



SHORE CAPITAL



PUMA HIGH INCOME VCT

Investment Summary

Important Notice

This Brochure sets out a brief overview relating to the proposed launch of Puma High Income VCT plc (“Puma VCT”). This Brochure is an advertisement, not a prospectus. Definitive investment decisions should be based solely on the Investment Details and Prospectus for the Puma VCT (“the Offering Documents”) and not on this Brochure. This Brochure is preliminary and is subject to material updating and amendment.

This Brochure, which is a financial promotion in accordance with section 21 of the Financial Services and Markets Act 2000, and an “advertisement” as described in the Prospectus rules made pursuant to section 73A of that Act, is issued by Shore Capital and Corporate Limited (“Shore Capital”) of Bond Street House, 14 Clifford Street, London W1S 4JU to suitable retail and professional clients of Shore Capital and to other eligible counterparties for the sole purpose of providing preliminary information about an investment in the proposed Puma VCT. This Brochure should not be distributed, published or reproduced, in whole or in part, nor should its contents be disclosed to any other person (other than the recipient’s professional advisers). By accepting delivery of this Brochure, recipients agree not to reproduce or distribute it in whole or in part, nor to disclose its contents without the prior written consent of Shore Capital.

Shore Capital, which is authorised and regulated by The Financial Services Authority and is a member of the Shore Capital group of companies, is acting solely for Puma VCT in relation to the matters referred to in this Brochure and will not be responsible to anyone other than Puma VCT for providing advice in relation to such matters or for providing the protections afforded to clients of Shore Capital.

Shore Capital, a member of the Shore Capital group of companies, will be Puma VCT’s Investment Manager, Puma VCT will have a Board the majority of whom are independent of Shore Capital.

No reliance should be placed on any information contained or referred to in this Brochure. The detailed provisions of the documents relating to Puma VCT will be finalised prior to the investment deadline. Neither Shore Capital nor any member of the Shore Capital group of companies, their respective directors, employees associates or agents make any representation or warranty as to the accuracy or completeness of the information contained in this Brochure, the reasonableness of any opinions which may form part of this Brochure, or the financial performance of Puma VCT. None of Shore Capital nor any member of the Shore Capital group of companies, nor any of their respective directors, officers, employees, associates and agents accept any responsibility or liability whatsoever, whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, for any loss however arising from any use of or reliance placed upon the information contained in this Brochure or otherwise arising in connection therewith. This Brochure is for information only and does not contain, and should not be construed as containing, an offer to sell or subscribe for, or a public solicitation to invest in, shares in Puma VCT.

There can be no guarantee that the investment objectives of Puma VCT can be met. Any examples of how the tax reliefs may work are illustrative only and are not intended to be a projection. The returns illustrated may not be achieved; in any event there is no guarantee that any returns can be achieved. The shares in Puma VCT are likely to be illiquid and hence their underlying value may be difficult to realise.

Past performance is not necessarily a guide to the future. Market movements may cause the value of an investment in Puma VCT to go down as well as up, and you may not get back the amount invested. Levels and bases of taxation and reliefs may change. The suitability of Puma VCT for private investors will depend upon their circumstances; potential investors should not treat the contents of this Brochure as constituting legal, taxation or investment advice and should consult their own professional advisers before contemplating any investment. Potential investors are referred to the risk factors relating to an investment in Puma VCT which will be set out in the Offering Documents. The tax reliefs referred to in this Brochure are those currently available and their value depends on individual circumstances. Investments in Qualifying Companies (as defined in the Offering Documents) carry a higher degree of risk than many other forms of investment.

Highlights

- **High Income** – aiming to pay an annual dividend of 7p per share, equivalent to a **10% tax-free running yield** on the net investment
- **Seeking secure investments** – like its predecessors, this VCT aims to protect investors by making its investments in smaller companies with security over their assets
- **Generous tax relief** – On each £1 invested, UK taxpayers receive 30p back from the Inland Revenue
- **Low initial cost** for establishing the VCT
 - 2% when the norm is 4-5%
 - 70p of net investment buys 98p of assets
- Shore Capital has a **successful long term track record** of investing into smaller companies
- Strong track record of existing Puma VCTs – **£65 million raised to date**
- Shore Capital also has a wider track record in delivering absolute returns and investing to **preserve capital** – important for the “non-qualifying” portfolio of the VCT
- Puma VCT V, with the same investment strategy, is the **best performing** VCT floated in that year

For further information please contact:

Melanie Sharpe or Hugh Rogers
Shore Capital Limited
Bond Street House
14 Clifford Street Tel: 020 7408 4050
London W1S 4JU Fax: 020 7408 4051
www.shorecap.co.uk E-mail: vct@shorecap.co.uk

Summary

Shore Capital is proud to be launching the Puma High Income Venture Capital Trust (“VCT”). The Puma High Income VCT will aim to pay out a **dividend of up to 7p each year to shareholders** over the lifetime of the company. This equates to a very attractive tax-free yield of 10% p.a. The opportunity to achieve a high tax-free yield will be particularly attractive as the current low levels of interest rates persist. It is likely that marginal higher rate taxes will rise next year and there will be reduced scope to make personal pension contributions. This is the latest VCT to be managed by our successful smaller company management team and will be run with the same investment philosophy of seeking capital preservation and modest returns as the existing stable of Puma VCTs.

