



OBERON
INVESTMENTS

Oberon AIM VCT



The Oberon AIM VCT is a **strategic relaunch** of the New Century AIM VCT 2, aimed at rejuvenating and repositioning the Trust to enhance its appeal as a tax-efficient investment vehicle focused on AIM-quoted equities.

The offer for the tax years 2024/2025 and 2025/2026 **aims to raise up to £5 million, with an over-allotment facility of an additional £3.4 million.** The offer opened on February 12th and is expected to close on December 1st, 2025, or earlier if the directors decide to close it or if full subscription is reached.

As a result of the combined efforts of the Board and their colleagues at Oberon Investments, we believe the relaunch of the Company presents an **attractive and timely opportunity.**

The **extended period of underperformance** in the small-cap and AIM markets has been challenging, yet history suggests they may now be on the brink of a market rebound.



Investment Team

Our team, with over **50 years of combined experience** in the market, has collectively conducted around **15,000 meetings**. This extensive experience forms the backbone of our investment strategy and decision-making process, ensuring we are well-positioned to identify and capitalise on growth opportunities.



Simon Like started his career in finance at Midland Bank plc in 1986 (now HSBC plc). He joined MD Barnard & Co in 2001 as a fund manager and has been managing discretionary portfolios ever since. He is one of the Senior Fund Managers at Oberon where he takes a proactive approach in managing share portfolios, meeting numerous companies each week, firstly to seek out new opportunities in which to invest, but also to keep up to date and monitor the progress of existing investments.

He has been managing tax efficient portfolios for over 20 years, accumulating the vast knowledge and experience required to manage a portfolio of investments where shares attract tax incentives such as EIS and VCT relief.



Paul Sheehan joined Oberon Investments in 2023 as an Investment Director.

Prior to this, he spent eleven years at WH Ireland, where he served as an Investment Manager within the Private Wealth Team and chaired several investment committees. Before his time at WH Ireland, Paul was a Fund Manager and Director at Jupiter Asset Management. There, he managed institutional funds and the Primadona Global Growth Trust, which became the top-performing trust in its sector during his tenure.

He also managed three, approved, EIS funds. Paul began his career in 1986 as an Investment Analyst at Newton Investments.

He later worked at Friends Provident Life and Dresdner RCM Global Investors, where he managed UK Unit Trusts and pension funds.



