

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.

THAMES VENTURES VCT 2 PLC – DSO D SHARE CLASS

Product: DSO D Shares of 0.1 pence each nominal value issued by Thames Ventures VCT 2 plc (“Shares”)

ISIN: GB00B6QPQ463

Name of PRIIP manufacturer: Thames Ventures VCT 2 plc (reg. number 06789187) (the “Company”)

Website for the PRIIP manufacturer: <https://www.foresightgroup.eu/products/thames-ventures-vct-2-plc>

Call this telephone number for more information: +44(0)207 3667 8100

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

Date of production of this Key Information Document: 28 April 2023

Comprehension alert: You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type: Venture Capital Trust

Objectives: To invest in a portfolio of Venture Capital Investments in accordance with the VCT regulations and following the fifth anniversary of the last allotments of shares to seek realisations of its investments such that funds can be returned shareholders.

Bid-offer spread: Shares are bought and sold via markets. Typically, at any given time on any given day, the price you pay for a Share will be higher than the price at which you could sell it.

The recommended holding period: is one year to represent the short-term nature of an investment in the Shares. The DSO D Share pool is in the process of winding up, so once all the remaining portfolio investments are realised, the Company will redeem the Shares. As of this document’s date, there is no set date for when the remaining investments will be realised.

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 5 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 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 6 out of 7 which is the second highest risk class. This has been calculated using the prescribed methodology, based on historic share price data of appropriate proxies. This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact the amount you could get back. The is considerably higher than the risk rating shown in the previous KID which arises from a change of methodology such that all VCTs must now have a minimum risk score of 6.

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. This investment offers no capital guarantee against credit risk. If the underlying companies in which the Company invests do not pay what they owe the Company, you could lose part of the capital you invest (but you do not bear the risk of incurring additional financial obligations or commitments). If you cash in at an early stage, you may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back. This liquidity risk is not contractual but is due to there being a limited secondary market for shares in venture capital trusts. This investment offers no capital protection against future market performance so you could lose all or part of your investment if you sell in a poor market.

Performance Information

The Company is in the process of realising the investments held by the share class and returning funds to Shareholders. As of the date of this document, the DSO D Share pool has two remaining investments, with a total value of £16,000 as of 30 September 2022. As such, the main factors that will affect the performance of the Shares is the ability of the Board to realise the remaining investments on favourable terms and the broader market conditions surrounding the UK pub sector, to which the investments are exposed to.

As of 30 September 2022, the DSO D share pool portfolio is made up of 15.5% Pearce and Saunders Devco Limited, which is exposed to the UK pubs market, and 84.5% cash. Due to most holdings being cash, the high-risk rating of 6 above is not representative of the market risk of an investment in the Shares.

For performance and risk comparisons we have created a proxy covering the twenty-year period from March 2003 to March 2023. The proxy is formed to reflect the Share's investment portfolio, and as such is a blend of 85.5% cash and 15.5% UK-DS VCT Companies index. The proxy experienced an average historic one-year rolling return of -0.2% over all one-year periods within the data.

Our forward-looking moderate performance scenario is an annualised return of 0.0%. We have used this return in our reduction in yield calculations in the "What are the costs?" section below.

What could affect my return positively?

The ability of the Board to swiftly realise the remaining investments on favourable terms, and subsequently effectively pay the redemption proceeds will positively affect returns. Furthermore, an increase in demand within the market for pubs will also likely positively affect returns, as it may allow the Company to realise the investment at a higher value than anticipated. Over the recommended holding period, the proxy experienced a most favourable one-year return of 1.9%.

What could affect my return negatively?

Conversely to the above, factors that would affect returns negatively would be the Company realising the investments on unfavourable terms; and, once realised, a lowering of the redemption proceeds through high fees. An external factor that would likely affect returns is a lowering of valuations across the UK pubs market. Over the recommended holding period, the proxy experienced a most unfavourable one-year return of -5.6%.

What could happen under severely adverse market conditions?

Under severely adverse market conditions, there is a risk that the capital value of an investment in the Company's shares could reduce significantly, potentially down to zero.

What happens if Thames Ventures VCT 2 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) 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. 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*
Total costs	£431
Impact on return (RIY) per year	4.32%

*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.

Composition of costs

The table below shows the compounding 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	0.00%	Stamp duty reserve tax of 0.5% is payable if the Shares are purchased on the secondary market, however this is not included in these calculations.
	Exit costs	0.00%	We do not charge an exit fee for this product.
Ongoing costs	Portfolio transaction costs	0.00%	The Company's costs of buying and selling underlying investments (including costs borne by those companies). This is an estimate of the expected exposure to such costs.
	Other ongoing costs	4.31%	This represents the impact of the costs of running the DSO D Share Pool each year and includes the fees charged to investee companies by Downing LLP, of 1.17%.
Incidental costs	Performance fees	0.00%	The potential impact of the Performance Incentive arrangements in place.
	Carried interests	0.00%	There are no carried interest arrangements associated with this product.

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

The Recommended Holding Period is one year to represent the short-term nature of an investment in the Shares. The DSO D Share pool is in the process of winding up, so once all the remaining portfolio investments are realised, the Company will redeem the Shares. As of this document's date, there is no set date for when the remaining investments will be realised. Investments are likely to be realised by the sale of Shares back to the Company or in the market. The Company has a policy to buy back shares which its shareholders wish to sell, currently at a nil discount to the most recently announced NAV but its ability to do so may be limited by available cash, the rules of the UKLA, the Companies Act 2006 and the VCT Rules. 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?

Complaints about the Company or the key information document should be sent to the company secretary: Mr. Grant Whitehouse, Downing LLP, St. Magnus House, 3 Lower Thames Street, London EC3R 6HD or by email to thamesventuresvcts@downing.co.uk or telephone on 020 7416 7780 Website: www.foresightgroup.eu/complaints

Other relevant information:

The cost, performance and risk calculations included in this KID follow the methodology prescribed by UK rules, as stated in the PRIIPs Regulations. Performance has been calculated using the prescribed methodology, based on historic share price data of appropriate proxies.

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 go down as well as up and you 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 Company's investments will be qualifying companies or that the Company will maintain its qualifying status as a venture capital trust.