ii) I will be the beneficial owner of the New H Shares in the Company issued to me under the Offer;
- (iii) I have read and understood the risk factors set out on page 4 of the Securities Note and pages 4 to 6 of the Registration Document; and
- (iv) to the best of my knowledge and belief, the details given in the Application Form are correct.

If this form is completed and signed by an authorised financial adviser or any other person apart from the Applicant:

By signing this form on behalf of the Applicant, **I make a declaration (on behalf of the Applicant) in the terms of paragraphs (i) to (iv) above.**

**IFA
1**
SECTION IFA 1 - FINANCIAL INTERMEDIARY'S DETAILS

Section IFA 1 should be completed in all instances where the Application Form is submitted through a financial intermediary firm, whether or not introductory commission is to be paid to the firm (or waived by the firm in favour of the Applicant).

The financial intermediary firm should complete all of the boxes in Section IFA 1, including details of its authorisation under the Financial Services and Markets Act 2000.

**IFA
2**
SECTION IFA 2 - FINANCIAL INTERMEDIARY'S COMMISSION

Section IFA 2 should only be completed where the financial intermediary firm is permitted, under FCA Rules, to receive commission in respect of the Applicant's subscription for New H Shares

Authorised financial intermediary firms which are permitted to receive commission should complete Section IFA 2, including details of the amount, if any, of initial commission which the firm wishes to waive in favour of the Applicant. The right is reserved to withhold payment of commission, and/or not to issue Waiver Shares to the Investor in lieu of waived commission, if Edge Performance or the Investment Manager is not, in its sole discretion, satisfied that the financial intermediary firm is authorised and entitled to receive commission. A duly authorised signatory of the firm must sign the indicated box in Section IFA 2. If Section IFA 2 of the Application Form is not signed by an authorised signatory of the intermediary firm, Edge Performance or the Investment Manager (as applicable) may not be able to pay commission or to issue Waiver Shares in respect of the waived commission.

**IFA
3**
SECTION IFA 3 - FINANCIAL INTERMEDIARY'S CHARGES

Section IFA 3 should only be completed where the financial intermediary firm is not permitted, under FCA Rules, to receive commission in respect of the Applicant's subscription for New H Shares and the firm and the Investor both wish Edge Performance to facilitate payment of the firm's adviser charges

If the firm or the Investor does not wish Edge Performance to facilitate payment of the firm's adviser charges, Section IFA 3 should not be completed.

Please enter in Box X the full amount of the cheque, banker's draft or other form of payment accompanying the Application Form. Please enter in Box Y the amount to be paid by Edge Performance to the financial intermediary firm. Please enter in Box Z the amount X minus Y.

The amount entered in Box Z will be applied in subscription for New H Shares.

If Section IFA 3 of the Application Form is completed, the amount inserted in Box Z of Section IFA 3 must be the same as the amount inserted in Box C of Section 2.

If Section IFA 3 of the Application Form is completed, it must be signed by an authorised signatory of the financial intermediary firm and by the Investor.

NOTES FOR COMPLETION OF THE APPLICATION FORM BY NOMINEES

IMPORTANT: The GREY Application Form at the end of this Securities Note should be used where an application is being made by a Nominee on behalf of an individual. Where an individual wishes to apply for New H Shares in his or her own right, the GREEN Application Form at the end of this Securities Note should be used.

1

SECTION 1 - APPLICANT'S DETAILS

Please provide the requested details of the Applicant (i.e. the Nominee).

2

SECTION 2 - APPLICATION

Please indicate how much is to be invested in each of the tax years 2014/15 and 2015/16.

If Section IFA 3 of the Application Form is completed, the amount inserted in Box C of Section 2 must be the same as the amount inserted in Box Z of Section IFA 3.

The minimum investment is £5,000 and applications in excess of this amount should be made in multiples of £1,000. The maximum investment on which tax reliefs on investments in VCTs are available is £200,000 for the tax year 2014/15.

A cheque or banker's draft should accompany the relevant Application Form for the total amount of the investment. The cheque or banker's draft should be made payable to "Edge Performance VCT Offer Account" and crossed "A/C Payee only". Cheques must be from a recognised UK bank account and your payment must relate solely to this application.