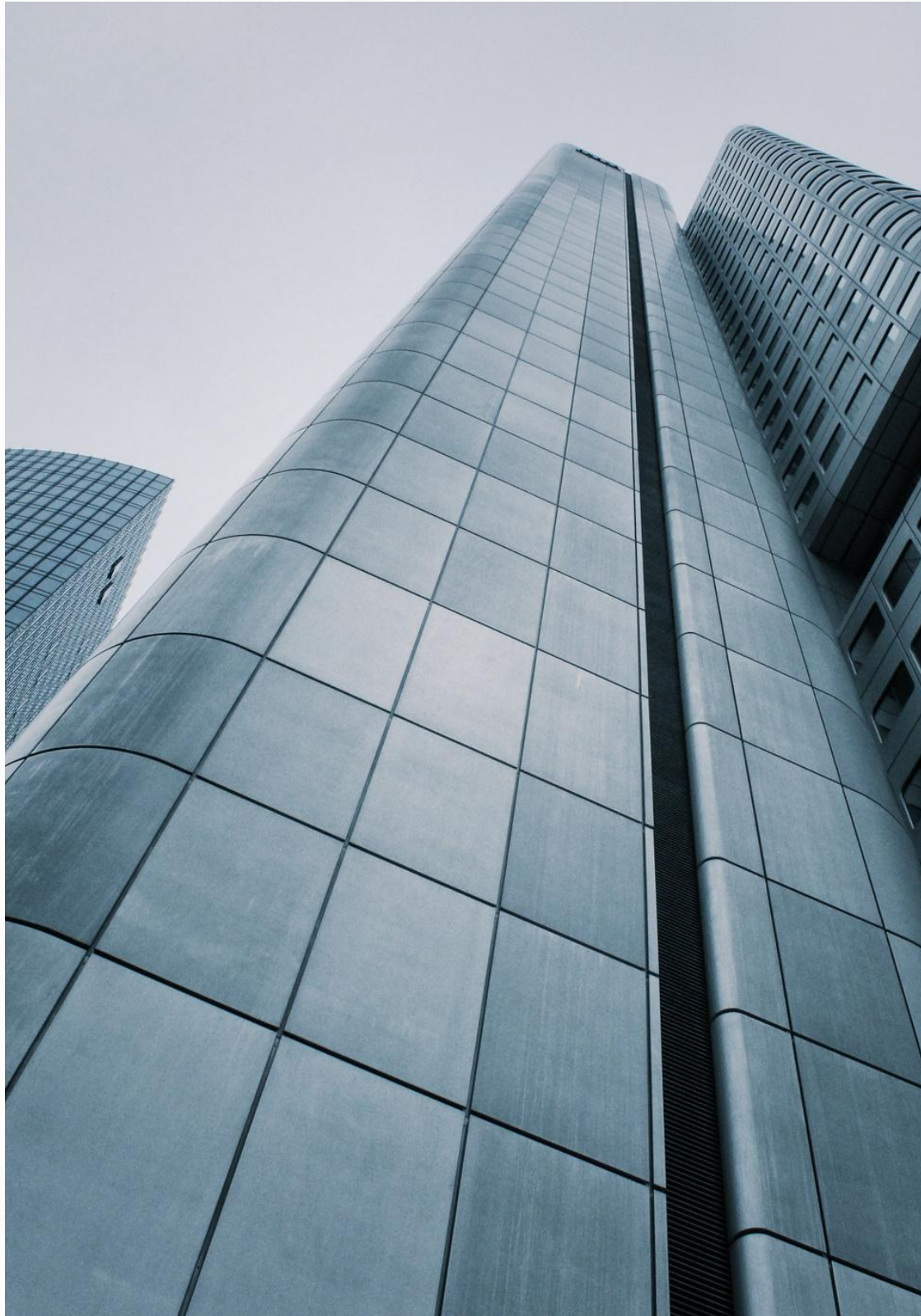
Richard Penny has joined Oberon Investments after leaving CRUX Asset Management. Richard brings over 20 years of outperformance in UK small and mid caps, achieving a 472.5% return compared to benchmarks of 228.5% and 354.2%. Before CRUX, he spent 15 years at Legal & General Investment Management, where he managed the award-winning L&G UK Alpha Trust and L&G UK Special Situations Trust.

He also previously worked at M&G Investment Management and Scottish Amicable Investment Management. Richard holds a master's degree in Engineering and Economics from Oxford University.

He has been nominated for Fund Manager of the Year by Investment Week in multiple years and winner of several awards, Richard has 32 years of fund management experience and has conducted over 6500 company meetings.



Core Advantages



The **AIM** market has experienced significant underperformance; however, as with most cycles, the board anticipates a resurgence in the AIM market.

The Board also believes that the **transparency** of AIM-listed investments, with their daily valuations, offers a clear, accessible, and appealing tax-efficient investment.

