



PROVEN VCT PLC & PROVEN GROWTH & INCOME VCT PLC

OFFER INFORMATION DOCUMENT AND
APPLICATION FORM FOR 2019-20 & 2020-21



Managed by

BERINGEA

CONTENTS

03	THE CURRENT OFFER	10	RISK FACTORS
04	ABOUT BERINGEA	11	CASE STUDY: PICASSO LABS
06	ABOUT VCTs	12	HOW TO INVEST
07	CASE STUDY: FESTICKET	13	CASE STUDY: FNATIC
08	ABOUT THE PROVEN VCTs	14	ADDITIONAL INFORMATION
09	CASE STUDY: CHARGEMASTER	16	APPLICATION PROCEDURE & FORM

IMPORTANT INFORMATION

Please note: this document is not a prospectus but an advertisement and investors should not subscribe for any transferable securities referred to in the advertisement except on the basis of all the information included in the Prospectus (being the Securities Note, the Registration Document and the Summary). In particular, potential investors should read the Risk Factors on pages 4 to 5 of the Securities Note. The Prospectus was published on 27 January 2020 and copies are available from Beringea LLP or at www.provenvcts.co.uk/how-to-invest.

Combined Offer for Subscription

To raise up to £20,000,000 by way of an issue of New Ordinary Shares in ProVen VCT plc and ProVen Growth & Income VCT plc, with an over allotment facility of up to a further £20,000,000, payable in full in cash on application. Each Company is seeking to raise up to £10,000,000 with an over allotment facility of a further £10,000,000, through the Offer.

VCT investments are high risk and an investment in the Offer will not be appropriate for all investors. Please refer to the Risk Factors on page 10 of this document. If you are unsure about whether an investment in the Offer is a suitable investment, you should consult your bank manager, solicitor, accountant or other independent Financial Adviser duly authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on investment in shares and other securities, without delay.

Except as otherwise defined herein, terms defined on pages 47 to 51 of the Securities Note shall have the same meaning in this document.

This financial promotion has been approved by Beringea LLP ("Beringea") for the purposes of FSMA. The information and opinions contained herein were prepared by Beringea. The information herein is believed by Beringea to be reliable. However, Beringea makes no representation as to the accuracy or completeness of such information.

Beringea is acting for the Companies and no-one else and will not be responsible to anyone other than the Companies for providing the protections afforded to clients of Beringea.

Beringea LLP, FRN 496358, is authorised and regulated by the Financial Conduct Authority.

**BERINGEA LLP
39 EARLHAM STREET
LONDON
WC2H 9LT**

T. 020 7845 7820 | E. info@beringea.co.uk | www.beringea.co.uk

THE CURRENT OFFER

OVERVIEW

ProVen VCT plc and ProVen Growth and Income VCT plc (the “ProVen VCTs” or the “Companies”) have launched a combined Offer for Subscription to raise up to a total of £20 million (being up to £10 million per Company) with an over-allotment facility of up to a further £20 million (£10 million per Company).

This Offer will seek to build on the ProVen VCTs’ track-record of investing in entrepreneurial, growing businesses, as demonstrated by the recent disposals included in the table below. Investors in this Offer will also be buying into an existing diversified portfolio of companies, thereby gaining access to the potential flow of future dividends.

Returns generated by the portfolio will be enhanced by a range of attractive tax benefits (subject to the investor’s tax position), including 30 per cent income tax relief on the initial investment and tax free dividends.

KEY INFORMATION

Offer opens	27 January 2020
Total Offer size	£40,000,000*
Maximum amount per Company	£20,000,000*
Minimum Investment per Investor	£5,000
Maximum Investment per Investor on which tax reliefs are available	£200,000**

DISCOUNTS FOR EARLY APPLICATIONS

Applicants (and their spouses) who had an existing shareholding in one of the ProVen VCTs on 27 January 2020, and whose valid Application forms part of the first £5 million of valid Applications for each Company and is received by 1 pm on 21 February 2020 will be entitled to additional New Ordinary Shares with an aggregate subscription price of 1.5% of the amount subscribed.