If payment is to be made by direct bank transfer rather than by cheque or banker's draft, please contact the Company's Receiving Agent, The City Partnership (UK) Limited, on 0131 243 7210, to obtain details of how to pay by bank transfer.

3

SECTION 3 - INVESTOR'S DETAILS

Please insert the Investor's (i.e. the Beneficial Owner's) title, full name, permanent residential address, e-mail address, daytime telephone number, national insurance number and date of birth in Section 1. The Investor's national insurance number is required to ensure that the Investor obtains income tax relief.

If the Investor, or the Investor's spouse or civil partner, was the Beneficial Owner of any Shares in Edge Performance as at 4 November 2014, please tick the box at the end of Section 3.

Single applications in respect of more than one Investor are not permitted. Nominees who wish to make applications on behalf of more than one Investor can request additional Application Forms from the Receiving Agent.

4

SECTION 4 - CREST

If the New H Shares are to be issued in CREST, please provide the details requested in Section 4.

5

SECTION 5 - DIVIDENDS

If dividends are to be paid by Edge Performance to the Applicant by direct bank transfer, please complete the details requested in Section 5. If Section 5 is not completed, dividends will be paid by cheque.

6

SECTION 6 - APPLICANT'S SIGNATURE

The Applicant should read the declaration below. The Application Form should then be signed and dated by an authorised signatory of the Applicant.

By signing the Application Form, the Applicant hereby declares that:

- (i) the Applicant has received the Prospectus (comprising the Securities Note, the Registration Document and the Summary) dated 4 November 2014 and has read the terms and conditions of application therein and agrees to be bound by them;
- (ii) the Investor named in Section 3 of the Application Form will be the Beneficial Owner of the New H Shares in the Company issued to the Applicant under the Offer;
- (iii) the Applicant has read and understood the risk factors set out on page 4 of the Securities Note and pages 4 to 6 of the Registration Document, and has explained those risk factors to the Investor;
- (iv) to the best of the Applicant's knowledge and belief, the details given in the Application Form are correct;
- (v) the Applicant is authorised and entitled to make the application on behalf of the Investor; and
- (vi) the Application Form has been signed by a duly authorised signatory of the Applicant.

**IFA
1**
SECTION IFA 1 - FINANCIAL INTERMEDIARY'S DETAILS

Section IFA 1 should be completed in all instances where the Application Form is submitted through a financial intermediary firm, whether or not introductory commission is to be paid to the firm (or waived by the firm in favour of the Applicant).

The financial intermediary firm should complete all of the boxes in Section IFA 1, including details of its authorisation under the Financial Services and Markets Act 2000.

**IFA
2**
SECTION IFA 2 - FINANCIAL INTERMEDIARY'S COMMISSION

Section IFA 2 should only be completed where the financial intermediary firm is permitted, under FCA Rules, to receive commission in respect of the Applicant's subscription for New H Shares

Authorised financial intermediary firms which are permitted to receive commission should complete Section IFA 2, including details of the amount, if any, of initial commission which the firm wishes to waive in favour of the Applicant. The right is reserved to withhold payment of commission, and/or not to issue Waiver Shares to the Investor in lieu of waived commission, if Edge Performance or the Investment Manager is not, in its sole discretion, satisfied that the financial intermediary firm is authorised and entitled to receive commission. A duly authorised signatory of the firm must sign the indicated box in Section IFA 2. If Section IFA 2 of the Application Form is not signed by an authorised signatory of the intermediary firm, Edge Performance or the Investment Manager (as applicable) may not be able to pay commission or to issue Waiver Shares in respect of the waived commission.

**IFA
3**
SECTION IFA 3 - FINANCIAL INTERMEDIARY'S CHARGES

Section IFA 3 should only be completed where the financial intermediary firm is not permitted, under FCA Rules, to receive commission in respect of the Applicant's subscription for New H Shares and both the firm and the Investor wish Edge Performance to facilitate payment of the firm's adviser charges

If the firm or the Investor does not wish Edge Performance to facilitate payment of the firm's adviser charges, Section IFA 3 should not be completed.

Please enter in Box X the full amount of the cheque, banker's draft or other form of payment accompanying the Application Form. Please enter in Box Y the amount to be paid by Edge Performance to the financial intermediary firm. Please enter in Box Z the amount X minus Y.

