

## 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 VCT1 PLC (A SHARE CLASS)

**Product:** A Shares of 0.1 pence each nominal value issued by Gresham House Renewable Energy VCT1 plc ("Shares")  
ISIN GB00B4L13999

**Name of PRIIP manufacturer:** Gresham House Renewable Energy VCT1 PLC (registered number 07378392) ("the Company") and Gresham House Asset Management (registered number 09447087) ("Gresham")

**Website for the PRIIP manufacturer:** [www.greshamhouse.com](http://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:** 31 December 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 VCT1 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 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 or her investment in the Company can be held for over 2 years. The individual will be professionally advised and/or a sophisticated investor.

### Risk Indicator





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 6 out of 7 which is a the second-highest risk class. This rates the potential losses from future performance at a high level, and poor market conditions, 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 Information

The Only Factor that will affect the performance of the A Shares is the performance of the Ordinary shares. Please read the Ordinary Shares KID to understand main factors that will affect the performance of the Company. The A share's value is entirely dependent on the specific dividend amount declared by the manager.

The Performance Incentive is calculated each year and is not based on cumulative dividends paid. A summary of how proceeds are allocated between Shareholders and Management, before and after the hurdle is met, and as dividends per Ordinary Share increase is as follows:

Hurdle criteria:			
Annual dividend per Ordinary Share	0-5p	5-10p	>10p
Combined NAV Hurdle	N/A	>100p	>100p
Allocation of dividend proceeds:			
Shareholders	99.97%	80%	70%
Management	0.03%	20%	30%

The structure of the 'A' Shares, whereby Management owns one third of the 'A' shares in issue acts as a Performance Incentive Mechanism.

Due to the illiquid nature of the shares for this Company we have used a proxy for risk with daily liquidity, using 6 solar and wind funds, each equally weighted. This risk proxy has a performance track record dating back to 28<sup>th</sup> March 2006. Over this period the average three-year risk was 22.7%, during periods of market stress, risk increased temporarily to 51.9%.

#### What could affect my return positively?

Specific factors that affect returns positively would be strong performance of the Ordinary shares, as the A shares receive all their value in the form of dividends generated from the performance of the Ordinary shares.

#### What could affect my return negatively?

Specific factors that affect returns negatively would be poor performance of the Ordinary shares, as the A shares receive all their value in the form of dividends generated from the performance of the Ordinary shares.

#### What could happen in severely adverse market conditions?

Under severely adverse market conditions, there is a risk that the capital value of an investment in the Company's Ordinary shares could reduce significantly, potentially down to zero. This would imply no dividends and therefore no value for the A shares.

#### What happens if Gresham House Renewable VCT1 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. **Note that all costs are incurred and attributable to the Ordinary shares.**

Investment Scenarios	If you cash in after 1 year*	If you cash in after 2 years*
<b>Total costs</b>	£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. **Note that all costs are incurred and attributable to the Ordinary shares.**

This table shows the impact on return per year			
One-off costs	<b>Entry costs</b>	0.0%	The impact of the costs you pay when entering your investment. (This is the most you could pay and could pay less).
	<b>Portfolio transaction costs</b>	0.0%	The Company's costs of buying and selling underlying investments.
On-going costs	<b>Other ongoing costs</b>	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 two 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 VCT1 plc you do not have the right to complain to the Financial Ombudsman Service about the management of Gresham House Renewable Energy VCT1 plc. Complaints about the Company or the key information document should be sent to the Company Secretary: JTC (UK) Limited, The Scalpel, 18<sup>th</sup> 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 & UK 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.