All other Applicants whose valid Application forms part of the first £5 million of valid Applications for each Company and is received by 1 pm on 21 February 2020 will be entitled to additional New Ordinary Shares with an aggregate subscription price equivalent to 0.75% of the amount subscribed.

The subscription price of the Additional Shares will be met by the Manager.

Some examples of recent investment disposals by the ProVen VCTs are shown in the tables below:

Year of Sale	Company	Total Investment	Total Sale Proceeds ¹	Multiple of Investment
2018	Think	£2.76m	£10.35m	3.8x
2018	Chess	£2.61m	£9.02m	3.5x
2018	Chargemaster	£3.50m	£11.01m	3.1x
2018	Watchfinder	£3.18m	£28.61m	9.0x
2017	MatsSoft	£2.15m	£5.68m	2.6x
2017	Third Bridge	£3.00m	£17.27m	5.8x

N.B. Past performance of these investments is no guide to future performance of other portfolio companies. Some investments have been written off or disposed of at values below cost. The above investments are not representative of average returns.

* Assuming the over-allotment facility of up to a further £10,000,000 per Company is used in full.

** There is no maximum size of investment in the Companies but tax reliefs are only available on investments in VCTs of up to a maximum of £200,000 per person per tax year.

¹ Sales proceeds includes interest/dividends received over the life of the investment and amounts held in escrow and/or earnout proceeds where believed to be recoverable

ABOUT BERINGEA

THE MANAGER

ProVen VCT plc and ProVen Growth & Income VCT plc are both managed by Beringea LLP, an award-winning, specialist venture capital investor with a track-record of more than 30 years of investing in entrepreneurial, growth businesses. It has managed the ProVen VCTs since launch.

Beringea is part of a transatlantic investment group that manages venture capital funds in the UK and the US totalling more than \$643 million.

Beringea LLP is headquartered in London and it manages more than £233 million in VCT assets from this office.

Beringea LLC is headquartered in Michigan in the United States of America and controls more than \$340 million of venture and growth capital.

THE PORTFOLIO

At 27 January 2020, the date of publication of the Prospectus, the portfolio of investments held by the ProVen VCTs comprised 46 venture capital investments for ProVen VCT and 46 investments for PGI VCT.

Investments span a range of entrepreneurial businesses in growing sectors including: retail brands and technology; data, software and artificial intelligence; and digital media. These companies are often expanding internationally, and businesses in the ProVen VCTs' portfolio currently operate across North America, Europe, Asia and Australia.

Several of the companies from the portfolio are featured throughout this guide as case studies. These case studies are only illustrations of the ProVen VCTs' investment strategy and should not be considered as guides for future investments. Further information on the remaining investments in the portfolio can be found in the Securities Note.

RISK MANAGEMENT

Beringea has many years of experience of investing in unquoted companies and its investment strategy incorporates several features that are designed to manage the risk profile of the ProVen VCTs:

- creating a widely diversified portfolio of VCT Qualifying Investments;
- extensive investigation of potential investment opportunities;
- close monitoring of investments, including placing a member of the investment team on the board of most portfolio companies; and
- retaining a portion of the portfolio required for liquidity purposes in lower risk investments, including cash deposits.

LEADERSHIP

Beringea's investment committee comprises five experienced investors with decades of expertise in management, finance and entrepreneurship. They are supported by Managers and Associates with backgrounds in banking, start-ups and consulting, who assist with sourcing investments, executing deals and working with portfolio companies.



STUART VEALE
MANAGING PARTNER

Stuart is Managing Partner of Beringea and has over 30 years of private equity investment experience. Prior to joining Beringea, Stuart was a Senior Director with LDC (the private equity arm of the Lloyds Banking Group) and head of their Thames Valley office.

He started his career in venture capital with 3i. Stuart has an MA, and an MBA from the London Business School.