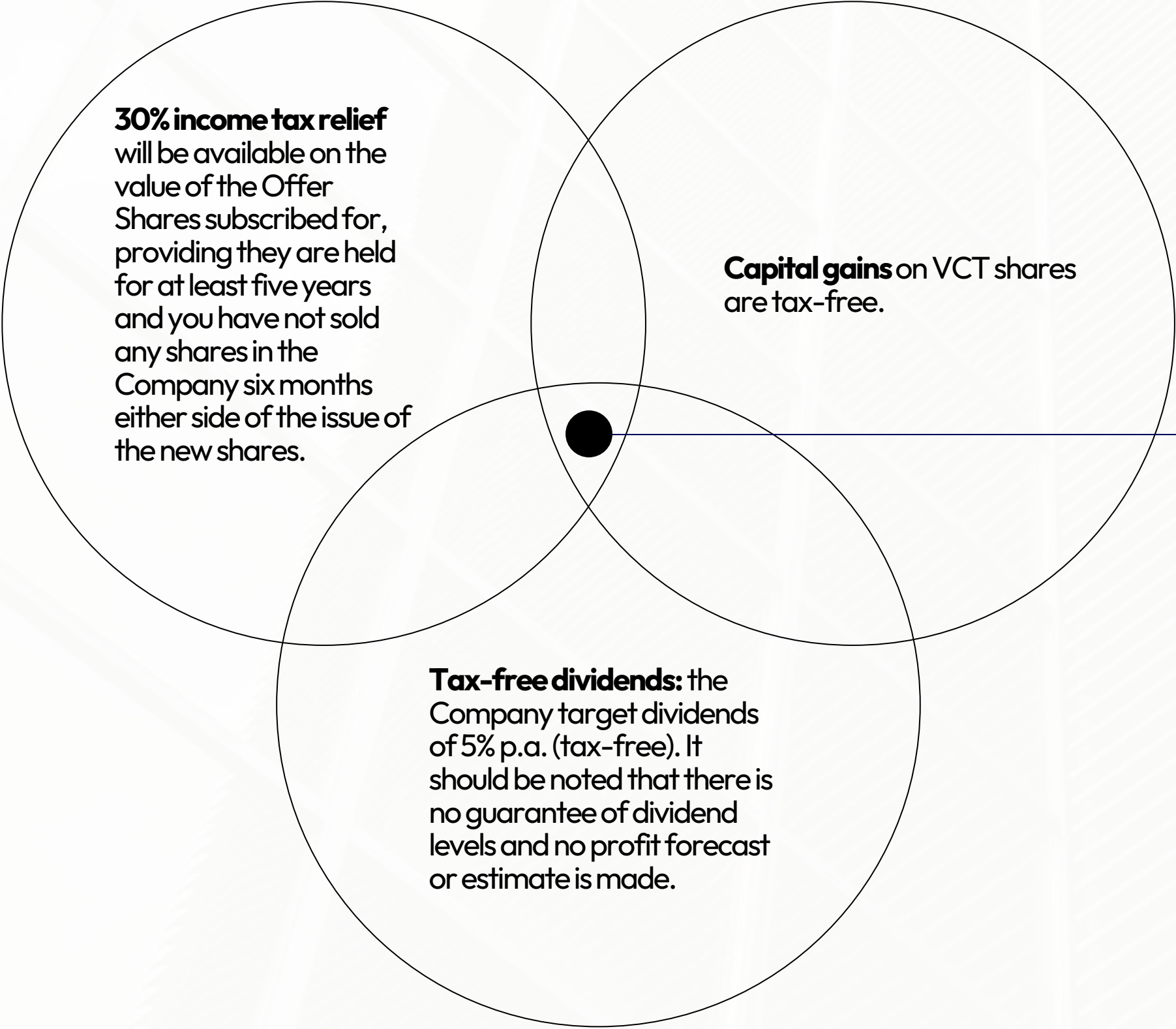
The board are further committed to supporting their company by enhancing their **investment team**, which boasts extensive experience in the Small-Cap sector. The team is led by Simon Like, Paul Sheehan and Richard Penny.

Oberon will charge **no investment management fees** for 12 months starting from October 1, 2024. Oberon will also underwrite the directors' costs, which have been kept very low, to the tune of £5,000.

Adding to their appeal, the company possesses a commendable **dividend track record**, distributing 5.4% per annum over the past five years, supported by sufficient distributable reserves.