The amount entered in Box Z will be applied in subscription for New H Shares.

If Section IFA 3 of the Application Form is completed, the amount inserted in Box Z of Section IFA 3 must be the same as the amount inserted in Box C of Section 2.

If Section IFA 3 of the Application Form is completed, it must be signed by an authorised signatory of the financial intermediary firm and by the Investor.

EDGE PERFORMANCE VCT PLC APPLICATION FORM FOR NEW H SHARES - INDIVIDUALS

Before completing this Application Form, the Applicant should carefully read the terms and conditions of application, and the application procedure, as set out in the Company's securities note dated 4 November 2014 (the "Securities Note").

The Offer opens for subscription on 5 November 2014 and the first closing date will be 5.00 pm on 2 April 2015 (or such other date as the Directors may determine in their absolute discretion). The final closing date will be 3.00 pm on 12 June 2015 (or such other date as the Directors may determine in their absolute discretion, but no later than 30 September 2015 in any event).

1	APPLICANT'S DETAILS		
	Title	First Name	Surname
	Address		
	Address	Postcode	
	E-mail address	Telephone (Day)	
	National Insurance Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Date of birth (dd/mm/yy)
	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
	Please tick this box if the Applicant or the Applicant's spouse or civil partner is, an Existing Investor in Edge Performance VCT plc as at 4 November 2014. <input type="checkbox"/>		
2	APPLICATION		
	The Applicant offers to invest the following amount by way of subscription for New H Shares under the terms and conditions set out in the Securities Note:		
	For 2014/15 tax year	For 2015/16 tax year	Total (Box A + B)
	£ BOX A	£ BOX B	£ BOX C
	Note: If Section IFA 3 below is completed, the amount inserted in Box C of this Section 2 must be the same amount as inserted in Box Z of Section IFA 3.		
3	DIVIDENDS		
	If you wish dividends to be paid to you by bank transfer, please complete this Section 4.		
	Bank Name		
	Bank Branch Address		
	Account Holder Name		
	Sort Code	Account Number	
	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
4	APPLICANT'S SIGNATURE		
	Signed		Date

IFA 1

FINANCIAL INTERMEDIARY'S DETAILS

Contact Name	
Firm Name	
Address	
Address	Postcode
Tel	FSA Registration No. and Company Stamp
Fax	
E-mail	

IFA 2

FINANCIAL INTERMEDIARY'S COMMISSION

(DO NOT COMPLETE THIS SECTION IFA 2 IF SECTION IFA 3 IS TO BE COMPLETED) (TICK BOXES PLEASE)

Please complete this Section IFA 2 only if the financial intermediary firm named in Section IFA 1 **is permitted**, under FCA Rules, to receive commission in respect of this application for New H Shares.

Introductory commission will be paid, subject to the terms set out in the Securities Note, as follows:

Initial commission: **2.25%**

Trail commission: **0.25%** per annum for up to four years

Insert the amount of any initial commission which you wish to waive and reinvest in New H Shares for the Applicant (this will be deducted from the initial introductory commission)

 %

If commission is to be paid to an address other than the address given in Section IFA 1 (e.g. to a head office), please complete the boxes below:

Address	
Address	Postcode

The firm named in Section IFA 1 certifies that it is permitted under FCA Rules to receive payment of commission in relation to this application, and the advice given to the Investor in respect of it.

Note: This Section IFA 2 must be signed on behalf of the intermediary firm even where the firm wishes to waive its initial commission in favour of the Applicant.

Signature
_____ Authorised signatory for the firm named in Section IFA 1.

IFA 3

FINANCIAL INTERMEDIARY'S ADVISER CHARGES

(DO NOT COMPLETE THIS SECTION IFA 3 IF SECTION IFA 2 IS TO BE COMPLETED)

Please complete this Section IFA 3 only if the financial intermediary firm named in Section IFA 1 **is not permitted**, under FCA Rules, to receive commission in respect of this application for New H Shares, **and** the firm and the Investor wish the Company to facilitate the payment of adviser charges. If the facilitation of payment of adviser charges is not required, leave this Section IFA 3 blank.