MARIA WAGNER
INVESTMENT DIRECTOR

Maria is an Investment Director, responsible for sourcing investments, executing deals and monitoring portfolio companies. She was previously Managing Director of Birchbox UK, a beauty ecommerce and subscription business.

Prior to this, Maria was part of the investment team at Virgin Group and GMT Partners, where she mainly focused on the digital and media sectors. Maria began her career at Goldman Sachs followed by McKinsey & Company in New York. Maria has an MBA from Harvard Business School and a Bachelor's degree in Economics from MIT.



MALCOLM MOSS
FOUNDING PARTNER

Malcolm is a founding partner of Beringea. Over the last 30 years, he has been responsible for the growth, development and management of Beringea in both the UK and the USA.

In addition to sitting on the boards of PGI VCT and ProVen VCT, he sits on the investment committees of the Beringea Group's US funds. Malcolm has a BA and an MBA.



KAREN MCCORMICK
CHIEF INVESTMENT OFFICER

Karen is Chief Investment Officer at Beringea and has been a member of the team for over ten years. She is responsible for making new investments and working with portfolio companies through to exit, and has led more than a dozen investments.

Karen was previously with the Boston Consulting Group and ran the Watches division of Swiss Army/Wenger. She also has experience with start-ups as both a founder and adviser. Karen has lived and worked in the US, Europe, and Asia, and has an MBA from INSEAD and a BSBA from Boston University.



EYAL MALINGER
INVESTMENT DIRECTOR

Eyal is responsible for sourcing investments, executing deals and monitoring portfolio companies. Prior to joining Beringea, Eyal was Director of Corporate Development at Countrywide PLC, Vice President at Oaktree Capital and a consultant with McKinsey & Company.

Eyal began his career as a software engineer developing advanced telecommunication solutions. Eyal has an MBA from Harvard Business School and a Bachelor's degree in Computer Science from the Interdisciplinary Centre, Herzliya.

ABOUT VCTs

WHAT IS A VCT?

The UK Government first introduced Venture Capital Trusts (VCTs) in 1995 as a way of encouraging individuals to invest in unquoted UK companies. In addition to the potential returns offered by investing in such companies, VCTs provide eligible investors - UK taxpayers aged 18 or over - with significant tax benefits.

A VCT invests primarily in a portfolio of SMEs which qualify for investment under the VCT regulations. The SME sector is a vital part of the UK economy accounting for three-fifths of all private sector employment and around half of turnover. Some of these companies have the potential to grow very quickly given access to sufficient finance and management support.

VCTs allow investors to access this exciting sector, but of course not all these companies will flourish and it is important to note that, although the VCTs' portfolio may be carefully managed and offer a good degree of diversification, the risks to the investor may be significantly higher than many other kinds of investment. As a result, investors may lose the entire value of their investment or receive less than they originally invested.

Please see Risk Factors on page 10 of this document and on pages 4 to 5 of the Securities Note, which is available from your Financial Adviser or Beringea or at www.provenvcts.co.uk/how-to-invest.

TAX BENEFITS

Individuals who subscribe for new VCT shares can take advantage of a number of tax benefits, including:

- Income tax relief of 30% on the initial investment, providing shares are held for a minimum of 5 years
- Tax-free dividends
- Capital gains tax exemption on disposal of shares.

These tax benefits are available to UK taxpayers, on amounts invested up to a maximum of £200,000 per person, per tax year. Income tax relief of 30% is restricted to the amount which reduces the investor's income tax liability to nil.

HOW DO I OBTAIN TAX RELIEF?

Once shares have been allotted, investors will receive both a share certificate and a tax certificate. The tax certificate will be needed to claim income tax relief. Tax relief can be claimed by entering the VCT investment amount in the 'Other tax reliefs' section on your tax return.

Alternatively, if you pay tax under PAYE, and would like the relief immediately, you can contact your Tax Office in order to adjust your tax code.

RISK

VCTs carry a higher risk than many other forms of investment and they are only suitable for certain investors. They are unlikely to be suitable for individuals who may need access to funds in the short term and, therefore, should be viewed as a long term investment. The value of shares in a VCT may fluctuate owing to changes in value of the underlying investments, which may be significant. It can also be difficult to sell shares on the secondary market, although some VCTs offer a buy back facility which allows investors to sell shares back to the VCT.

