Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Name of Product	B Ordinary Shares of £0.01 nominal value in Pembroke VCT plc (the "**Company**")
Name of PRIIP manufacturer	Pembroke VCT plc
ISIN	GB00BQVC9S79
Website for PRIIP manufacturer	www.pembrokevct.com
Call telephone number for more information	+44 (0)2077666900
Competent Authority of the PRIIP Manufacturer in relation to the KID	Financial Conduct Authority
Date of production of the KID	05 September 2023

You are about to purchase a product that is not simple and may be difficult to understand

What is this product?

Type B Ordinary Shares in a public company incorporated in England and Wales issued to new investors pursuant to the 2023/2024 & 2024/2025 offers. Save for payments of dividends or other returns (e.g. on a winding up), the Company is not expecting to pay you and you are expected to generate returns through selling your shares through a bank or stockbroker. Shares of the Company are bought and sold via markets. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it. The price at which you can sell your shares will vary depending on market conditions and will not necessarily reflect the net asset value of the Company.

Objectives The Company seeks to invest in a diversified portfolio of smaller companies, principally unquoted founder led, early-stage companies but possibly also stocks quoted on AIM or Aquis Stock Exchange, selecting companies which Pembroke Investment Managers LLP (the "**Manager**") believes provide the opportunity for value appreciation. The Company may borrow to purchase assets. This would magnify any gains or losses made by the Company.

Intended retail investor The B Ordinary Shares are listed on the Main Market of the London Stock Exchange and are suitable for a UK taxpayer over 18 years of age with an investment range of between £5,000 and £200,000 who considers the investment policy to be attractive (however investment may be influenced by the availability of VCT tax reliefs). This may include retail, institutional, sophisticated investors and high net worth individuals who already have a portfolio of non-VCT investments. Investors need to be comfortable that investing in smaller UK companies is higher risk than some other investments and have an investment horizon of at least five years.

What are the risks and what could I get in return?

Risk indicator

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 6 out of 7, which is the second highest risk class. This is consistent with the FCA Regulatory Technical Standards which, from 1 January 2023, require all VCTs to be rated as 6 or 7. This rates the potential losses from future performance at a higher level, and poor market conditions are likely to impact your returns. The Company losing its full VCT status would worsen this.

1 2 3 4 5 **6** 7

Lower risk — Higher Risk

The risk indicator assumes you keep the product for at least 5 years. The actual risk can vary significantly if you cash in or sell your securities on the secondary market at an early stage and you may get back less.

The whole amount of your invested capital in the Company is at risk and there can be no guarantee that you will get back any or all of the amount invested on a sale of shares in the Company. The price at which shares in the Company are sold in the market has not historically tracked the Company's net asset value per share. Identity references to the company paying you money are required; while you may receive some dividends from the company during your investment, the majority of your return will likely be from the buyer of your shares if you sell.

What are the factors likely to affect future performance?

The performance of your investment during your hold period, and its value at the time of exit, will be affected by range of risks which will increase or decrease the value of your investment. Pembroke VCT is a generalist VCT focused on early-stage investments in founder-led businesses. It provides growth capital investment to smaller, founder-led, unquoted, businesses with a view to achieving capital returns over a five to seven year hold period. Most of Pembroke VCT’s investments fall within the following three sectors, which leverage the Investment Manager’s sector experience: Consumer, Technology and Business Services.

The three key stages to venture capital investments are the initial investment decision, the performance of the investment during the hold period and maximising the value of the investment at the time of exit. The growth of underlying unquoted portfolio companies is dependent on the performance and success of each of the underlying management teams. The investment valuation risk may understate, or overstate, values of underlying portfolio companies during your investment hold period in the Company up to the point of exit.

What could affect my return positively?

- Successful companies may become attractive to trade buyers in the relevant sectors and may also become attractive to other investors as they seek to participate in future funding rounds. Valuations of successful companies are expected to increase over time.
- A portfolio company maybe sold for more that its carrying value.

What could affect my return negatively?

- Companies may take longer than originally expected to deliver success and growth, which may also result in cash flow pressures. The combined impact may result in a decrease in value of the investment. Some investments may not be successful and result in a full, or partial, reduction in value during the hold period. Exits from companies that have suffered unexpected or long-term challenges may be through administration or liquidation, which may not recover any value for investors.
- Liquidity risk is the risk of not being able to sell an investment in the short term. The Company's underlying investments have a five to seven years target hold period but they may be exited, at a profit or a loss, outside of this target window.
- Valuation risk and liquidity risk are inherent when investing in smaller, unquoted, venture capital backed companies as compared to larger, established, quoted companies.
- Holding shares in any VCT also has liquidity risk as the primary exit for investors is to sell shares back to the VCT; usually at a discount to net asset value (NAV). Pembroke VCT has a target of buying back shares at a 5% discount to NAV. The secondary market for selling, and buying, VCT shares is limited.
- Events such as COVID-19, Brexit, geo-political unrest, inflation, economic recession and movement in interest rates can affect investor sentiment towards investment risk and liquidity risk, and hence have a negative impact on the valuation of smaller companies. Some of these factors may also prove to be opportunities to certain businesses.
- If you are able to dispose of your shares during severely adverse market conditions the valuations of the underlying investments will be reduced and you may not recover the cost of your investment.
- Your 30% tax credit on investing in VCT shares is dependent on you holding them for at least five years.
- The UK Governments VCT scheme extension beyond April 2025 has been confirmed although we await details of the legislative changes.
- The Company is required to fulfil certain criteria in order to retain its VCT status. If not maintained, this could potentially result in the loss of tax relief to investors.
- Your personal tax situation may also affect how much you get back from your investment.
- For further details please refer to the risk sections in the Prospectus and the Annual Report & Accounts.

