

Puma VCTs and the Autumn Budget 2025

The Autumn 2025 Budget represents one of the most significant evolutions to the Venture Capital Trust (VCT) scheme in over a decade. Following on from the ten-year extension to the scheme in 2024, the way that VCTs can deploy capital is being materially extended. For advisers, it creates both a timely planning opportunity for the current tax year and a structural shift in how VCTs will operate from April 2026 onwards.

Two key changes from 6 April 2026

1. The limits which control how much VCT funding a company can receive are doubling, as follows:

	CURRENT RATE	NEW LIMIT FROM 6 APRIL 2026
Annual company investment limit	£5m £10m for Knowledge Intensive Companies (KICs)	£10m £20m for KICs
Lifetime company limit	£12m £20m for KICs	£24m £40m for KICs
Gross assets test	£15m before share issue £16m after share issue	£30m before share issue £35m after share issue

Source: gov.uk, November 2025

2. Existing VCTs will be able to back larger companies, effectively meaning more support over a longer period. In return for this change, individuals investing in a VCT after 6 April 2026 will receive a reduced rate of upfront income tax relief – 20% instead of 30%.

What does this mean for our VCTs?

Our VCTs are ideally positioned to benefit from the new rules. The recent Budget allows more mature companies to receive VCT funding – and at higher levels than before.

- **Puma already invests in scale-ups, not start-ups**

Puma already focuses on ambitious UK scale-ups with proven market traction, leading larger rounds that support genuine strategic growth. Because we do not invest in start-ups, our investment team’s skills, experience and network are all aligned with companies that will be accessible to VCTs under the new limits.

- **A portfolio of established, revenue generating businesses**

We target well-managed, established, unquoted companies with clear product-market fit and average revenues of around £7 million¹ – putting many close to profitability (around 40%

of our portfolio already is²). Several of our companies sit near the existing cap, including CameraMatics, Lucky Saint and Pockit. The increased limits will allow us to back our existing success stories for longer.

- **A strong position at the larger end of the VCT market**

By focusing on scale-ups, we have always positioned ourselves at the larger end of the VCT investible market. We have built the networks, reputation and added-value capabilities needed to win these opportunities. We expect to be able to target new companies at the upper end of this limit, utilising existing market positioning and knowledge to invest in slightly larger companies with our first cheque. This should add robustness as we continue to add diversification.

¹ Over the last 12 months to August 2025, compared to the minimum revenue requirement of £1 million, typically seen with other VCT/EIS providers. Source: Puma Investments, June 2025.

² As of June 2025, based on the number of companies in the portfolio. Source: Puma Investments.

“
Extending the EIS and VCT limits increases the real-terms generosity of the schemes. This continues to provide support to new and early-stage companies, as well as those scaling up”

gov.uk, November 2025

The reduction in upfront income tax relief from 30% to 20% (effective 6 April 2026) has been justified by the lower risk profile associated with scale-ups versus start-ups, along with the valuable tax-free dividend stream that VCTs pay out to investors.

30% INCOME TAX RELIEF UNTIL 6 APRIL 2026



Until 6 April, investors can still access Puma’s established scale-up investment strategy with the existing 30% income tax relief – and our expert national Business Development team is here to help you make the most of it. Tax reliefs are not guaranteed, depend on individual circumstances and are subject to change.

To discuss our VCTs, contact us on **020 7096 8451** or email **businessdevelopment@pumainvestments.co.uk**

RISK FACTORS: An investment in a Puma VCT carries risk and you should take your own independent advice. You should only invest in a Puma VCT on the basis of the Prospectus for that Puma VCT, which details the risks of the investment. A copy of the Prospectus can be found at www.pumainvestments.co.uk. Below are the key risks. **General:** Past performance is no indication of future results and the forecasts in this document are not a reliable indicator of future performance. The payment of dividends is not guaranteed. Investors have no direct right of action against Puma Investments. The Financial Ombudsman Service/the Financial Services Compensation Scheme are not available. **Capital at Risk:** An investment in Puma VCTs can be viewed as high risk. Investors’ capital may be at risk. **Tax Reliefs:** Tax reliefs depend on individuals’ personal circumstances, a five-year minimum holding period and may be subject to change. **Liquidity:** It is unlikely there will be a liquid market in the shares of Puma VCTs and it may prove difficult for investors to realise their investment immediately or at all.

This document is an advertisement and not a prospectus. Any decision to invest should only be made on the basis of the information contained in the Prospectus and the Key Information Document (KID) available at www.pumainvestments.co.uk. This communication is a financial promotion issued by Puma Investments in accordance with section 21 of the Financial Services and Markets Act 2000 (“FSMA”). This communication has been prepared by Puma Investments for information purposes only and should not be read as advice, it is intended for the recipient only and should not be forwarded on. Puma Investments is a trading name of Puma Investment Management Limited (FCA No. 590919) which is authorised and regulated by the Financial Conduct Authority. Registered office address: Cassini House, 57 St James’s Street, London, SW1A 1LD. Registered as a private limited company in England and Wales No. 08210180.