A typical investor for whom an investment in VCTs is designed will be a UK taxpayer who is aged 18 years or over who is professionally advised and already has a portfolio of non-VCT investments such as unit trusts/OEICs, investment trusts and direct shareholdings in listed companies and may include retail, institutional and sophisticated investors and high net-worth individuals.

A VCT investment is, therefore, not suitable for all individuals and if you are in doubt about what action to take you should consult an authorised financial adviser.

RECENT INVESTMENT

A GLOBAL PLATFORM FOR FESTIVAL EXPERIENCES

ABOUT: THE BUSINESS

Festicket is a global platform for discovering and booking festival experiences. Founded in 2012, Festicket works with over 2,000 festival organisers worldwide to enable festival goers to plan and purchase packages including tickets, accommodation, travel and insurance.



ZACK SABBAN
CO-FOUNDER & CEO

WHY THE PROVEN VCTs INVESTED

In October 2018, the ProVen VCTs invested £4.6 million into the business as part of an £8 million funding round. The ProVen VCTs have since invested a further £1.3 million into the business, bringing the total investment by the ProVen VCTs to £5.9 million.

This investment backed a scaling business in a growing market, as Euromonitor estimates that the total expenditure on the global experience economy will reach \$8.0 trillion by 2030.

ABOUT: THE INVESTMENT

The ProVen VCTs' investment has been used to support international expansion.

Festicket today serves more than 2.5 million users, providing information on the latest news and updates from the festival world.

Festicket ranked 21st in the Sunday Times Tech Track 100 in 2018 and it has offices in London, San Francisco, Amsterdam, Berlin, Porto and Nantes.

ABOUT THE PROVEN VCTs

INVESTMENT STRATEGY

The ProVen VCTs' investment objective is to achieve long term returns greater than those available from investing in a portfolio of quoted companies, by investing in:

- a portfolio of carefully selected Qualifying Investments in small and medium sized unquoted companies with excellent growth prospects;
- a portfolio of non-Qualifying Investments permitted for liquidity management purposes;

within the conditions imposed on all VCTs, and to minimise the risk of each individual investment and the portfolios as a whole.

The ProVen VCTs seek to invest in companies which have the following key characteristics:

- a strong, balanced and well-motivated management team with a proven track record of achievement;
- a defensible market position;
- good growth potential;
- an attractive entry price for the Companies; and
- a clearly identified route for a profitable realisation within a three- to four-year period.

TRACK RECORD*

Based upon data on generalist VCTs compiled by the AIC,¹ which analyses the net asset value total return over a five year period, ProVen VCT has achieved a net asset value total return of 39 per cent over the period. PGI VCT has achieved a net asset value total return of 20 per cent over the period.

Each VCT has a target dividend yield of approximately 5 per cent of NAV per annum. This target yield has been broadly achieved or exceeded by both Companies for the last five financial years.² For the financial year ended 28 February 2019, ProVen VCT paid total dividends of 27.75p while ProVen Growth & Income VCT paid total dividends of 6.5p.

The objective of paying a dividend of approximately 5% of NAV each year is a target and there is no guarantee that this will be achieved or that any dividend will be paid. No forecast is implied.

*** Past performance is not a guide to future performance and no projection is implied.**

THE PROVEN BOARDS

The Boards of Directors of the ProVen VCTs have overall responsibility for their Company's affairs, including monitoring the performance of the Manager and ensuring that the VCT status of their Company is maintained. These boards are chaired by Neal Ransome and Marc Vlessing:



NEAL RANSOME
CHAIR OF PROVEN VCT

Neal was formerly a corporate finance partner of PwC with extensive experience as a lead adviser on M&A activity in the pharmaceuticals and healthcare sectors. Neal is currently a non-executive director and chairman of the audit committee of Octopus AIM VCT Plc and a non-executive director of Polar Capital Global Healthcare Trust plc.