The availability of a **30 per cent income tax relief** makes it possible to deliver strong investment returns from a modest performance of the investment portfolio.

The illustrative example below demonstrates that the tax advantages of VCTs allow for attractive post tax returns to investors on the basis of a relatively modest investment performance. Shore Capital will use our investment expertise to seek to mitigate the risk normally associated with the type of companies VCTs invest into and achieve consistent returns.

Shore Capital has a **strong track record of investing into smaller companies**, built up over the last 13 years. In periods of strong performance of smaller companies we have demonstrated excellent returns, whilst in more difficult conditions we have shown we can protect capital for shareholders. The aim of this VCT will be to invest in a qualifying portfolio of companies using senior secured debt and mezzanine finance, alongside equity exposure, to limit the downside risk for investors.

For Illustrative Purposes Only

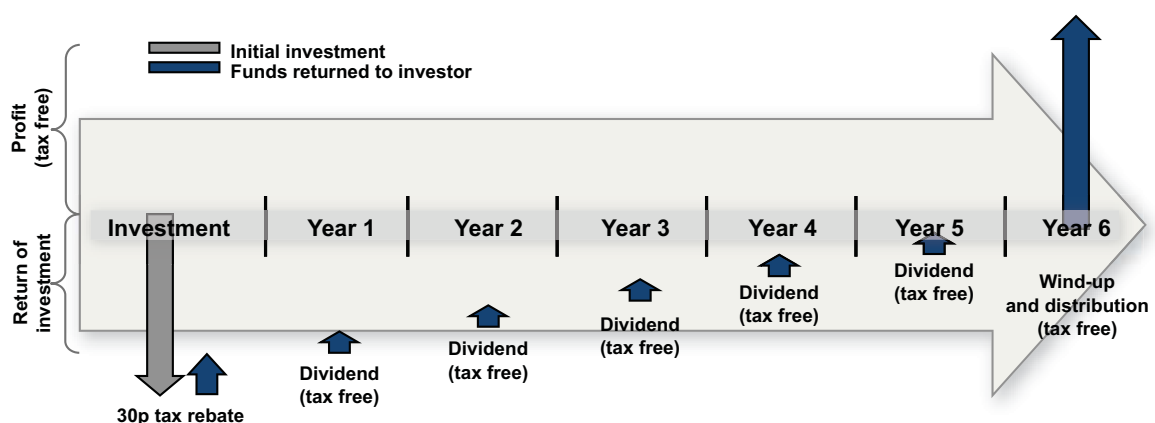
Portfolio Return	4.9%	6.6%	8.2%	9.6%	10.9%
Wind-Up Payment	70.0p	80.0p	90.0p	100.0p	110.0p
Investor IRR	8.5%	10.3%	12.0%	13.6%	14.7%

To **generate the strong dividend yield**, even within the first year of the company, the portfolio will initially consist of investments comprising short-dated bonds, high yielding blue chip equities and cash/highly liquid assets. These investments are closely monitored to achieve sustained growth and consistent income. We aim to continue paying such dividends every year whilst the portfolio of qualifying investments is reaching its mature level.

A further feature which differentiates the Puma High Income VCT from other VCTs is its cost structure. We are aware that establishment costs of between 4% and 5% of funds raised are typical in the VCT sector. We believe this level of establishment cost is not justified and can

be avoided. Like our previous VCTs, we have committed to **limit the costs of setting up the Puma High Income VCT to just 2% of the funds raised**. By doing so, we materially improve the prospects of attractive returns to investors.

