

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.

GRESHAM HOUSE RENEWABLE ENERGY VCT2 PLC (A SHARE CLASS)

Product: A Shares of 0.1 pence each nominal value issued by Gresham House Renewable Energy VCT2 plc (“Shares”) ISIN GB00B4KWC525

Name of PRIIP manufacturer: Gresham House Renewable Energy VCT2 PLC (registered number 07378395) (“the Company”) and Gresham House Asset Management (registered number 09447087) (“Gresham”)

Website for the PRIIP manufacturer: www.greshamhouse.com

Call this telephone number for more information: +44(0)20 7382 0999

Competent Authority of the PRIIP Manufacturer in relation to the KID: UK Financial Conduct Authority

Date of production of this Key Information Document: 1 June 2022

Comprehension alert: You are about to purchase a product that is not simple and may be difficult to understand. No new shares are being issued by the Company at this time nor does the Company intend to issue new shares in future. Also note that the shares were purchased as a “pair” of A shares and Ordinary shares, and as such this Key Information Document should be read in conjunction with the document for the Ordinary shares.

What is this product?

Type: Venture Capital Trust

Gresham House Renewable Energy VCT2 plc (the “Company”) is a Venture Capital Trust (“VCT”) listed on the London Stock Exchange (“Stock Exchange”) and has two share classes: Ordinary shares and A shares. Shares can be bought and sold via a stockbroker. As a VCT, for eligible VCT shareholders, there is no liability to income tax on dividends and no liability to capital gains tax on realised gains from the sale of shares. There is a limit on investment of £200,000 per person per tax year.

Bid-offer spread: The price you pay for a share will be higher than the price at which you can sell shares as a result of the bid offer spread. The Company publishes a net asset value (“NAV”) for each share class at the year end (30 September) and half year (31 March) dates by valuing the underlying assets of the Company, which are mostly investments in renewable energy assets. The share price (bid price) typically trades at a discount to the NAV of the share class.

Objectives (to 12 July 2021): The Company has built a portfolio of Venture Capital investments focussed on long term UK renewable energy projects with the objective of maximising capital gains and income to shareholders from dividends and capital distributions while seeking to maintain VCT status to enable Shareholders to retain the income tax relief benefits available for VCTs.

Objectives (from 13 July 2021 to date): the principal objective of the Company is to manage the VCT with the intention of realising all remaining assets in the portfolio in a prudent manner consistent with the principles of good investment management, and with a view to returning value to Shareholders in an orderly manner whilst protecting the tax position of Shareholders.

The recommended holding period: 2.75 years from the date of this KID, this being a recommended holding period until 31 December 2024. The Company holds continuation votes every five years and held the last continuation vote at the AGM in 2021, where shareholders voted against continuation of the Company. On 13 July 2021 Shareholders resolved to enter a Managed Wind-Down (as defined and described in the circular to Shareholders dated 17 June 2021) and the Company’s principal objective was updated to reflect this resolution. The Board’s expectation is that the Company’s assets are likely to be realised by 31 December 2024 and the Managed Wind-Down will be completed within this timeframe, thus the recommended holding period is to hold until this date.

Intended retail investor: a retail client (not a corporate) who is aged 18 or over and pays UK income tax at a higher rate and who already owns a portfolio of non-VCT investments such as unit trusts/OEICs, investment trusts and/or direct shareholdings in listed companies and has sufficient income and capital so that his investment in the Company can be held for over 2.75 years. The individual will be professionally advised and/or a sophisticated investor.

Risk Indicator



Lower risk

Higher risk



The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as 5 out of 7, which is a medium to high risk class. This rates the potential losses from future performance at a medium to high level, and poor market conditions will likely impact our capacity to pay you. This Product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

Performance Scenarios

The table below shows the money you could get back over the 2.75-year intended life of the product under different scenarios, assuming that you invest £10,000. 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 on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where the Company is not able to pay you. This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do.

Investment Scenarios		1 year	2.75 years (recommended holding period)
Stress scenario	What you might get back after costs	£5,099	£3,570
	Average return each year	-49.01%	-29.06%
Unfavourable scenario	What you might get back after costs	£10,000	£10,000
	Average return each year	0.00%	0.00%
Moderate scenario	What you might get back after costs	£150,149	£295,120
	Average return each year	1,401.49%	209.03%
Favourable scenario	What you might get back after costs	£1,413,153	£2,060,625
	Average return each year	14,031.53%	490.65%

What happens if Gresham House Renewable VCT2 plc is unable to pay out?

The value of the Shares and the income derived from them is dependent on the performance of the Company's underlying investments and can fluctuate. Investors could lose all or part of their investment. Your capital is at risk. As a shareholder of the Company you would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that the Company is unable to pay out.

What are the costs?

The Reduction in Yield (RIY) in the table below shows 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. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

Costs 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	If you cash in after 1 year*	If you cash in after 2.75 years*
Total costs	£0	£0
Impact on return (RIY) per year	0.00%	0.00%

*This product cannot be easily realised. This means it is difficult to estimate how much you would get back if you attempt to realise your investment early. You will either be unable to realise your investment early or you will have to pay high costs or make a large loss if you do so. You will also lose tax reliefs gained on subscription if you sell within five years of subscription.

Composition of costs

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

This table shows the impact on return per year

One-off costs	Entry costs	0.0%	The impact of the costs you pay when entering your investment. (This is the most you could pay, and could pay less).
	Portfolio transaction costs	0.0%	The Company's costs of buying and selling underlying investments.
On-going costs	Other ongoing costs	0.0%	The Company's annual running costs are capped at 3.0% of its net assets including management fees of 1.15% payable to Gresham.

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

The recommended holding period is 2.75 years after which time the Company intends to return capital to shareholders in accordance with its planned exit strategy. Investments may also be realised by the sale of Shares back to the Company or in the market. The Company has a policy to buy back shares that become available in the market if liquidity and regulatory constraints permit. The Company is not currently buying in Shares. The Board reviews the buyback policy from time to time and may make changes if it considers that to be in the best interests of Shareholders as a whole. Accordingly, it is unlikely there will be a liquid market as there is a limited secondary market for shares in VCTs and Investors may find it difficult to realise their investments.

How can I complain?

As a shareholder of Gresham House Renewable Energy VCT2 plc you do not have the right to complain to the Financial Ombudsman Service about the management of Gresham House Renewable Energy VCT2 plc. Complaints about the Company or the key information document should be sent to Company Secretary: JTC (UK) Limited, The Scalpel, 18th Floor, 52 Lime Street, EC3M 7AF.

Other relevant information:

The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules. Accordingly, performance scenarios and the risk indicator have been based solely on historic share price total return with dividends reinvested and do not take any direct account of the underlying portfolio of assets held by the Company.

Depending on how you buy Shares you may incur other costs, including broker commission, platform fees and Stamp Duty. The distributor will provide you with additional documents where necessary. Prospective investors should note that the value of an investment may not get back the amount originally invested. Therefore, you should only make investments in the fund that you can afford to lose without having any significant impact on your overall financial position or commitments. Taxation levels, bases and reliefs may change if the law changes and the tax benefits of products will vary according to your personal circumstances: independent advice should therefore be sought. Please note that it cannot be guaranteed that the companies invested in by the Company will be qualifying companies or that the Company will maintain its qualifying status as a venture capital trust.