MARC VLESSING OBE
CHAIR OF PGI VCT

Marc started his career as a corporate financier with County NatWest in 1984. In 1997, he became CEO of Crescent Entertainment, one of London's largest groups of theatres, cinemas and TV companies. He was subsequently CEO of First Call International. Today, he is co-founder and CEO of Pocket Living, the first private developer in London to specialise in helping hard-working city makers, on low to moderate incomes, own their first home.

¹ Source: www.aicstats.co.uk (as at 8 January 2020) | ² The target dividend yield has been met or exceeded by both Companies in every year except in the financial year ending 28 February 2015, when the yield was 4.8% in respect of ProVen VCT only.



FORMER INVESTMENT

ELECTRIC VEHICLE CHARGING NETWORK SOLD TO BP PLC IN 2018*

ABOUT: THE BUSINESS

Chargemaster is an operator and manufacturer of electric vehicle charging points. Chargemaster also manufactures and installs charge units for homeowners throughout the UK.



DAVID MARTELL
FOUNDER & CEO

WHY THE PROVEN VCTs INVESTED

The ProVen VCTs invested a total of £3.5 million into Chargemaster across two funding rounds in 2014, backing an experienced founder in a growing market.

Chargemaster was founded in 2008 by David Martell, a serial entrepreneur who had previously led Trafficmaster, a traffic sensing and navigation company, from foundation to its £500m listing on the London Stock Exchange in 1994.

In 2014, Chargemaster operated 3,000 public charging points across the UK.

ABOUT: THE EXIT

The ProVen VCTs sold their stakes in Chargemaster in 2018 to BP plc, the global energy company, receiving total proceeds of over £11 million, representing a 3.2x multiple.

Over the course of the Companies' investment, Chargemaster significantly expanded POLAR, its network of public charging points, to 6,500 at the point of sale in 2018.

By that time, over 45,000 households were also fitted with charging equipment produced by Chargemaster – more than double the 20,000 domestic users in 2014.

* N.B. As Chargemaster was acquired by BP plc in 2018, investors in the current Offer will not have an interest in the future performance of the business.

RISK FACTORS

VCT investment is not suitable for all investors and if you are in any doubt about its suitability for you please do speak to your authorised financial adviser.

Your capital is at risk, and you may not get back what you originally invest. As a prospective investor there are a number of specific risk factors you should be aware of before investing in either Proven VCT or PGI VCT. Prospective investors should read the whole of the Prospectus (available from your Financial Adviser or Beringea) including the Risk Factors on pages 4 to 5 of the Securities Note and not rely solely on the information in this document.

We consider the following risks, relating to the Offer, to be material for potential investors. However, the risks listed below do not comprise all those relating to the Offer and are not set out in order of priority.

- A VCT may only invest in SMEs which qualify under the VCT regulations. Investment in small, unquoted companies involves substantially higher risk than investing in larger, longer established businesses.
- The value of shares in the ProVen VCTs may fluctuate.
- You may not get back some or all of the amount you invested.
- You may have difficulty selling your shares and any sale is likely to be at a discount to net asset value.
- There is no certainty as to the level of dividends that will be paid, if any.
- It is the intention to manage the ProVen VCTs so that they qualify as VCTs, but there can be no guarantee that such status will be maintained. If the ProVen VCTs fail to meet the qualifying requirements it could result in adverse tax consequences for investors, including being required to repay the 30% income tax relief.
- Changes to the legislation relating to VCTs may adversely affect the ability of the ProVen VCTs to meet their objectives, and may reduce the returns to investors.
- HMRC have stated that VCT status will not be withdrawn where an investment is ultimately found to be non-qualifying if, after taking reasonable steps including seeking professional advice, a VCT considers that an investment is qualifying. However, HMRC may require rectification of the breach, which may mean the VCT is forced to dispose of the investment at a loss.
- There can be no assurances that the ProVen VCTs will meet their objectives. The ProVen VCTs will face competition for investment opportunities and there can be no assurances that sufficient suitable investment opportunities will be identified.
- The tax reliefs described are based on current legislation, practice and interpretation which may change, possibly retrospectively. The ability of investors to secure the tax reliefs available to investors in VCTs depends on their individual circumstances.
- Investors should be aware that if they sell their shares within five years of their subscription, they will be required to repay the 30% income tax relief obtained on the subscription for these shares. Accordingly, an investment in the ProVen VCTs should be considered as a longer term investment.
- The objective of achieving a total return greater than that available from investment in a portfolio of quoted companies is only a target and is not guaranteed. The value of an investment in the ProVen VCTs depends on the performance of their underlying assets and that value and the income derived from the investment may go down as well as up.
- Existing investments are valued by the Directors in accordance with the International Private Equity and Venture Capital Valuation Guidelines. These valuations are based, among other things, on assumptions about the likely future performance of the companies and involve a considerable degree of judgement.



