

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 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level. Poor market conditions are unlikely to impact your ability to sell your investment, although you may have to sell at a reduced price and the Company's share buyback facility may be withdrawn. This product does not include any protection from future market performance so you could lose some or all of your investment. Please see the Risks section of the Company's website at www.bscfunds.com for a more comprehensive range of risk factors.

Performance Scenarios

This table shows the money you could get back over the next 5 years, 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 product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Investment: £10,000		1 year	3 years	5 years
Scenarios				
Stress scenario	What you might get back after costs (£)	£1,792	£5,791	£4,939
	Average return each year (%)	-82.08%	-16.65%	-13.16%
Unfavourable scenario	What you might get back after costs (£)	£8,899	£8,962	£9,341
	Average return each year (%)	-11.01%	-3.59%	-1.35%
Moderate scenario	What you might get back after costs (£)	£10,286	£11,519	£12,901
	Average return each year (%)	2.86%	4.83%	5.23%
Favourable scenario	What you might get back after costs (£)	£11,612	£14,460	£17,401
	Average return each year (%)	16.12%	13.08%	11.72%

The performance figures are based on share price total return with dividends reinvested. They do not allow for the potential tax relief available on the purchase of newly issued shares including those purchased via the Company's Dividend Reinvestment Scheme.

What happens if the Company is unable to pay out?

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 it is unable to pay out.

What are the costs?

The Reduction in Yield (RIY) 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: £10,000 If you cash in after...	1 year	3 years	5 years
Total Costs (£)	£738	£1,660	£2,856
Impact on return (RIY) per year (%)	7.38%	4.81%	4.29%

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;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One – off costs	Entry costs	0.78%	This product charges 3.5% on the purchase of new shares.
	Exit costs	0.00%	This product does not charge any exit fees.
Ongoing costs	Portfolio transaction costs	0.56%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2.18%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.78%	A performance fee may be payable to the Company's Investment Adviser, YFM Private Equity Limited. The performance fee is subject to achieving a target level of Total Return which was 244.8p per share at 31 March 2021. This is 11.6p per share higher than the Total Return at 31 March 2021.
	Carried interests	0.00%	This product does not charge any carried interest.

All costs will vary from year to year. The biggest element of cost is the fee to the Investment Adviser. This is calculated on the NAV at 31 March and 30 September so the average in any year will depend on the NAVs at those dates.

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

Recommended required minimum holding period: 5 years

If an investor acquires newly issued shares in the Company they need to keep their investment for at least 5 years in order to retain the income tax relief on that investment. Whilst shares in the Company can be sold at any time, any sale within 5 years of the initial investment will trigger a clawback of the initial income tax relief. Because of this, and the Company's long-term investment horizon, the recommended holding period is at least 5 years. Even though the purchase of shares on the open market does not attract income tax relief the recommended holding period is 5 years due to the Company's long-term investment horizon.

Disinvestment is possible at any time by selling your shares in the Company. While the Company's shares are traded on the London Stock Exchange and the Company currently operates a buyback facility, the market for the Company's shares is less liquid than for many other listed companies. The Company's shares normally trade at a discount to its NAV. The majority of the Company's investments are in small, unquoted companies and therefore it may not be possible to realise these in a short period of time and the Company may not always be able to realise the maximum value of its investments in an accelerated sales process. There are no additional fees or penalties incurred for disinvestment.

How can I complain?

If you're not happy with the service we give you, please tell us. We'll consider your complaint and acknowledge it in writing, setting out how we plan to deal with it. If you want to make a complaint, please email: tracey.nice@yfmepl.com, call us on +44 (0) 113 261 6478 or write to us at British Smaller Companies VCT plc, 5th Floor, Valiant Building, 14 South Parade, Leeds LS1 5QS.

Other relevant information

The cost, performance and risk calculations in this document are based on the methodologies set out in Regulation (EU) No 1286/2014 on Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs).

If you acquire shares directly from the Company as part of a new share issue you will pay additional charges and your adviser or broker will be able to provide you with details of these.

Further information on the Company can be found at www.bsccfunds.com.