

## 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. Capital is at risk.**

## 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, based on NAVs for the VCTs and the last price paid for the FTSE AIM All Share Total Return Index.

### Discrete NAV Performance (%)

Company	July 15 - July 16	July 14 - July 15	July 13 - July 14	July 12 - July 13	July 11 - July 12
Hargreave Hale AIM VCT 1 (Ordinary Shares)	0.77	2.29	29.03	13.41	-1.89
FTSE AIM All Share Total Return	2.08	-0.96	7.99	8.40	-22.12

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

### Rolling Returns to end July 2016 (%)

	1 year	2 years	3 years	4 years	5 years
Hargreave Hale AIM VCT 1 (Ordinary Shares)	0.77	3.04	32.76	48.77	43.30

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

### Total Return (Ordinary Shares)\*



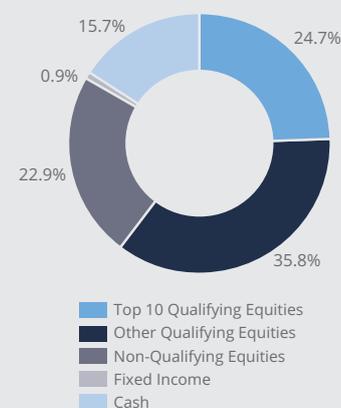
\* Based on a starting NAV of 95p, July 2011. Source: Hargreave Hale

<sup>1</sup> All data as at the end of July 2016 show returns based on performance of the NAV and dividends paid.

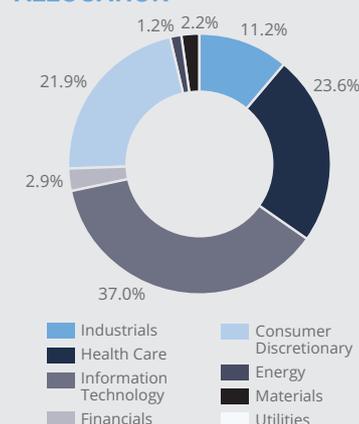
## SUMMARY

<b>Ticker</b>	HHV
<b>Launch Date</b>	September 2004
<b>Year End</b>	September
<b>Share Price (04.08.16)</b>	68.00p
<b>NAV per Share</b>	72.81p
<b>Last Div. Paid (08.07.16)</b>	1.75p
<b>Next Div.</b>	TBA
<b>Total Divs. Paid</b>	42.00p
<b>NAV Yield (30.09.15)</b>	5.36%
<b>Discount to NAV (04.08.16)</b>	6.66%
<b>Number of Shares</b>	61,202,621
<b>Market Cap</b>	£41.6m
<b>Charges (AMC)</b>	1.50%
<b>Ongoing Expenses</b>	2.31%
<b>SEDOL Number</b>	B02WHS0
<b>ISIN Number</b>	GB00B02WHS05

## ASSET ALLOCATION



## QUALIFYING SECTOR ALLOCATION



## INVESTMENT PORTFOLIO

As at 31 July 2016, the unaudited NAV per Ordinary Share of Hargreave Hale AIM VCT 1 was 72.81p. Set out below are those investments of Hargreave Hale AIM VCT 1 as at the date of this document (the values being at 31 July 2016) which have an aggregate value of at least 50 per cent. of its net assets (all of which information is unaudited). There has been no material change since 31 July 2016.

Top 10 Qualifying Holdings	Sector	Book Cost £'000s	(Unaudited) Valuation £'000	% of NAV
Cohort	Industrials	619	1,663	3.7%
Abcam	Health Care	67	1,530	3.4%
Idox	Information Technology	135	1,139	2.6%
Craneware	Health Care	150	1,090	2.50%
Animal Care	Health Care	220	1,040	2.30%
Trakm8	Information Technology	106	968	2.20%
Learning Technologies Group	Information Technology	663	947	2.10%
DP Poland	Consumer Discretionary	302	926	2.10%
K3	Information Technology	270	921	2.10%
TLA	Consumer Discretionary	300	803	1.80%
Other Qualifying Investments		17,439	15,961	35.80%
Non Qualifying Investments		7,164	8,098	18.2%
Fixed Income		312	377	0.9%
MFM Special Situations		1,954	2,100	4.7%
Cash		6,997	6,997	15.7%
<b>Total</b>		<b>36,697</b>	<b>44,560</b>	<b>100.0%</b>

## 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.

This document is a financial promotion issued and approved by Hargreave Hale Limited. This document should not be considered as a personal recommendation to invest. Potential investors should read the prospectus before investing. If in any doubt about the suitability of this investment seek professional financial advice. Calls are recorded. Hargreave Hale is incorporated in England and Wales. Company Number 3146580. Registered office: 9-11 Neptune Court, Hallam Way, Blackpool FY4 5LZ. Authorised and regulated by the Financial Conduct Authority (209741), Member of the London Stock Exchange and WMA.

Hargreave Hale, Accurist House, 44 Baker Street, London W1U 7AL.

## 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

[www.hargreaveaimvcts.co.uk](http://www.hargreaveaimvcts.co.uk)  
call +44 (0) 20 7009 4900  
fax +44 (0) 20 7009 4999  
email [aimvct@hargreave.com](mailto:aimvct@hargreave.com)