RECENT INVESTMENT

ARTIFICIAL INTELLIGENCE COMPANY LED BY FORMER GOOGLE MARKETEEER

ABOUT: THE BUSINESS

Picasso Labs is an artificial intelligence company that provides its clients, which include Unilever, Samsung and ABInBev, with insights on the performance and brand compliance of visual marketing assets.



ANASTASIA LENG
FOUNDER & CEO

WHY THE PROVEN VCTs INVESTED

The Companies invested £2.1 million into Picasso Labs as part of a £2.5 million funding round alongside existing investors, to back an experienced founder with a proven track record of achievement.

Picasso Labs was founded by Anastasia Leng, who had previously worked in the marketing division at Google, where she worked on new initiatives including the development of Google Wallet and Chrome.

ABOUT: THE INVESTMENT

The funding secured from the ProVen VCTs is being used to invest in sales and marketing.

It is also supporting the continued development of the artificial intelligence technology that underpins the Picasso Labs platform.

HOW TO INVEST

If you have a Financial Adviser we suggest that you contact them in the first instance and make your application through them. If you do not have a Financial Adviser and would like some help to find one, please see the "Finding an Adviser" section of the FCA website at <https://www.fca.org.uk/consumers/finding-adviser>. If you would like to invest directly please return the application form to Beringea (please see details below). However, you may pay lower initial fees in relation to your investment if you invest through a Financial Adviser or an Execution Only Broker than if you apply directly (for more details of costs please see pages 14-15 of this document).

The minimum aggregate investment per investor is £5,000. Applicants may apply to invest in either ProVen VCT or PGI VCT, or both. Applicants who wish to invest in both ProVen VCT and PGI VCT may apply to invest different amounts in each VCT but in this case the minimum Application amount in each Company is £2,500.

The number of shares allotted to investors will be based on the most recently announced Net Asset Value per share. There is an initial charge of 5.5% or 3% depending on the source of application (please see pages 14 and 15 of this document and pages 29 and 30 of the Securities Note for more details on fees). The offer opened on 27 January 2020 and will close at 5pm on 2 April 2020 in respect of the 2019/20 offer and at 1pm on 30 April 2020 in respect of the 2020/21 offer, or earlier if fully subscribed. The Directors reserve the right to extend the 2020/2021 Offer in respect of their Company at their absolute discretion to a date no later than 31 December 2020.

An investment in the Companies should be based on all the information in the Prospectus, particularly the Risk Factors section on pages 4 to 5 of the Securities Note, and not just this document. The Prospectus was published on 27 January 2020 and copies are available from your Financial Adviser, Beringea or at www.provenvcts.co.uk/how-to-invest. If you are in any doubt about what action to take you should consult an authorised Financial Adviser.

Past performance of the ProVen VCTs or other funds managed by Beringea is not an indication of future performance.

MAKING AN APPLICATION

Please send the completed application form together with payment and proof of identity (if required) to:

PROVEN VCTS SHARE OFFER 2019
C/O BERINGEA LLP
39 EARLHAM STREET
LONDON
WC2H 9LT

Payment may alternatively be made by BACS transfer using your surname, initials and postcode as the reference to the bank account stated in Section 2 of the application form.