Tax Benefits



TAX BENEFITS

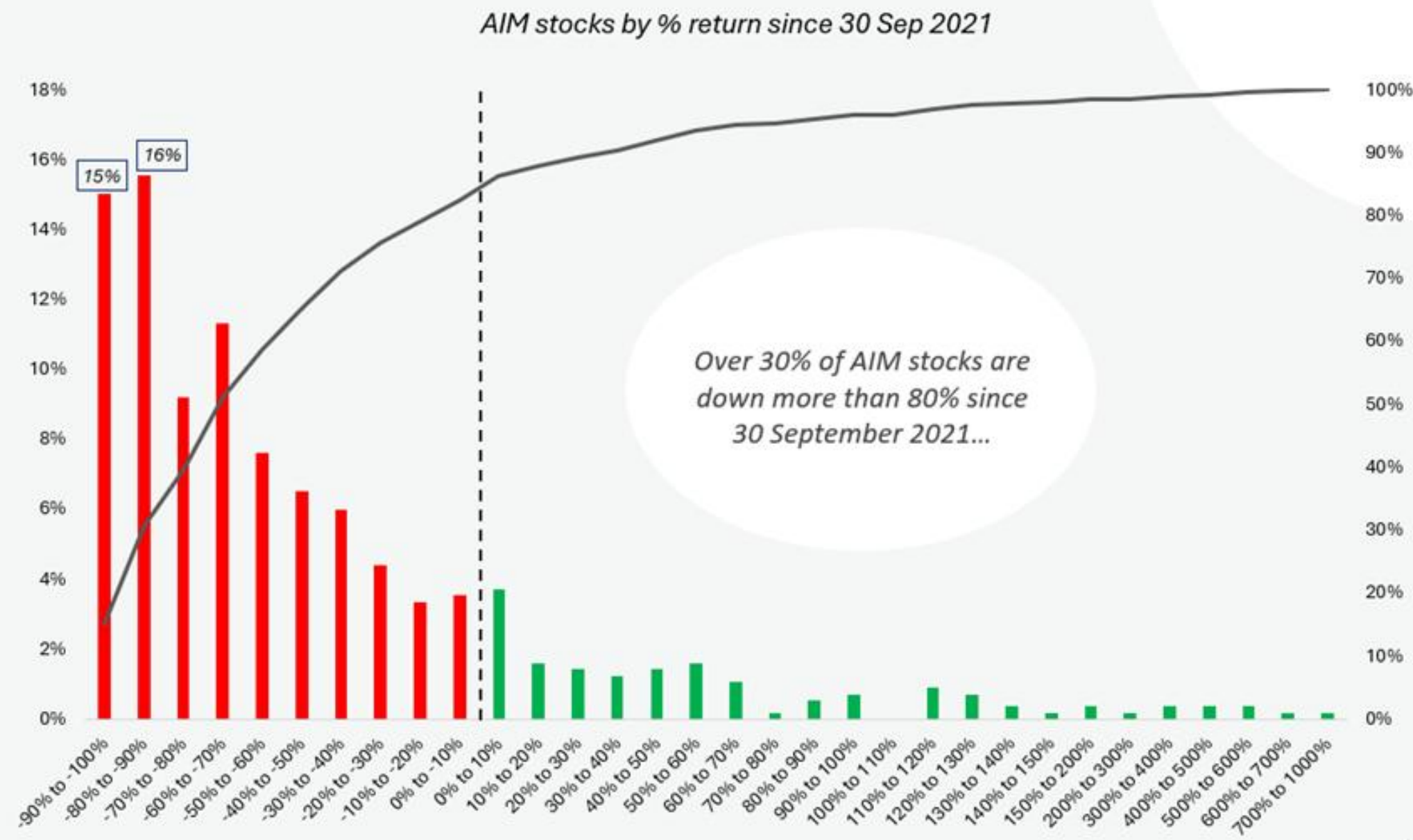
Under current legislation, Investors in the Company will have access to generous tax incentives, subject to a maximum investment of **£200,000** per individual per tax year.



AIM: Opportunity

AIM down c.45% since 30 Sep 2021 – but that’s just the average...

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Over 30% of AIM stocks are down more than 80% since 30 September 2021...

Source: LSEG. These figures refer to the past and past performance is not a reliable indicator of future results. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.