Amount of payment accompanying this Application Form	Amount to be paid to the financial intermediary firm named in IFA 1 by way of adviser charges	Amount to be invested by the Applicant for New H Shares (X minus Y)
£ BOX X	£ BOX Y	£ BOX Z

Note: The amount inserted in Box Z of this Section IFA 3 must be the same amount as inserted in Box C of Section 2

If adviser charges are to be paid to an address other than the address given in Section IFA 1 (e.g. to a head office), please complete the boxes

Address	
Address	Postcode

The Investor named in Section 1 and the firm named in Section IFA 1 both confirm that:

- the adviser charges specified in Box Y above have been agreed between them;
- if VAT is payable in respect of those adviser charges, and the amount specified in Box Y above is exclusive of VAT, the Company shall have no responsibility to pay such VAT in addition to the amount specified in Box Y above, and payment of such VAT will be the Applicant's sole responsibility;
- they each instruct the Company to pay the amount specified in Box Y above to the firm;
- such payment will not be required to be made prior to the allotment and issue to the Applicant of the New H Shares covered by this application; and
- they understand and agree that only the amount specified in Box Z above will be invested in the Company for New H Shares, and that, for example, tax relief will be available only in respect of the amount specified in Box Z above

Signature	Signature
_____ Authorised signatory for the firm named in Section IFA 1	_____ Investor

If this Section IFA 3 is completed, it must be signed by the Investor as well as by the financial intermediary

EDGE PERFORMANCE VCT PLC APPLICATION FORM FOR NEW H SHARES - NOMINEES

Before completing this Application Form, the Applicant should carefully read the terms and conditions of application, and the application procedure, as set out in the Company's securities note dated 4 November 2014 (the "Securities Note").

The Offer opens for subscription on 5 November 2014 and the first closing date will be 5.00 pm on 2 April 2015 (or such other date as the Directors may determine in their absolute discretion). The final closing date will be 3.00 pm on 12 June 2015 (or such other date as the Directors may determine in their absolute discretion, but no later than 30 September 2015 in any event).

1	APPLICANT'S DETAILS	
	Full name	
	Address	
	Address	Postcode
	If a limited company or limited liability partnership:	
	Registered Office Address	If authorised by the FCA:
	Postcode	FCA Registered No.
		Company Registered Number
	Contact Name	Contact Tel
	Contact Email	

2	APPLICATION		
	The Applicant offers to invest the following amount by way of subscription for New H Shares under the terms and conditions set out in the Securities Note:		
	For 2014/15 tax year	For 2015/16 tax year	Total (Box A + B)
	£ BOX A	£ BOX B	£ BOX C
	Note: If Section IFA 3 below is completed, the amount inserted in Box C of this Section 2 must be the same amount as inserted in Box Z of Section IFA 3.		

3	INVESTOR'S DETAILS			
	Title	First Name	Surname	
	Address			
	Address	Postcode		
	E-mail address	Telephone (Day)		
	National Insurance Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Date of birth (dd/mm/yy)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
	Please tick this box if the Investor or the Investor's spouse or civil partner is, an Existing Investor in Edge Performance VCT plc as at 4 November 2014. <input style="float: right;" type="checkbox"/>			

4	CREST	
	If you wish your New H Shares to be issued electronically to a CREST account, please complete this Section 3	
	CREST Participant ID	
	CREST Member Account ID	
	Participant Name	
	Participant Address	
	Participant Address	Participant Postcode
	Contact name for CREST queries	Contact Telephone
	Reference (Optional)	Contact Fax

5**DIVIDENDS**

If you wish dividends to be paid to you by bank transfer, please complete this Section 4.

Bank Name

Bank Branch Address

Account Holder Name

Sort Code

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Account Number

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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6**APPLICANT'S SIGNATURE**

Signed

Date

**IFA
1****FINANCIAL INTERMEDIARY'S DETAILS**

Contact Name

Firm Name

Address

Address

Postcode

Tel

FSA Registration No. and Company Stamp

Fax

E-mail

**IFA
2****FINANCIAL INTERMEDIARY'S COMMISSION****(DO NOT COMPLETE THIS SECTION IFA 2 IF SECTION IFA 3 IS TO BE COMPLETED) (TICK BOXES PLEASE)**Please complete this Section IFA 2 only if the financial intermediary firm named in Section IFA 1 **is permitted**, under FCA Rules, to receive commission in respect of this application for New H Shares.