If you have any questions on how to complete an application form please contact Beringea via:

T. 020 7845 7820
E. info@beringea.co.uk
www.beringea.co.uk

Please note that for legal reasons Beringea will not be able to provide advice on the merits of the offer or give any personal tax, investment or financial advice.



RECENT INVESTMENT

AN ESPORTS BRAND AND WORLDWIDE FRANCHISE OF GAMING TEAMS

ABOUT: THE BUSINESS

Fnatic is a global esports brand that manages and operates professional gaming teams as well as delivering commercial sponsorship and developing merchandising for its global fanbase.



SAM MATHEWS
FOUNDER & CEO

WHY THE PROVEN VCTs INVESTED

The Companies invested £3.9 million into Fnatic in April 2019 alongside existing high-net-worth investors as part of a £14.6 million funding round. PGI VCT has since invested a further £3.1 million.

This investment backed a growing esports franchise with potential to scale in an expanding gaming market.

Fnatic was founded in 2004 by Sam Mathews. It has since scaled to manage over 60 professional esports athletes across 11 teams in titles including League of Legends, DOTA 2 and FIFA.

ABOUT: THE INVESTMENT

The ProVen VCTs' investment is being used to support international expansion. Fnatic's operations span offices in the UK, USA, Germany, and Malaysia, with plans to open offices in China, India and Japan.

Fnatic has also strengthened its commercial operations and partnerships team.

ADDITIONAL INFORMATION

Terms defined in the Securities Note shall have the same meaning in this section.

Annual Management Fee

The Manager is entitled to receive an annual management fee from each Company equal to 2% of the NAV of that Company, payable monthly in arrears.

The Manager may charge arrangement fees, in line with industry practice, to companies in which it invests. It may also receive directors' fees or monitoring fees from investee companies.

Administration and Advisory Arrangements

Beringea LLP provides certain administration, company secretarial and financial advisory services and services in connection with share repurchases to ProVen VCT, for an annual fee, currently c.£61,000 plus VAT (if applicable). The fee is increased annually in line with the Retail Prices Index.

Beringea LLP provides certain administration, company secretarial and financial advisory services and services in connection with share repurchases to PGI VCT, for an annual fee, currently c.£54,000 plus VAT (if applicable). The fee is increased annually in line with the Retail Prices Index.

Annual running costs

The annual running costs of the Companies, being the Directors' fees, professional fees, the annual fees payable to the Manager and the costs incurred by the Company in the ordinary course of business (including irrecoverable VAT but excluding any performance related fees and trail commissions payable to intermediaries) are capped. The cap is 3.25% of net assets in the case of ProVen VCT and 3.6% of net assets in the case of PGI VCT. Any costs above this level are borne by the Manager, by way of a reduction in its fees.

The annual running costs of ProVen VCT for the year to 28 February 2019 were 2.9% of the net asset value of ProVen VCT at the year end. The annual running costs of PGI VCT for the year to 28 February 2019 were 2.6% of the net asset value of PGI VCT at the year end.

Performance Fee

In line with normal VCT practice, the Manager is entitled to receive performance fees in relation to the Ordinary Shares in order to align the interests of the Manager as closely as possible with those of the Investors and to encourage and reward exceptional investment performance. The performance fee structure is designed to encourage significant payments to Investors by means of tax-free dividends, as well as capital growth. Further details of the performance fee structure for each Company are set out in the Securities Note on pages 27 to 28.

The NAV used in the pricing formula for each allotment of New Ordinary Shares will include a provision for any potential performance fees payable by the relevant Company, calculated in accordance with each Company's accounting policies. However, as the performance fee will be calculated based on the audited results at the relevant financial year end, the actual performance fee paid may be greater than, or less than, the amount provided.

