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.

MOLTEN VENTURES VCT PLC

Product: Ordinary Shares of 5 pence each nominal value issued by Molten Ventures VCT plc ("**Shares**")

ISIN: GB0002867140

Names of PRIIP manufacturers: Molten Ventures VCT plc (registered number 03424984) (the "**Company**") and Elderstreet Investments Limited (registered number 01825358) ("**Elderstreet**")

Website for the PRIIP manufacturer: www.moltenventures.com

Call this telephone number for more information: +44(0)207 416 7780

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

Date of production of this Key Information Document: 26 October 2022

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 provide good long-term tax-free returns to Shareholders through a combination of dividends and capital growth and 30% income tax relief for eligible VCT investors (as long as shares are held for 5 years from the date of allotment and other conditions are met). The Company invests in a diversified portfolio of smaller, unquoted companies with a particular focus on the technology sector.

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 ten years to allow for underlying investments to mature. The Company is intended to be evergreen and there are no relevant prescribed maturity dates, but it is always open for a majority of shareholders to resolve that the Company should be liquidated. If you subscribe for Shares at issue and hold them for less than five years you will lose any tax reliefs for which you may have been eligible in respect of that subscription.

Intended retail investor: a typical investor in the Company will be a UK higher-rate income taxpayer, over 18 years of age and with an investment range of between £6,000 and £200,000 who is capable of understanding and is comfortable with the risks of VCT investment.

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.

1	2	3	4	5	**6**	7

Lower risk ← → **Higher risk**

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

What are the risks and what could I get in return?

The main factors that will affect the performance of the Company are the performance of the investments in quoted and unquoted companies held within the portfolio; the ability of the Investment Manager to identify and make suitable investment decisions; the ability of the Fund Manager to mitigate counterparty risks, realise investments; the ability of the Company to fulfil many of its operational requirements and duties; and broader macroeconomic factors that affect the UK market and the valuations of quoted investments in the portfolio.

Over the past ten years from 17 October 2012 to 17 October 2022, the Company has delivered a shareholder return of 9.5% per annum with an annualised volatility of 18.1%. Our forward-looking ex-ante moderate performance scenario return is 5.4% per annum over the recommended holding period of ten years. We have used this ex-ante return to model the reduction in yield in our cost calculations below.

Venture Capital Trusts can carry more risk than might be indicated by the Company's share price performance history, so we have also compared the Company against a liquid daily traded investment proxy in the narrative below. The proxy used is a blended benchmark of smaller companies and AIM subsector equity indices to reflect the Company's technology-focused sector asset allocation on 31 March 2022. These sectors were dynamically reweighted based on available data to provide a full performance history from 18 May 1998 to 17 October 2022. The volatility of the Company's returns will vary, the highest volatility observed over a rolling ten-year period for the Company was 22.6% per annum.

What could affect my return positively?

Specific factors that could affect returns positively would be strong growth of the underlying investments within the portfolio and the ability of the Manager to continually identify and make promising new investments. General factors that affect positive returns for the Shares would be an extended period of UK economic growth and fiscal stability. An increased valuations of the UK technology sector would benefit returns as the Company is focused on Growth Technology investments, making up over 60% of the investment pool's value. Day to day, the Company has low correlations to UK markets, but we would expect larger upward market movements in the UK market to correlate with improvements in valuations in the Company's underlying investments.

In terms of quantitative evidence, the best one-year shareholder return for the Company was 70.8%; and over a ten-year recommended holding period, the best rolling ten-year performance was 13.4% per annum. Similarly, the proxy, which reflects the Company's current sector allocation, experienced a best one-year return of 242.1% and a best ten-year rolling performance of 11.3% per annum.

What could affect my return negatively?

Specific factors that affect returns negatively would be an underperforming portfolio of quoted and unquoted holdings, with some underlying holdings possibly defaulting, and a lack of liquidity within the Company to pursue new investments. A breach of the VCT regulations could result in a loss of VCT status and negatively impact returns through the loss of tax reliefs currently available to shareholders. A general factor that will affect returns negatively would be poor performance of the UK equity markets. In addition, a decrease in the valuations of the UK Technology sectors is also likely to impact on returns.

In terms of quantitative evidence, the lowest one-year return for the Company was -58.6%, and the lowest ten-year rolling return for the Company was -5.8% per annum. The more liquid proxy experienced a lowest one-year and ten-year return of -54.7% and -10.1% per annum respectively.

What could happen under severely adverse market conditions?

During the dotcom crash the Company lost 67.1% of its value from October 2000 to September 2002. In addition, during the financial crisis from July 2007 to March 2009 the proxy experienced a loss of 41.1%. Under severely adverse market conditions we would expect the value of the Shares to fall by similar amounts, however, the Company may experience a high proportion of defaults within the portfolio during such periods of stress, which could result in you losing all of your investment.

What happens if Molten Ventures VCT 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*	If you cash in after 5 years	If you cash in after 10 years
Total costs	**£904**	**£2,664**	**£6,307**
Impact on return (RIY) per year	9.04%	4.01%	3.39%

*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. You will also lose tax reliefs gained on subscription if you sell within five years.

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**	0.61%	If shares are acquired under an offer for subscription, Elderstreet Investments Limited will normally charge a promotion fee to the Company of 3.0%, plus 2.5% initial commission amounts invested depending on the category of investor. We have calculated the impact based on the maximum fees of 5.5%. 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.
Ongoing costs	**Portfolio transaction costs**	0.00%	The Company's costs of buying and selling underlying investments (including costs that borne by those companies). This is an estimate of the expected exposure to such costs.
	Other ongoing costs	2.72%	This represents impact of the costs of running the Company each year and includes the fees charged to investee companies by Elderstreet Investments Limited. The Company's annual running costs are capped at 3.5% of its net assets, including a management fee of 2.0% payable to Elderstreet Investments Limited.
Incidental costs	**Performance fees**	0.08%	A Performance Incentive arrangement is in place in respect of investments made within a five-year pool, the first such period starting on 1 April 2021. Based on historic performance, a fee is expected to be paid at this time.
	Carried interests	0.00%	There are no carried interested associated with this product.

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

The recommended holding period is a minimum of ten years because investing in smaller and unquoted companies involves a higher degree of risk and volatility and investments by the Company which prove to be successful may take longer to mature compared to those which prove to be less successful. 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 become available in the market, currently at a discount of 5.0% to the most recently announced NAV but its ability to do so may be limited by available cash, the listing rules issued by the FCA, 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?

As a shareholder of Molten Ventures VCT plc you do not have the right to complain to the Financial Ombudsman Service about the management of Molten Ventures VCT plc. 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.

Other relevant information:

Other relevant information relating to Molten Ventures VCT plc can be found in the Prospectus in respect of the Company's current Offer for Subscription, available from:
investors.moltenventures.com/investor-relations/vct or downing.co.uk/existing-investor/molten-ventures-vct-plc

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

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 Company 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 very 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.