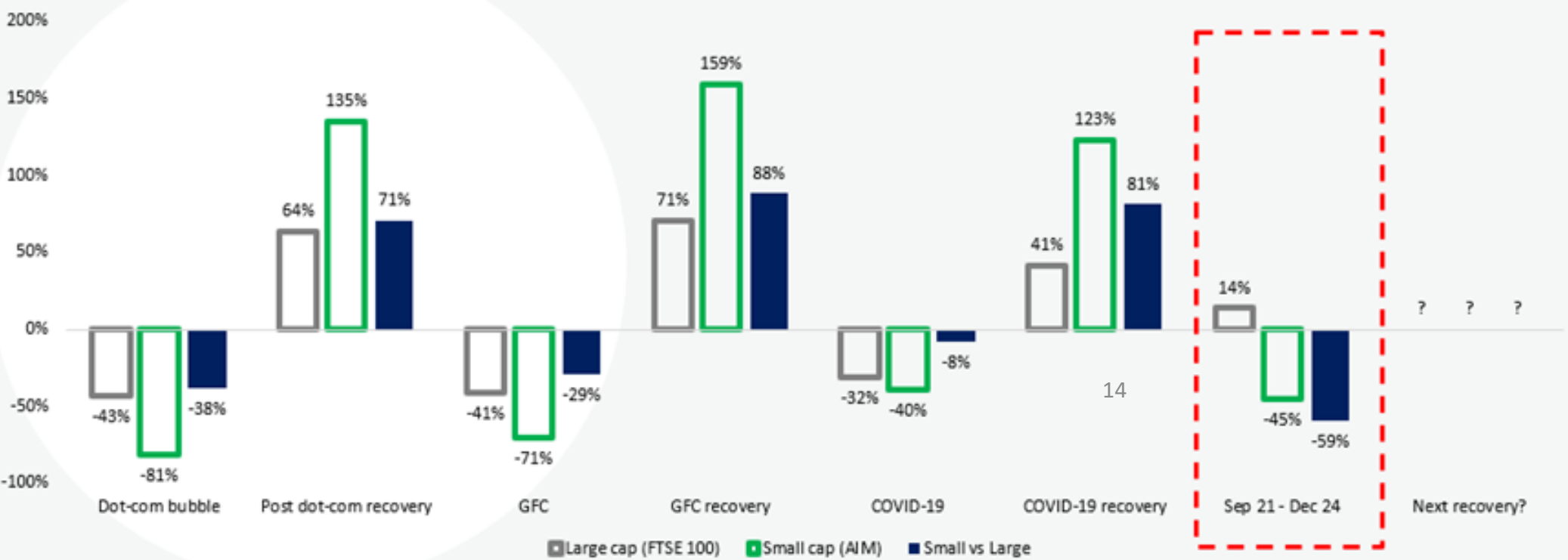
The AIM index has declined by approximately 45% since September 30, 2021; however, this figure represents only the average. Over 30% of AIM stocks have fallen more than 80%. Moreover, over 45% of AIM stocks have a market cap below £20 million. Many UK funds will not invest in companies with a market cap below £500 million, and few small-cap funds will invest in those below £200 million. Additionally, many brokers do not actively market companies with market caps below £200 million. **This scenario presents opportunities for those willing to explore further down the market cap spectrum.**

Small cap underperformance at historic levels = historic opportunity?

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- ★ The drawdown in UK small-caps experienced since the highs of September 2021 has been the third worst period this century, only behind the bursting of the dot-com bubble and the global financial crisis
- ★ However, when looking at the relative performance of small-caps vs large-caps, this recent c.3-year period has been significantly worse (dot-com: c.38% underperformance; GFC: c.26% underperformance; and Sep 2021 – Dec 2024: c.59% underperformance)
- ★ Historically, small-caps have outperformed significantly in subsequent economic recoveries

UK Small cap vs Large cap performance during drawdowns and recoveries



Low prices set the scene for big gains as selling pressure relents

Source: LSEG. These figures refer to the past and past performance is not a reliable indicator of future results. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.