Investment performance information

The main drivers of investment performance are the valuations of investments in portfolio companies and the value received at the point of exit from investments. The investment valuations and exit proceeds drive the net asset value (NAV) per share. In addition, investors can expect to receive dividends. The NAV per share and the dividends per share are combined to provide a Total Return per share performance metric which is regularly used in the Company's accounts and correspondence with shareholders.

A comparative for performance may be the FTSE UK Small Cap TR Index. As there are differences between the number of underlying companies, scale of operations, capital structure and liquidity of underlying investments between the index and Pembroke VCT the volatility of Pembroke VCT's performance and dividend distributions may be greater. Pembroke VCT has delivered a 28.3% increase in Total Return per share in the five years to March 2023 (Index +17.8%) and 8.2% in the two years to March 2023 (Index -8.1%); excluding the effect of the tax credit (currently 30%) on initial investment and the tax-free nature of dividends paid by VCTs. Past performance is not a reliable indicator of future results.

What happens if Pembroke VCT plc is unable to pay out?

As a shareholder of Pembroke VCT plc you would not be able to make a claim to the Financial Services Compensation Scheme or any other compensation body about the Company in the event that the Company were unable to pay any dividends or other returns it may elect to pay from time to time, or if it were unable to pay any amounts due to you on a winding up at the end of its life. If you sell your shares on the London Stock Exchange, your bank or stockbroker will receive cash on delivery of your shares and should pass that to you.

What are the costs?

Presentation of Costs

The Reduction in Yield (RIY) table below illustrates what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. There are no early exit penalties. The figures assume you invest £10,000 and do not reflect the tax advantages to capital and dividends of VCTs. The figures are estimates and may change in the future.

The Company is required to include the information above and below without any changes. The law was drafted for investments which pay returns directly to investors, not those for which a return is expected to be delivered by the investor selling shares on a market. The costs shown below, all of which are borne by the Company, have a limited direct impact on investment performance of the Company's shares and assume no change in the underlying value of the investment portfolio.

If you sell your shares, you would pay your bank's or stockbroker's dealing charges and be selling at the then available market offer price. That is likely to be lower than the bid price at which others could buy shares at that time. Share prices in the media are typically the mid-price, being halfway between the offer price and the bid price.

Cost Over Time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment Scenarios £10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in at the end of the recommended holding period
Total Costs	£ 750.00	£ 1,250.00	£ 1,750.00
Impact on return (RIY) per year	7.5%	4.2%	3.5%

Composition of Costs

The table below shows the impact each year of the different types of costs on the investment return you might receive at the end of the recommended holding period and the meaning of the different cost categories.

Impact on return per year based on a five-year holding period			
One-off costs	**Entry costs**	5.0%	The impact of the costs you pay when entering your investment. This includes the cost of distribution of your product. The maximum initial fee payable is 5.0% which is equivalent to 1.0% per year over five years. You may be liable for stamp duty or SDRT at a rate of 0.5% on an acquisition of shares purchased on the secondary market.
	Exit costs	0%	The impact of the costs of exiting your investment when it matures. There are no exit costs but shares bought back by the Company are usually conducted at a 5.0% discount to NAV.
Ongoing costs	**Portfolio transaction costs**	0%	The impact of the costs of us buying and selling underlying investments for the product. The investment manager does not charge investment arrangement fees, investment exit fees, or investee company directorship fees to either the Company or to the underlying portfolio companies. The manager charges directly to the portfolio companies a £30k a year portfolio support fee for 3 years on new investments.
	Other ongoing costs	2.5%	The maximum impact of the costs that we take each year for managing your investments and the costs presented. This includes the 2.0% annual management fee and a maximum of 0.5% of NAV for the fund’s Annual Running Costs.
Incidental costs	**Performance fees**	20%	The impact of the performance fee up to 20% of net realised investment gains. We take these from your investment only if we make a profitable exit for shareholders and after having offset previous realised investment losses. We may only be paid a performance fee on the successful exit from an investment and not on its increased valuation during the investment hold period. The Hurdle is 3 pence per year (Total Return). More detail is available in the company’s latest annual report and accounts available on the Company’s website.
	Carried interests	N/A	No carried interests scheme.

Depending on how you purchase your shares you may incur other costs including advice fees, broker fees, broker commissions and platform fees.

How long should I hold the investment and can I take money out early?

The recommended investment holding period is a minimum five years. Listed Venture Capital Trusts are designed to be long-term investments and the returns from them can be volatile during their life; with limited exceptions, a five-year investment horizon is the minimum recommended holding period. As the Company's shares are listed on the London Stock Exchange, you can expect to sell them at any time through your bank or stockbroker; usually back to the Company through a share buyback programme. You may lose your tax advantages associated with a VCT if you sell you shares before the HMRC stipulated five year holding period. We recommend you obtain professional investment advise before making an investment.

How can I complain?

If you have any complaints about the Company, you may lodge your complaint via our website www.pembrokevct.com or in writing to 3 Cadogan Gate, London SW1X 0AS.

Other relevant information

We are required to provide you with further documentation, such as the Company's latest prospectus, annual and semi-annual reports. These documents and other information relating to the Company are available online at www.pembrokevct.com.

The past performance of the Company is not a guide to future performance. The price of the Company's shares can go down as well as up.