

KEY INFORMATION DOCUMENT

Purpose

This document provides you with key information about **Mobeus Income & Growth VCT plc**. It is not marketing material. The information is required by law to help you understand the nature, risks, costs and potential gains and losses of this product and to help you compare it with other products. This document is prepared on the basis that an investor is either subscribing for new shares in the Company via an offer for subscription (“Offer”) or purchasing secondary shares on the London Stock Exchange (“Secondary Market Purchase”).

Product

PRIP Manufacturer: Mobeus Income & Growth VCT plc (“Company”) is incorporated and registered in England and Wales as a public company limited by shares under the Companies Act 1985 with registered number 05153931.

The Company is run by a board of directors (“Board”), details of which are registered at Companies House and published in the annual accounts and on the company’s website: www.migvct.co.uk. Call 0207 382 0999 for more information.

Legal Entity Identifier: 213800HKOSEVWS7YPH79. ISIN: GB00B01WL239. London Stock Exchange Code: MIX

Competent Authority: UK Listing Authority (part of the Financial Conduct Authority (“FCA”))

Date of production of this Key Information Document (“KID”): 5 January 2022

Investment Adviser to the Company: Gresham House Asset Management Limited (“Gresham”) (www.greshamhouse.co.uk), authorised and regulated by the FCA (reference number 682776)

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

What is this product?

The Company is a venture capital trust (“VCT”) with one class of ordinary shares of 1p each which are listed on the London Stock Exchange. The Company’s shares are typically subscribed for via an Offer which, for eligible VCT investors, will attract income tax relief on the amount subscribed, as well as other VCT tax reliefs. Existing shares can also be bought and sold via a Secondary Market Purchase. The purchaser of such shares does not benefit from the initial upfront income tax relief, but may still benefit from the other VCT tax benefits. Shares typically trade on the stock market with a bid-offer spread such that, at any point in time, the price that you can buy them for (offer price) will be more than you can sell them for (bid price).

The objective of the Company is to provide investors with a regular income stream, by way of tax-free dividends generated from income and capital returns, while continuing, at all times, to qualify as a VCT. The life of the Company will periodically be voted on by shareholders, although the Company’s shares do not have a specified maturity date or unilateral termination date.

The Company’s policy is to invest primarily in a diverse portfolio of young unquoted UK companies for the purpose of their growth and development. Investments are made in companies that are deemed qualifying in accordance with HM Revenue & Customs (“HMRC”) requirements and are typically made alongside the other VCTs advised and managed by Gresham. The Company aims to pay returns to shareholders by way of dividends (tax-free for eligible VCT investors) which arise from a) income generated from the investments it holds, and b) capital gains arising from profitable investment disposals.

By focusing on VCT-qualifying companies, the Company intends to maintain its status as a VCT thereby enabling investors to benefit from connected tax advantages. The value of the Company’s shares, and returns received thereon, will depend on the performance of the investments selected.

If investing via an Offer, in order to benefit from 30% initial income tax relief, investors are required to hold the investment for a minimum of five years. If the investor were to sell before this date any initial income tax relief will be repayable to HMRC. A typical retail investor for this product would be a relatively high net worth individual, who already owns a quoted investment portfolio, and wishes to allocate funds to a product containing exposure to higher risk small unquoted companies, as part of a balanced portfolio. They will be able to utilise the tax advantages of the product and could afford to withstand any losses that may arise from an investment in a VCT.

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

Summary Risk Indicator

1	2	3	4	5	6	7
<----->						
Lower risk			Higher risk			

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 you are not able to realise any value from your shares.

You may get back less than the amount invested. You may not be able to sell your shares easily or you may have to sell at a price that is significantly less than you anticipated or significantly impacts on the total return achieved. Although the Company has a share buyback policy (see ‘How do I sell my shares?’ below), the shares of the Company are otherwise relatively illiquid and it may be difficult to return value to shareholders if a substantial number of shareholders all want to sell at the same time.

