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The Offers have been designed to provide investors with an income producing, tax-efficient exposure to a portfolio of UK smaller unquoted companies.

The Manager believes that the Offers may be attractive to investors seeking the following:

- 1) Experienced manager with strong track record
- 2) Thematic investment strategy
- 3) Investment into an existing portfolio of around 70 businesses
- 4) Up-front income tax relief at 30%
- 5) Target monthly tax-free income yield of around 5.5% (7.8% p.a. net of upfront tax relief).
- 6) Dividend reinvestment scheme provides a capital growth option

Leading Venture Capital Investment Manager

Albion Capital is a leading venture capital investor which has been managing investments in small unquoted UK companies for over 21 years. The team manages VCT funds of around £400m and has returned in excess of £220m in dividends and £80m through share buy-backs to shareholders as a result of an active policy of returning cash to shareholders.

The Manager has one of the largest VCT teams dedicated to VCTs consisting of 13 investment executives, 9 of whom are partners.

Thematic investment strategy

The Offers give an investor immediate exposure to six Albion VCTs with a combined portfolio of approximately 70 unquoted smaller UK businesses with a total asset value of £400m. The VCTs current focus is to make investments in growth companies particularly in areas such as digital healthcare, automation, data analytics and digital risk management.

Investment portfolio profile

Each VCT will invest in a broad portfolio of higher growth businesses across a variety of sectors of the UK economy with an increasing focus on higher risk technology companies. Every effort will be made to ensure that the portfolio is diversified both in terms of the number of investee companies and their maturity.

Investment Opportunity

The new fundraising will enable the Albion VCTs to capitalise on the attractive investment opportunities available in the current market and provide additional liquidity. Amounts subscribed may be invested equally across the six Albion VCTs or otherwise as directed by investors subject to a minimum subscription of £1,000 for each VCT selected. The minimum investment in aggregate is £6,000. The Offers are targeting to raise up to £36m and there is no minimum amount raised for each Offer to proceed. The Offers will close on 5 April 2019 for 2018/2019 tax year, unless fully subscribed earlier. Applications may also be made for the 2019/2020 tax year. The first allotment of shares under the Offers is expected to be 1 April 2019.

Target tax-free income yield of around 5.5% (7.8% p.a. net of upfront tax relief)

The current target yield of around 5.5% p.a. on an equal investment across each of the six VCTs is equivalent to 7.8% on the net cost of 70p (after up-front tax relief at 30%).

Investors who invest in all of the six Offers will receive at least twelve tax-free dividends per year.

Capital growth option

The VCTs managed by Albion Capital operate dividend reinvestment schemes under which shareholders who do not want immediate tax-free dividends may reinvest their dividends automatically in new shares. Buying new shares in this way avoids dealing costs and attracts income tax relief at 30% on the value of the dividend. This allows investors to compound their capital growth until such time an investor may decide they wish to start taking the income.

Committed management team

Directors of the Albion VCTs and staff of the Manager have to date invested over £4m in the VCTs managed by Albion.

Buy-back policy

The VCTs managed by Albion Capital, where possible, buy back their shares in the market. It is the stated aim of the VCTs that the target discount to net asset value at which they seek to buy back shares is around 5%, in so far as market and liquidity conditions permit. To date, Albion VCTs have returned in excess of £80m to shareholders through buy-backs.

Costs

The Offer Costs are 2.5% of the subscription amount. Albion charges an annual management fee to the VCTs ranging from 1.75% to 2.5% of the net asset values, depending on the VCT. Total annual running costs are limited to 3.0% (2.75% in the case of Albion Technology & General VCT), with any excess borne by Albion through a reduction in its management fee.

An Early Bird discount is available for the first £10m raised. Applications from existing shareholders in any of the Albion VCTs, which are received before 28 February 2019, will benefit from a 1% discount in the Offer Costs and applications from new investors in the Albion VCTs, received before 28 February 2019, will benefit from a 0.5% reduction in the Offer Costs. The cost of the discounts will be borne by Albion Capital.

The Prospectus relating to the Albion VCTs Prospectus Top Up Offers 2018/2019 is available from Albion Capital by telephone on 020 76011850

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