

INVESTOR GUIDE

BRITISH SMALLER COMPANIES VCTS

OFFERS FOR SUBSCRIPTION FOR THE 2025/26 TAX YEAR

RAISING UP TO £60 MILLION WITH A £25 MILLION OVER-ALLOTMENT FACILITY

Investors in British Smaller Companies VCT (BSC) and British Smaller Companies VCT2 (BSC2) have been supporting the growth of exciting and leading-edge UK businesses for many years. Their latest offers will enable their manager, YFM Equity Partners, to keep adding new high-growth businesses to the portfolio and to provide follow-on equity capital to further support and grow the ones already there.

The British Smaller Companies VCTs (together the BSC VCTs) play a meaningful role in supporting the development of ambitious, early-stage businesses right across the UK, from YFM's five regional offices. By connecting private investment with high-potential companies, the BSC VCTs aim to deliver long-term value for all parties – not just in financial returns, but in the progress and innovation that drive the UK economy forward.

BRITISH SMALLER COMPANIES VCT PLC

Total return per annum*



Dividend yield per annum*



* Based on figures to 30 June 2025

BRITISH SMALLER COMPANIES VCT2 PLC

Total return per annum*



Dividend yield per annum*



The BSC VCTs are amongst the most consistent performers of all Generalist VCTs that have a 10 year track record.

Source: VCT Generalist NAV Total Return from Morningstar compiled by the AIC as at 18 September 2025.

The BSC VCTs have a track record of delivering long-term returns and distributions.

The last 43 portfolio company realisations have generated an average total return of 2.25x cost.

Past performance of BSC or BSC2 is no guide to future performance and may not be repeated. The value of investments may go down as well as up and you may not get back the full amount invested.

YOUR VCT MANAGER

YFM Equity Partners

We believe that our ownership structure, our regional office network and our differentiated approach to investing is what sets us apart.



TRACK RECORD

We were founded in 1982 and have been managing Venture Capital Trusts since 1996, making us one of the longest-standing VCT managers in the industry.

PORTFOLIO FOCUS

Our dedicated portfolio professionals provide the time, expertise and support needed to guide portfolio companies through their journey.

INDEPENDENCE

We are a privately owned partnership and have a long-term outlook, ensuring we are aligned with the investors who trust us to look after their capital.

REACH

Through our regional office network and Direct Origination team, we are able to source attractive investment opportunities.

Key Risks

- The value of your investment, and any income from it, could fall or rise. You may not get back the full amount you invest.
 - Tax treatment depends on your circumstances and may change in the future. Tax reliefs depend on the BSC VCTs maintaining their VCT-qualifying status.
 - Investing in smaller companies is considered a high-risk investment. They can fall or rise in value much more sharply than shares in larger, more established companies. They also have a higher rate of failure.
 - Your shares might be difficult to sell. It might take time to find a buyer and you might have to accept a price lower than the Net Asset Value (NAV) of your investment.
- Please read through the full list of risk factors set out on page 12 of the Prospectus. Before you make your decision to invest, we recommend that you seek the relevant financial advice from an appropriately authorised independent financial adviser.