Introductory commission will be paid, subject to the terms set out in the Securities Note, as follows:

Initial commission: **2.25%**Trail commission: **0.25%** per annum for up to four years

Insert the amount of any initial commission which you wish to waive and reinvest in New H Shares for the Applicant (this will be deducted from the initial introductory commission)

%

If commission is to be paid to an address other than the address given in Section IFA 1 (e.g. to a head office), please complete the boxes below:

Address

Address

Postcode

The firm named in Section IFA 1 certifies that it is permitted under FCA Rules to receive payment of commission in relation to this application, and the advice given to the Investor in respect of it.

Note: This Section IFA 2 must be signed on behalf of the intermediary firm even where the firm wishes to waive its initial commission in favour of the Applicant.

Signature

Authorised signatory for the firm named in Section IFA 1.

**IFA
3****FINANCIAL INTERMEDIARY'S ADVISER CHARGES****(DO NOT COMPLETE THIS SECTION IFA 3 IF SECTION IFA 2 IS TO BE COMPLETED)**

Please complete this Section IFA 3 only if the financial intermediary firm named in Section IFA 1 **is not permitted**, under FCA Rules, to receive commission in respect of this application for New H Shares, **and** the firm and the Investor wish the Company to facilitate the payment of adviser charges. If the facilitation of payment of adviser charges is not required, leave this Section IFA 3 blank.

Amount of payment accompanying this Application Form	Amount to be paid to the financial intermediary firm named in IFA 1 by way of adviser charges	Amount to be invested by the Applicant for New H Shares (X minus Y)
£ BOX X	£ BOX Y	£ BOX Z

Note: The amount inserted in Box Z of this Section IFA 3 must be the same amount as inserted in Box C of Section 2

If adviser charges are to be paid to an address other than the address given in Section IFA 1 (e.g. to a head office), please complete the boxes

Address	
Address	Postcode

The Investor named in Section 3 and the firm named in Section IFA 1 both confirm that:

- the adviser charges specified in Box Y above have been agreed between them;
- if VAT is payable in respect of those adviser charges, and the amount specified in Box Y above is exclusive of VAT, the Company shall have no responsibility to pay such VAT in addition to the amount specified in Box Y above, and payment of such VAT will be the Applicant's sole responsibility;
- they each instruct the Company to pay the amount specified in Box Y above to the firm;
- such payment will not be required to be made prior to the allotment and issue to the Applicant of the New H Shares covered by this application; and
- they understand and agree that only the amount specified in Box Z above will be invested in the Company for New H Shares, and that, for example, tax relief will be available only in respect of the amount specified in Box Z above

Signature	Signature
_____ Authorised signatory for the firm named in Section IFA 1	_____ Investor

If this Section IFA 3 is completed, it must be signed by the Investor as well as by the financial intermediary

The completed Application Form and cheque or baker's draft should be sent to: The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh EH2 1DF

FREQUENTLY ASKED QUESTIONS

Q: To whom should I make the cheque payable?

A: Cheques should be made payable to: "Edge Performance VCT Offer Account".

Q: Where should I send my application?

A: Your Application Form and cheque or banker's draft should be sent to The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh EH2 1DF.

Q: What happens after I invest?

A: Within 3 Business Days of receiving your Application Form, we will send you confirmation of receipt.

Q: When will my New H Shares be allotted to me?

A: For those Investors seeking income tax relief for the 2014/2015 tax year, New H Shares will be allotted by no later than 3 April 2015. For those Investors seeking income tax relief for the 2015/16 tax year, New H Shares will be allotted by no later than 5 Business Days after the date on which the Offer closes.

Q: When will I receive my share certificate?

A: Unless you have elected for your New H Shares to be issued in CREST, you should expect to receive your share certificate within 20 Business Days after the date of allotment.

Q: When will I receive my tax certificate?

A: You should expect to receive your tax certificate within 20 Business Days after the date of allotment.

If you have any further questions concerning your application, please contact The City Partnership (UK) Limited by telephone on 0131 243 7210 or by e-mail to info@city.uk.com