We have classified this product as 4 out of 7, which is a medium risk class. However, the required summary risk indicator solely reflects historic share price volatility of the company’s shares. It excludes other risks inherent in the product and, therefore, does not show the full risk to the investor. Due to the young age and small size of the companies held within the portfolio, the risk may be much higher than an investment in more mature, quoted companies.

The Company’s investments are in unquoted entities which have valuation and performance uncertainties and liquidity risk. Other relevant risks: Economic, VCT Conditions, Regulatory, Financial, Market, Market Liquidity, Counterparty.

The value and tax benefits are conditional on the shares being held for at least five years and the Company maintaining VCT status.

This product does not include any protection from future market performance so you could lose some or all of your

The summary risk indicator assumes you keep the product for a minimum of five years. The actual risk and returns can vary significantly if you sell your shares before this date.

investment. At the most extreme, you could lose your entire investment.

Performance scenarios

Investment of £10,000		1 year	3 years	5 years (Recommended minimum holding period)
Scenarios				
Stress scenario	What you might get back after costs	£3,373	£3,782	£2,984
	Average return each year	-66%	-28%	-21%
Unfavourable scenario	What you might get back after costs	£9,937	£12,234	£15,735
	Average return each year	-1%	7%	9%
Moderate scenario	What you might get back after costs	£11,764	£16,647	£23,558
	Average return each year	18%	19%	19%
Favourable scenario	What you might get back after costs	£14,447	£23,499	£36,588
	Average return each year	44%	33%	30%

This table shows the money you could get back over the next one, three and five years, under different scenarios, assuming that you invest £10,000. Investors who invest via an Offer should note that the data has not been adjusted for the impact of Offer costs of up to 3.00% or for the likely difference (currently 5%) between the offer price paid for the shares and the share price at which you could sell – See ‘How do I sell my shares?’ section below. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past (share price total return (including dividends) over the last five years) on how the value of this investment could change. They are not an exact indicator. What your return is will vary depending on how the stock market and the Company performs and how long you keep the investment. The value of shares can go down as well as up and you may not get back the full amount you invested. **Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.**

The stress scenario shows what you might get back in extreme stock market circumstances but it does not take into account a situation where you are unable to realise any value from your shares.

This product can be realised, but it may be costly to do so in the short-term. It is particularly difficult to estimate how much you would get back if you sell before the end of the recommended minimum holding period. You can sell your shares early but you may make a large loss if you do so and will lose your tax reliefs. Whenever you attempt to sell, your maximum loss would be that you would lose all of your investment.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, or any VCT tax reliefs you may receive, which may also affect how much you get back.

Past performance of an investment is not necessarily a guide to its performance in the future. The data above is derived from the past 5 years’ performance. It principally reflects the successful application of a strategy to invest primarily in financing management buyouts (MBOs), which yielded good returns for shareholders. From November 2015, VCTs were no longer permitted to fund MBO investments, but can retain those acquired prior to that date. Instead, a VCT must now invest in smaller younger companies that can carry higher risk, albeit with the prospect of higher but more volatile returns. These smaller and younger companies now represent more than 60% of the portfolio value.

What happens if Mobeus Income & Growth VCT plc is unable to pay out?

If the Company is unable to pay out, you might lose all of your investment. As a shareholder of the Company, you would not be able to make a claim to the Financial Services Compensation Scheme in the event that you lose money on your shares in the Company.

What are the costs?

The reduction in yield (“RIY”) shows what impact the total costs you pay will have on the investment return that 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. The figures assume that you invest £10,000. The figures are estimates and may change in the future.

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, as well as other costs such as any applicable taxes, and show you the impact that all such costs will have on your investment over time.

Investment of £10,000	1 year	3 years	5 years (Recommended minimum holding period)
Scenarios			
Offer – Total costs	702	1,990	4,307
Offer - Impact on return (RIY) per year	7.02%	4.55%	4.05%
Secondary Market Purchase – Total costs	328	1,431	3,471

Secondary Market Purchase - Impact on return (RIY) per year	3.28%	3.30%	3.31%
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The table below shows the impact each year of the different types of costs on the investment return that you might get at the end of the recommended holding period and the meaning of the different cost categories.

