

HARGREAVEHALE

PRESS RELEASE

10 January 2017

Hargreave Hale seeks £20 million for AIM VCTs

Hargreave Hale AIM VCT 1 plc and Hargreave Hale AIM VCT 2 plc are raising £20 million through an offer for subscription that is open to new and existing shareholders, with an early bird offer that will remain available until 10 February 2017.

Launched in 2004, the Hargreave Hale AIM VCTs, which are co-managed by Giles Hargreave and Oliver Bedford, offer investors access to an established and diversified portfolio of small companies traded on AIM.¹

The VCTs offer a competitive share buyback policy. The VCTs target a tax free dividend yield of 5% and offer investors an upfront tax relief of 30%, providing sufficient income tax is paid and the shares are held for at least five years.²

Oliver Bedford, co-manager of the Hargreave Hale AIM VCTs, says: "Whilst recent changes to VCT legislation sparked concerns that VCTs would find it difficult to source deal flow of sufficient quality and quantity, we have continued to find ample opportunity to provide growth and development capital to small and exciting British companies.

"Although the vote to leave the European Union takes us into uncharted waters, we have been pleasantly surprised by the positive tone to many of our meetings with small companies. Whilst a strong economy supports business investment and growth, many small British companies have their own growth factors that are independent of the wider macro backdrop, and AIM VCTs remain an excellent vehicle for investment into young, dynamic British business and the UK economy.

"This year should bring greater clarity on our future outside of the European Union, allowing companies to adapt where necessary and determine their investment needs. That will benefit our economy, support employment and create investment opportunities.

"Deal flow has been good, allowing us to invest more than £10m in new companies over the course of this year, which is substantially more than last year. Our investment strategy is flexible and we are seeing an increasing opportunity among private companies, many of whom are seeking a long-term financial partner who can support them through to IPO and beyond. Although we have capacity to grow our private equity exposure as attractive opportunities present themselves, AIM companies will remain core to our strategy within these VCTs."

The share offer opened on 14 December 2016 and will close on 17 November 2017 unless capacity is met sooner. The offer for AIM VCT 1 is £10m and the offer for AIM VCT 2 is £10m. The maximum investment which qualifies for income tax relief is £200,000. The minimum investment is £5,000.³

-ENDS-

Important Additional Information

¹*These can present an attractive investment opportunity but they should also be considered as high risk.*

²*Whilst the tax benefits can be attractive the rules can change in the future and the value of the benefits depends on the investors personal circumstances.*

³*We recommend that investors read the prospectus before making any investment decisions. Investors should be aware that shares in VCTs can be difficult to sell after they have been issued. This article should not be considered as a recommendation to invest. If in any doubt about the suitability of this investment investors should seek professional advice.*

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Notes to Editor

Hargreave Hale provides discretionary investment management and stockbroking services to private clients, intermediaries, corporates, charities and trusts. The firm employs c250 staff based across nine offices* with over £6bn funds under management (£7bn in total AuM).

*Bangor – Blackpool – Carlisle – Lancaster – London – Norwich - Nottingham – Worcester – York

For more information about Hargreave Hale visit www.hargreave-hale.co.uk

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The past performance of the VCTs and their underlying investments is no indicator of future performance. The VCTs will invest in small, high risk companies that place an investor's capital at risk. Hargreave Hale AIM VCT 1 has returned 52.50% over five years to 30 November 2016. Hargreave Hale AIM VCT 2 has returned 39.33% over five years to 30 November 2016.