Launch Costs

Intermediaries authorised by the FCA offering investment advice to their clients ("Financial Advisers") are not permitted to receive commission from providers of investment products. Remuneration for their services now has to come from fees charged to their clients. The Companies have agreed to facilitate the payment of initial fees to Financial Advisers, by accepting instructions from an Investor to pay the amount of the fee agreed by them to their Financial Adviser, together with any applicable VAT ("Adviser Charge"), out of the amount a Company receives from the Investor. The number of New Ordinary Shares issued to the Investor will depend on the amount of the fee to be facilitated by each Company, as per the Pricing Formula set out below. Investors who wish a Company to facilitate the payment of a fee in this manner should complete Section 5.(i) of the Application Form. The amount payable to the Financial Adviser is inclusive of VAT, where applicable. Accordingly, investors will indirectly bear the costs of the Offer through the application of the Pricing Formula which determines the number of New Ordinary Shares to be issued to an Investor and includes an allowance for a Promoter's fee of 3.0% and Adviser Charges (if any).

These rules do not apply to authorised intermediaries who do not offer advice to their clients ("Execution Only Brokers"), who continue to be able to receive commission, subject to any future changes in the rules and regulations.

For Applications received through Execution Only Brokers, the Companies will pay the Manager a fee of 3.0% of the gross funds raised through these intermediaries, less any discount for early applications, as described on page 3 of this document. The Companies will also pay an initial commission of up to 2.5% of the gross investment to the intermediaries, unless such commission is waived by the Execution Only Broker. Execution Only Brokers may agree to waive all or part of the initial commission in respect of an application. If this is the case, additional New Ordinary Shares will be allotted to the Investor and the waived commission will be used to satisfy the subscription price of such additional New Ordinary Shares.

For Applications directly from Investors, the Companies will pay the Manager a fee of 5.5% of the gross funds raised, less any discounts for early applications. Investors may therefore pay lower initial fees in relation to their investment if they invest through a Financial Adviser or an Execution Only Broker than if they apply directly.

The Manager may agree to reduce its Promoter's Fee (in whole or in part) in respect of any specific Investors or group of Investors.

Investors should be able to claim initial tax relief on the full amount of their investment, subject to the normal rules on eligibility for tax relief.

Out of the Promoter's Fees the Manager will be responsible for paying all the costs of the Offer, including professional fees and marketing expenses. Any trail commission payable to Execution Only Brokers will be paid by the Companies. The Promoter's fee will be reduced by the aggregate subscription amount for the Additional Shares issued to Investors whose valid Applications form part of the first £5 million of valid Applications for each Company and are received by 13:00 on 21 February 2020. Applications received after this date will not qualify for the discount for early applications. Further details of the discounts for early applications are set out on page 3 of this document.

Pricing of the offer

The number of New Ordinary Shares to be issued to each Investor will be calculated using the following Pricing Formula, which is consistent with the agreement with the Manager on launch costs set out above, and which ensures that there is no reduction in the net asset value of the existing Ordinary Shares as a result of the Offer:

Number of New Ordinary Shares = (amount subscribed, less: (i) Promoter's Fee and (ii) Adviser Charge (if any) or Execution Only Broker initial commission (unless waived)) / (latest published NAV) rounded down to the nearest whole number of New Ordinary Shares.*

The Promoter's Fee is:

- (A) for Applications received through Financial Advisers and Execution Only Brokers, 3.0% of the investment amount less any discounts for early applications as described on page 3 of this document; and
- (B) for Applications received direct from Investors, 5.5% of the investment amount, less any discounts for early applications.

Investors may, therefore, pay lower initial fees in relation to their investment if they invest through a Financial Adviser or an Execution Only Broker than if they apply direct.

The Manager may agree to reduce its Promoter's Fee (in whole or in part) in respect of any specific Investor or group of Investors.

Investors should be able to claim initial tax relief on the full amount of their investment, subject to the normal rules on eligibility for tax relief.

* The NAV used in the calculation of the number of New Ordinary Shares to be issued by each Company will be each Company's NAV most recently announced to the London Stock Exchange, less the amount of any dividend to be paid for which the record date is prior to the relevant allotment date.

proven