		Prospectus	Secondary market	
One-off costs	Entry costs	0.75%	-	The impact of the costs you pay when making your investment. Initial Offer costs are up to 3.00% of the Investment amount and are shown in the table as amortised over 5 years. This is the most you are likely to pay under an Offer, and you could pay less. SDRT of 0.5% is payable if the shares are purchased on the secondary market. See Other relevant information.
	Exit costs	-	-	The impact of the costs of exiting your investment when it matures. See the 'How do I sell my shares?' section below.
Ongoing costs	Portfolio transaction costs	0.37%	0.37%	The impact of the costs of us buying and selling underlying investments for the product. These costs include investee company paid due diligence prior to investment, as well as arrangement fees payable to Gresham upon initial investment.
	Other ongoing costs	2.95%	2.94%	The impact of the running costs of the Company (which is a publicly listed company), include Gresham advising upon the Company's investments. This figure also includes the indirect costs of a non-executive director appointed by Gresham on the board of each portfolio company, paid for by that portfolio company.
Incidental costs	Performance fees	-	-	The impact of any performance fee Gresham may earn from the Company but only if the Company outperforms its benchmark [^] .
	Carried interests	-	-	Not applicable.

[^] - Gresham is entitled to 20% of the excess of dividends paid to shareholders over a target rate (currently 8.46 pence per annum), subject to the VCT's average Net Asset Value ("NAV") for the year exceeding the average Base NAV for the year. No fee was paid for 2019, 2020 nor 2021. The only performance fee ever paid since 2004 was £250,000 in 2015.

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

This is a long term investment. If you invest via an Offer, you should be prepared to hold your shares for a minimum of five years. If you decide to sell your shares before then, you will be required to repay to HMRC the 30% upfront income tax relief you claimed.

How do I sell my shares?

VCT share prices are quoted on the London Stock Exchange, so you can buy or sell shares through a stockbroker or a share dealing account. It is worth noting that, since previously owned VCT shares do not qualify for the 30% upfront income tax relief, the market for buying and selling VCT shares in the secondary market is limited. The open market price may therefore not reflect the underlying net asset value of the shares. The Company aims to offer a 'share buyback facility' for investors, provided that the Company has funds and reserves available. This facility allows existing investors in the Company to sell their shares back to the Company at a discount to NAV. The current policy agreed by the Board is to aim to buy shares back at a 5% discount to their NAV. Share buybacks are conducted at the Board's discretion, and therefore there can be no guarantees you will always be able to sell shares on request. Due to regulations governing public companies, there are restrictions as to when the Company may conduct a share buyback – for example, during a period when the Company is preparing its annual or half-year report and accounts.

How can I complain?

As a shareholder in the Company, you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of the Company.

If you have a complaint about the Company or this KID, please email: mobeusvcts@greshamhouse.co.uk, call us on 020 7382 0999 or write to us at: Gresham House Asset Management Limited, 5 New Street Square, London, EC4A 3TW, and we will do our best to help. We will also send you a printed copy of our complaints procedure, which follows the rules set out by the FCA.

Other relevant information

This document is not a prospectus and any decision to invest should be based on all relevant available information on Mobeus Income & Growth VCT plc. Further information on the Company's investment strategy and other relevant documents, such as the Company's most recent *Offer for Subscription Prospectus*, *Half-Year* and *Annual Reports* are available on the Company's website at www.migvct.co.uk. If you have any questions, or require any further information, please send an email to mobeusvcts@greshamhouse.com. Depending on how you buy these shares you may incur other costs, including broker commission, platform fees and Stamp Duty. The distributor will provide you with additional documents where necessary. The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules. If you are in any doubt about the action you should take, you should seek independent financial advice.