This chart illustrates the relative performance of small caps versus large caps during different periods. Since the highs of September 2021, small caps (AIM) have underperformed large caps by approximately 59%. This underperformance is twice as severe as what small caps experienced during the Global Financial Crisis. As shown below, small caps have historically outperformed large caps significantly in subsequent economic recoveries. In summary, while small caps are cyclical, they tend to outperform over the long term. Returns on small caps can be 'supercharged' by purchasing at market bottoms. **Although it is challenging to pinpoint market bottoms precisely, the recent period of underperformance—twice as severe as that during the Global Financial Crisis—suggests that the odds are significantly in our favor.**

Analysis of companies achieving 100+ fold return (9,900%+) in the UK

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Common characteristics of multi-baggers:

- ★ Growing and accelerating sales and profits, accompanied by multiple expansion (£s paid by investors per £ of operating profit)
→ twin engines of growth
- ★ Opportunity and ability to sustainably reinvest profits at a high rate
→ Return on Capital Employed (19% p.a. median)
- ★ Competitive moat
→ high gross margin (49% median)
- ★ Opportunities occur in beaten down, forgotten stocks, which perhaps are returning to profitability
→ buy during periods of financial distress
- ★ Small business = large opportunity
→ 100% of 100-baggers in the UK over the last 25 years were micro-caps at the lows (<£50m market cap)
- ★ High quality and aligned management
→ skin in the game
- ★ A low entry price relative to the company's long-term profit potential is critical
→ disciplined approach to valuation is key
- ★ Patience from investors
→ allow power of compounding to work its magic



Source: Alpha Terminal between 31 Dec 1997 and 31 Dec 2022. These figures refer to the past and past performance is not a reliable indicator of future results. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.



This slide summarises Oberon's analysis of companies in the UK that have increased in value by 100 times or more at some point over the past 25 years. **Common characteristics among these companies include a market cap of approximately £19 million at their lowest point, which coincided with periods of macroeconomic weakness.** This, combined with the narrative presented previously, illustrates why we believe that now presents a potentially historic opportunity to invest in small caps, particularly those below the radar where other funds are typically unable or unwilling to invest.



Investment Selection Process

Our investment process is meticulous, involving **detailed financial screening and robust due diligence**. Each potential investment undergoes a thorough evaluation to ensure it meets our strict criteria for growth capital. This process is crucial for maintaining the quality and performance of our VCT.

GROWTH	Is the business increasing its earnings, profits, market share, or subscriber numbers, etc.?
UNDERSTANDING	Do we understand the business, its operations, strengths, weaknesses, and potential threats?
STABILITY	Can the company sustain or enhance its growth? Is the cash being raised sufficient to achieve its objectives, including maintaining margins and supporting the share price?
TREND	What is the share price indicating? How does it perform relative to its peers?
OPPORTUNITY	Are there special situations, such as a share price overhang deflating the share price? Is the market aware of the need to raise money? Is there a discount to the share price?
MANAGEMENT	Do we trust the management? Do we believe in the proposed plans? Do they have a track record, whether good or bad?



Portfolio Information

Oberon AIM VCT: Portfolio Information

Intelligent Ultrasound
Renalytix
SkinBiotherapeutics
Light Science Technologies
M Winkworth
Audioboom
SEEN
The Property Franchise Group
Strip Tinning
Kinovo





Contact Us

For further information and how to invest, visit the Oberon AIM VCT Investor Centre:

<https://oberonaimvct.co.uk/investor-centre>

funds@oberoninvestments.com

Risks associated with this product

- Please note that investments in AIM shares carry higher risk, including illiquidity and volatility and have a higher risk of failure.
- The value of investments can go down as well as up, and you may not get back the amount you originally invested.
- Past performance is not a reliable indicator of future results, and future dividends are not guaranteed.
- Dividends being subject to the availability of distributable reserves and may fall to zero.
- Tax reliefs depend on individual circumstances and may be subject to change. There is no guarantee that VCT status or associated tax reliefs will be maintained.
- As with any higher-risk investment, particularly in smaller quoted companies, you should consider your risk tolerance carefully and seek independent financial advice before investing.
- Please visit the Oberon AIM VCT Investor Centre where a full copy of the Prospectus, Key Information Document (KID) and Application Form are available. We strongly recommend reviewing these documents before making an investment decision.
- Capital at risk.

This financial promotion has been approved by **Oberon Investments Limited**, which is authorised and regulated by the **Financial Conduct Authority**. OBR00120