

## Hargreave Hale AIM VCT 1

June 2015

## Investment Objective

The company's objective is to invest in a range of smaller companies in order to generate income and capital growth over the long-term. The company aims to maintain a diversified portfolio of qualifying investments, primarily those which are traded on AIM and have the potential for significant value appreciation.

## Investment Policy

The company will focus on managing a diversified portfolio of AIM listed companies and also target non-qualifying investments on an opportunistic basis to boost performance. Shareholders recently approved an extension to the policy allowing investment of a proportion (up to 75%) of new capital into the Marlborough Special Situations Fund. This change is designed to allow effective management of the proceeds of the offers and to maintain the company's exposure to small companies pending investment into qualifying companies.

The company's portfolio is managed in order to maintain its VCT status whereby 70% of the funds raised must be invested in qualifying investments within 3 years of the shares issuance date. Hargreave Hale will target a higher threshold of approximately 80% in order to provide some element of protection against an inadvertent breach of the VCT rules.

**NB. Investors should note that investment in an AIM VCT carries a high level of risk. Please refer to the Risks section on page 2 of the factsheet for more information.**

## Performance

The tables below illustrate how the VCT has performed year on year against the FTSE AIM All-Share Index. Please note that past performance is not a reliable indicator of future results. The returns are inclusive of any dividends paid within the period.

## Discrete NAV Performance (%)

Company	June 14 - June 15	June 13 - June 14	June 12 - June 13	June 11 - June 12	June 10 - June 11
Hargreave Hale AIM VCT 1 (Ordinary Shares)	-0.72	34.36	12.15	-6.51	19.56
FTSE AIM All Share	-3.78	13.55	2.45	-21.32	29.54

Source: Hargreave Hale<sup>1</sup>

## Rolling Returns to end June 2015 (%)

	1 year	2 years	3 years	4 years	5 years
Hargreave Hale AIM VCT 1 (Ordinary Shares)	-0.72	33.44	47.84	35.43	59.59

Source: Hargreave Hale<sup>1</sup>

## Total Return (Ordinary Shares)\*



\* Based on a starting NAV of 95p, June 2010. Source: Hargreave Hale

<sup>1</sup> All data as at the end of June 2015 show returns based on performance of the NAV and dividends paid.

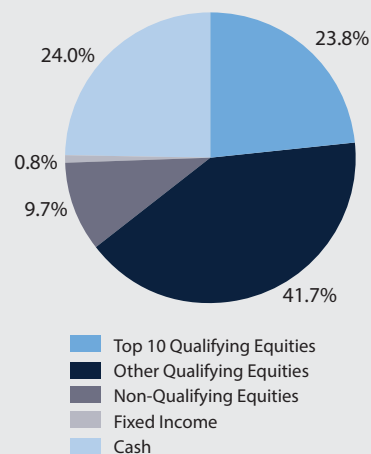
## Summary

Ticker	HHV
Launch Date	September 2004
Year End	September
Share Price (6 July 15)	72.50p
NAV per share	77.59p
Last Div. Paid (28 Jan 15)	2.50p
Next Div. (17 July 15)	1.75p
Total Divs. Paid	36.25p
NAV Yield (30 Sep 14)	5.29%
Discount to NAV (6 July 15)	6.60%
Number of Shares	47,878,381
Market Cap	£34.7m
Charges (AMC)	1.50%
Ongoing Expenses	2.17%
SEDOL Number	B02WHS0
ISIN Number	GB00B02WHS05

## Top 10 Holdings

Cohort	4.3%
Mexican Grill	2.9%
Abcam	2.8%
Trakm8	2.6%
Animal Care	2.3%
Craneware	2.1%
K3	1.9%
Intercede	1.9%
Idox	1.8%
TLA	1.8%

## Asset Allocation



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## Dividend Policy

The VCT aims to pay a 5% dividend p.a. (based on year end NAV) through semi-annual distributions, although the ability to pay dividends will be subject to, inter alia, the performance of the investments, the available reserves and cash resources. In those years where performance is particularly strong, the Directors may consider a higher dividend payment. Conversely in poorer years, the Directors may opt to reduce or declare that no dividends will be paid at all.

## Liquidity

To improve liquidity in the ordinary shares, the VCT will buy back shares at a 5% discount to the prevailing net asset per share. The 5% discount is non-binding and at the Directors' discretion. The Directors reserve the right to increase the discount to 10% or more or, in extremis, suspend share buy-backs if the policy places the company's cash and liquid pressure under undue pressure or leads to instability in the shareholder base.

## Background

Hargreave Hale AIM VCT 1 was originally launched in August 2004 as the Keydata AIM VCT. On 30 September 2009 the company was renamed Hargreave Hale AIM VCT 1 plc. The company initially raised £14.3 million through an ordinary share issue in 2004/5. A further £17.9 million was then raised in 2005/6 through a C share issue. The C shares were converted into ordinary shares on 8 October 2008 on a relative value basis. Between 2010 and 2014 a further £12.2 million was raised through subsequent offers. In 2012, £5.2 million was raised by way of an enhanced share buy back. Hargreave Hale has been the appointed Investment Manager and custodian of the company's assets since inception.