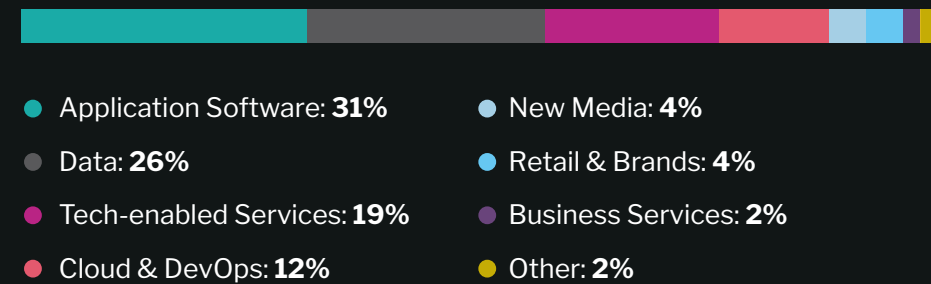
STRONG DEMAND FOR INVESTMENT

£68.6M invested by the BSC VCTs in the two years to 30 September 2025

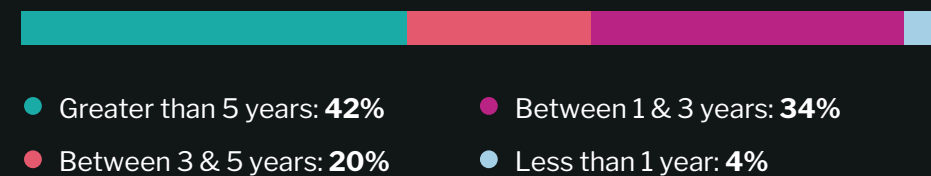
BSC VCTS PORTFOLIO ANALYSIS

As at 30 June 2025

INDUSTRY SECTOR %



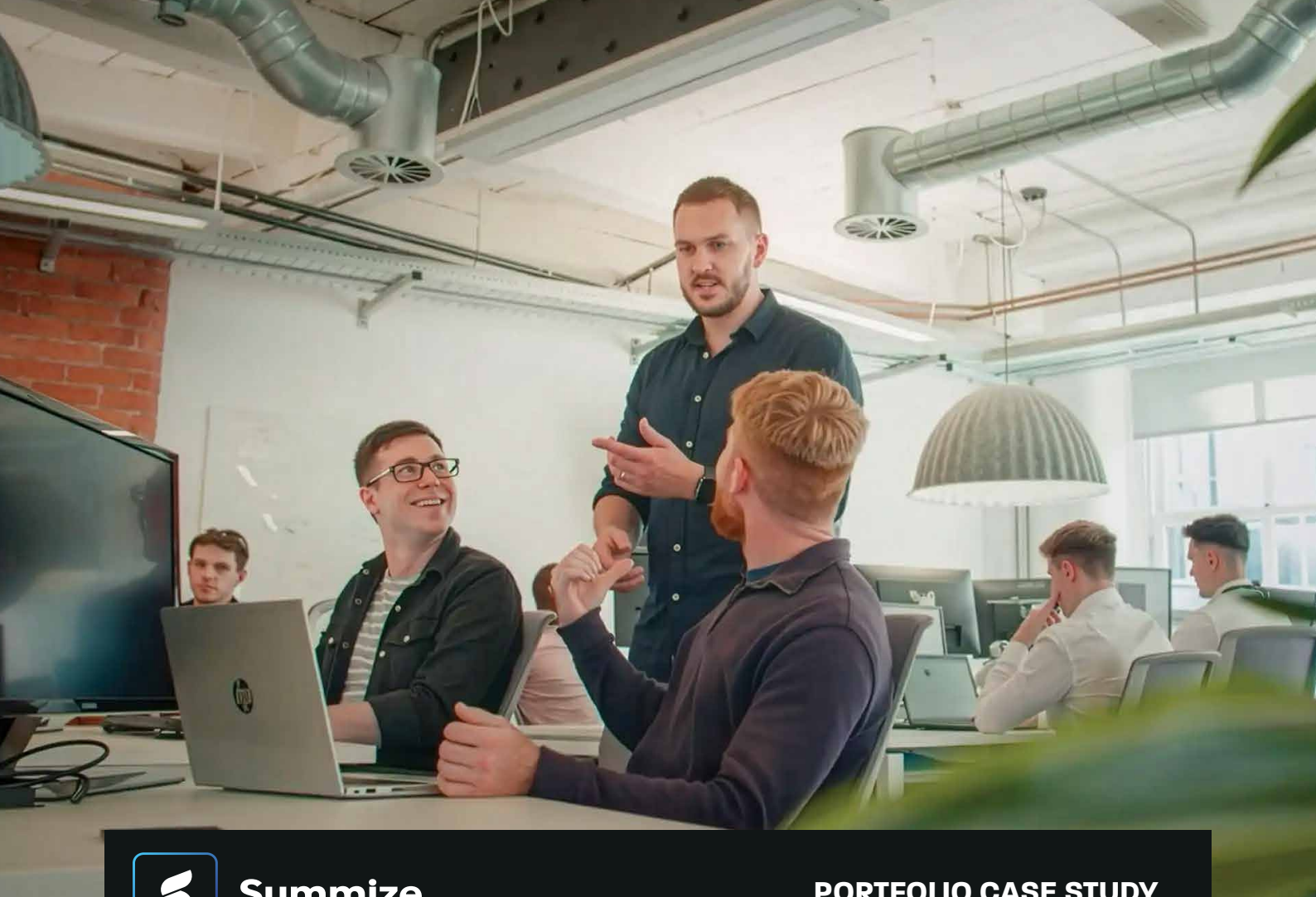
AGE OF INVESTMENT %



TOP 10

portfolio investments in the BSC VCTs by value, as at 30 June 2025





Summize

PORTFOLIO CASE STUDY

Company Name

Summize

Date First Invested

October 2022

Total Invested

£4.25m

WHAT PROBLEM
ARE THEY SOLVING

In-house legal teams struggle with extended timescales to review increasingly complex legal contracts, finding it difficult to identify potential risk areas and manage contract administration.

HOW THEIR PRODUCT
HELPS SOLVE THIS ISSUE

Summize's AI-powered Contract Lifecycle Management software enables in-house legal teams to manage their company's legal contracts more efficiently, reducing the time taken for review and giving them clarity and control.

WHY WE LIKED
THIS OPPORTUNITY

Summize has a high-quality management team with relevant sector experience; their software integrates with applications already being used by in-house legal teams; and, the business is benefiting from market tailwinds that are driving increased adoption of legal technology tools.

KEY FEATURES

SIZE OF THE OFFERS

£60 million with a £25 million over-allotment facility

CLOSING DATE

27 March 2026 – receipt of applications and cleared funds (or earlier if fully subscribed)

MINIMUM INVESTMENT

£6,000 (across both VCTs)

MAXIMUM INVESTMENT

£200,000 (per tax year)

EARLY BIRD DISCOUNT

0.125% on the first £25 million raised

ALLOTMENT DATES

First allotment January 2026 (up to £25 million)
Second and final allotment 1-2 April 2026

ALLOTMENT PRICE

Based on most recently reported Net Asset Values

FUNDS AWAITING ALLOTMENT

Receive additional shares equivalent to a c.2.36% p.a. return (this rate is subject to change)

INITIAL APPLICATION FEES

3.0% Advised
3.5% Direct
5.0% Execution only

FURTHER INFORMATION

Please refer to the Prospectus at bscfunds.com for further details, including a breakdown of the fees and charges

Important Notice