The formula we use has been a proven strategy for Puma VCTs and is one which we can provide at a significantly lower cost than comparable VCTs. When held up against the context of turbulent and uncertain equity markets, low interest rates and increasing levels of personal taxation, the case for the Puma High Income VCT becomes all the more compelling. **We are backing this view by committing our own personal money to invest on the same terms as other investors.**



Investment Structure

Opportunity	To benefit from a major income tax relief of 30% on an investment of up to £200,000 per individual in the current tax year by investing in a Venture Capital Trust (“VCT”). Focus on absolute return, with a target paying out a 7p per share dividend each year over the life of the company. Any dividends and gains distributed to UK tax paying investors will be tax free, and sale of the VCT shares are not subject to capital gains tax.
Tax Relief	<i>Income tax relief of 30% of the amount invested, up to a maximum investment of £200,000 per tax year, but limited to the investor’s income tax liability in that year. The VCT shares must be held for at least 5 years or else the relief must be repaid.</i>
Tax Free Fund	<i>Dividends or other distributions received by the investor from the VCT are tax free. Capital gains on the disposal of VCT shares are tax free.</i>
Investment Strategy	To qualify for the VCT relief, the VCT must hold at least 70% of its assets in new shares or securities of qualifying companies, being smaller AIM and unquoted companies, by the end of the third year of its trading. Acquire a balanced portfolio of VCT qualifying investments over a 3 year period, selected to seek reasonable but relatively lower risk returns. Invest the balance of the assets in liquid absolute return investments, including a balanced portfolio of corporate bond funds, hedge funds and other suitable structured opportunities.
Advantages of the Investment Strategy	Investors will achieve an attractive return from the income tax relief itself and ongoing dividend. The Investment Strategy investment should therefore prove remunerative if the investment manager is able to deliver worthwhile absolute returns without incurring undue risks.
Investment Manager	Shore Capital is part of a publically quoted investment banking group specialising in alternative asset class funds and equity capital markets. The group has been managing funds investing in smaller quoted and unquoted companies for over 13 years and has an excellent track record (see below). It has been a leading player on AIM since AIM was established, being one of its largest market-makers and an active issuing house and nominated adviser.
Dividends	The Company’s aim is to pay dividends of up to 7p per annum. The Company expects to be in a position to make such annual payments from income received from its investments, failing which it will utilise its available distributable reserve to assist in paying a consistent level of dividends. Upon liquidation of the Company, the balance of the funds will be distributed to Shareholders. All such distributions are expected to be free of tax to UK taxpayers.
Life of the Company	The Company will not have a fixed life but the Directors will commit to review the portfolio after the first 5 years of trading with a view to an orderly liquidation of the Company’s assets and the distribution of capital and income to the shareholders. Any such distributions are expected to be free of tax to UK taxpayers.

Investment Manager's Track Record in:	Shore Capital has a strong track record over 13 years of investing in smaller quoted and unquoted companies and delivering consistent returns, both in periods of strong performance of smaller companies generally and in tougher periods. Puma I, May 1996 to August 2000, delivered net returns to investors after all costs of 76% p.a., whilst Puma II, launched in October 1999 has achieved an overall growth in net assets per share of 55% to July 2008.
Smaller Companies	Shore Capital launched Puma VCT and Puma VCT II in early 2005, Puma VCT III and Puma VCT IV in 2006 and Puma VCT V in 2008. As at the end of 30 September 2009, the estimated fully diluted net asset value per share, including cash distributions, of Puma VCT was 104.7p, Puma VCT II was 104.8p, Puma VCT III was 95.7, Puma VCT IV was 94.2p and Puma VCT V was 103.3p
All Absolute Return Investments	The return on a diversified portfolio of alternative investments is (net of fees) an IRR of 17.5% pa over 13 years to the 30th September 2009.
Offer Costs	The costs of the offer for shares in the VCT will be limited to 2% of the funds raised. <i>Shore Capital believes that these are the one of the lowest offer costs of any VCT offer made to date.</i>
Fees and Expenses	<p>The investment manager will charge an annual management fee of 2% of the value of assets under management. The manager may also charge the VCT a structuring fee of 1% of the value of any investments made into unquoted companies. An affiliate of the investment manager will provide administrative services to the company of 0.35% of NAV.</p> <p>The VCT will also be responsible for its normal third party costs including listing fees, audit and taxation services, registrars' fees, directors' fees and other incidental costs. Authorised financial intermediaries will, subject to conditions, receive an annual trail commission of 0.35% of the Net Asset Value. Annual costs, including investment management fees, will be capped at 3.5% p.a.</p>
Performance Fee	The manager will be entitled to a performance fee equivalent to 20% of any cash distribution paid during the life of the VCT or on its orderly distribution (see "Life of the Company") in excess of 100p per share (the gross cost to investors of their shares before tax relief of 30p per share).
Manager's Own Investment	Shore Capital's investment team have made significant personal investments into the previous Puma VCTs on the same terms as other investors, and expect to do so again. The investment from the Puma High Income VCT directors will total £283,000.

Shore Capital and Corporate Limited

Bond Street House
14 Clifford Street
London W1S 4JU
www.shorecap.co.uk

Tel: 020 7408 4050

Fax: 020 7408 4051

E-mail: vct@shorecap.co.uk