## Investment team



**Giles Hargreave**  
Fund Manager



**Oliver Bedford**  
Fund Manager

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## Hargreave Hale AIM VCT 1 - Investor Returns

Allotment	Issue Price	Dividends Paid	Returns on £10,000 investment			% Gain	
			NAV	Dividends	Total Return	No Tax Relief	With Tax Relief
01-Apr-05	100.00	36.25	7,759.00	3,625.00	11,384.00	13.8%	89.7%
01-Apr-06	100.00	30.78	9,615.73	3,078.00	12,693.73	26.9%	111.6%
30-Mar-10	67.52	19.25	11,491.41	2,851.01	14,342.42	43.4%	104.9%
28-May-10	64.48	19.25	12,033.19	2,985.42	15,018.61	50.2%	114.6%
14-Dec-10	72.39	17.25	10,718.33	2,382.93	13,101.26	31.0%	87.2%
17-Feb-11	71.76	15.25	10,812.43	2,125.14	12,937.57	29.4%	84.8%
08-Mar-11	72.47	15.25	10,706.50	2,104.32	12,810.82	28.1%	83.0%
22-Mar-11	70.56	15.25	10,996.32	2,161.28	13,157.60	31.6%	88.0%
05-Apr-11	70.97	15.25	10,932.79	2,148.80	13,081.58	30.8%	86.9%
03-Jun-11	70.87	15.25	10,948.22	2,151.83	13,100.04	31.0%	87.1%
14-Dec-12	63.79	9.75	12,163.35	1,528.45	13,691.80	36.9%	95.6%
11-Feb-13	66.34	8.00	11,695.81	1,205.91	12,901.72	29.0%	84.3%
28-Feb-13	66.49	8.00	11,669.42	1,203.19	12,872.61	28.7%	83.9%
26-Mar-13	66.16	8.00	11,727.63	1,209.19	12,936.82	29.4%	84.8%
04-Apr-13	65.73	8.00	11,804.35	1,217.10	13,021.45	30.2%	86.0%
05-Apr-13	65.73	8.00	11,804.35	1,217.10	13,021.45	30.2%	86.0%
18-Apr-13	65.11	8.00	11,916.76	1,228.69	13,145.45	31.5%	87.8%
10-May-13	65.90	8.00	11,773.90	1,213.96	12,987.86	29.9%	85.5%
24-Jun-13	66.62	8.00	11,646.65	1,200.84	12,847.49	28.5%	83.5%
15-Aug-13	68.14	6.50	11,386.85	953.92	12,340.77	23.4%	76.3%
26-Sep-13	72.59	6.50	10,688.80	895.44	11,584.24	15.8%	65.5%

Source: Hargreave Hale

The table above outlines shareholder returns as at 30 June 2015 assuming an initial investment of £10,000, made on any of the dates shown above, are net of fees. The return net of income tax relief assumes the shareholder received the income tax relief in full, which was at 40% for investments made before 6 April 2006 and 30% thereafter.

## Risks

**Risks Specific to the VCTs.** The VCTs will invest in small, high risk companies that place an investor's capital at risk. These qualifying companies may have volatile share prices and the investments may be difficult to realise. They may be overly reliant on a few large customers and have less financial resilience. They may also have weak or negative cash flow and less management resource.

**Legislative Risk.** Changes in legislation may adversely affect the company's status as a VCT and its ability to meet the investment objectives and/or reduce the level of achievable return.

**Risks to the Tax Reliefs.** There can be no guarantee that the VCT will meet its objectives or that suitable investment opportunities will be identified. A failure to maintain the qualifying status could result in the VCT losing the tax reliefs previously obtained, resulting in adverse tax consequences for investors. Investors who sell their VCT shares before the fifth anniversary of the share issue are likely to have to repay their income tax relief. Therefore, an investment in a VCT should be seen as a long term investment. The tax reliefs will depend on an investor's personal circumstances and may be subject to change to future changes.

**Risks that relate to VCT Shares.** VCT shares can be difficult to sell as there can be little demand for VCT shares in the secondary market, furthermore the share price is unlikely to reflect the net asset value per share. The value of shares and the income from them can fall as well as rise. Investors may not get back the full amount invested. Both VCTs operate a credible share buy-back policy but the Directors reserve the right to amend or suspend the application of the buy-back policy. Dividend distributions are subject to performance and other factors and cannot be guaranteed. The past performance of the VCTs and their underlying investments is no indicator of future performance. Investors may not get back the amount they originally invested.

## Contact

For more information please contact us using the details below. Calls are recorded.

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