This document is not a Prospectus. Investors should only subscribe for shares based on the information contained within the Prospectus and Key Information Documents, which can be found at bscfunds.com. An investment in British Smaller Companies VCT plc and British Smaller Companies VCT2 plc is suitable only for investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which might arise. If you are in any doubt as to the action you should take, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000. This financial promotion has been issued and approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 by YFM Private Equity Limited, which is authorised and regulated by the Financial Conduct Authority (FRN 122120). YFM Private Equity Limited is the Manager of the VCTs and YFM Equity Partners (OC384467) is a trading name of YFM Private Equity Limited. Registered office: 4th floor, 2 Bond Court, Leeds, LS1 2JZ.

VENTURE CAPITAL TRUSTS

New to Venture Capital Trusts?

VCTs offer significant tax benefits to investors that currently include:

- 30% income tax relief on your investment (subject to your total income tax liability)
- Tax free dividends and capital distributions
- Exemption from capital gains tax on any capital on sale

More information on Venture Capital Trusts can be found on the Association of Investment Companies website: theaic.co.uk.

Tax reliefs are subject to change. Please refer to your tax adviser or the HM Revenue & Customs website for further guidance on the Venture Capital Trust reliefs.

Dividend Re-investment Scheme ("DRIS")

Each of the BSC VCTs operates a DRIS, which provides investors with a tax efficient way of building up their shareholding as an alternative to receiving dividends in cash. Tax free dividends are re-invested at the most recent Net Asset Value and attract 30% income tax relief.

Providing liquidity through share buy-backs

Both BSC VCTs aim to ensure that shareholders have the ability to realise their investment. To facilitate this, they operate a share buy-back policy whereby shares are bought back at a 5% discount to Net Asset Value. This policy and the rate of discount are reviewed regularly.

HOW TO APPLY

You can find all relevant documentation, including the Prospectus, the Key Information Documents and the application form at bscfunds.com.

Investors or their financial intermediary can apply.

ONLINE

Please apply online at bscfunds.com

BY POST

Please send your application form to: BSC and BSC2 Offers, The City Partnership (UK) Ltd, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.

CONTACT US



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