

OUR TARGET MARKET



Product

An Alternative Investment Fund in the form of a Venture Capital Trust ("VCT"). The VCT comprises the B Share Class issued by Seneca Growth Capital VCT PLC. Seneca Partners Ltd will manage this B Share class. This class of shares will be listed on the premium segment of the Official List of the UKLA and admitted for trading on the Main Market of the London Stock Exchange following this first allotment.

Target Market

- Type of investors: retail and elective professional clients
- Investors' knowledge and experience:
 - experience with investment into tax advantaged products (e.g. VCTs, EISs) or direct investment into large quoted (e.g. FTSE 100 and FTSE 250), smaller quoted (e.g. FTSE 350) or AIM quoted or unquoted companies
 - understanding of what factors drive the movement of share prices and of how the movement of share prices impacts the value of the product
 - understand the risks involved in investing in illiquid shares
 - understanding of the main assumptions behind the investment proposition, including the scenario analysis performed by the manufacturer
- Investors' financial situation with a focus on the ability to bear losses: ability to tie money up for at least five years and to bear a significant capital loss
- Investors' risk tolerance and compatibility of the risk/reward profile of the product with the target market: financial ability and willingness to put the entire capital invested at risk
- Investors' objectives and needs: looking for the possibility of tax free income and capital growth over the medium-term (five year term investment horizon) in an investment that qualifies for the tax reliefs available to a Venture Capital Trust
- Investors who should not invest (the 'negative target market'):
 - a) lack the requisite knowledge and experience
 - b) have an investment horizon shorter than 5 years
 - c) are looking for capital protection or full repayment of the amount invested
 - d) are risk averse or have a low tolerance to risk
 - e) need the investment to pay a predictable income

Distribution Channel

In light of the target market analysis, the optimal retail distribution channel for the product is via advised sales. Investment from non-advised sales and pure execution services will be considered where the investor meets the criteria of being either a High Net Worth Individual or a self-certified Sophisticated Investor.

A HIGH NET WORTH INDIVIDUAL is someone who can make a statement that includes the following:

At least one of the following applies to me:

- *I had, throughout the financial year immediately preceding the date below, an annual **income** to the value of **£100,000 or more**. Annual income for these purposes does not include money withdrawn from my pension savings (except where the withdrawals are used directly for income in retirement).*
- *I held, throughout the financial year immediately preceding the date below, **net assets** to the value of **£250,000 or more**. Net assets for these purposes do not include:*
 - a) *the property which is my primary residence or any money raised through a loan secured on that property; or*
 - b) *any rights of mine under a qualifying contract of insurance; or*
 - c) *any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependants are), or may be, entitled; or*
 - d) *any withdrawals from my pension savings (except where the withdrawals are used directly for income in retirement).*

I accept that the investments to which the promotions will relate may expose me to a significant risk of losing all of the money or other property invested. I am aware that it is open to me to seek advice from an authorised person who specialises in advising on non-mainstream pooled investments.

A SELF-CERTIFIED SOPHISTICATED INVESTOR is someone who can make a statement that includes the following:

At least one of the following applies to me:

- a) *I am a member of a network or syndicate of business angels and have been so for at least the last six months prior to the date below;*
- b) *I have made more than one investment in an unlisted company in the two years prior to the date below;*
- c) *I am working, or have worked in the two years prior to the date below, in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises;*
- d) *I am currently, or have been in the two years prior to the date below, a director of a company with an annual turnover of at least £1 million.*

I accept that the investments to which the promotions will relate may expose me to a significant risk of losing all of the money or other property invested. I am aware that it is open to me seek advice from someone who specialises in advising on non-mainstream pooled investments.