

The logo for Money Wise UK, featuring the text "Money Wise UK" in a white, sans-serif font, with a registered trademark symbol (®) to the upper right of "UK". The text is set against a blue, brush-stroke style background.

Money Wise UK[®]

Growing together, with integrity and respect



Albion VCT – Manager Review

Manager Overview

Albion Capital is a long-standing, independent UK venture investor (c. £ 1 bn AUM; > £700m in VCTs) with a 50+ person team and a multi-cycle VCT track record dating back to the 1990s. Following the 2024 mergers, the platform now runs three VCTs with a combined unaudited NAV of >£700m (30 Jun 2025).

Investment Category

Generalist VCTs with a tech/healthcare tilt (software, fintech, digital health, some deeptech). Portfolios are predominantly unquoted “growth/scale-up” B2B businesses.

Current Offer (2025/26)

- Target raise: up to £60m across the three VCTs (£20m each) with £30m total overallotment (each VCT may add up to £10m). Minimum £6k aggregate (min £2k per chosen VCT). Offer pricing = latest NAV / 0.97 (3% issue costs) with early-bird discount (1% existing holders; 0.5% new) on first £10m.
- Dividend target: c. 5% of NAV p.a. (2.5% semi-annual), not guaranteed.
- Timetable: Offers open 3 Nov 2025 with staged allotments through Apr 2026.

Fees & Structure

- Initial costs: 3% (built into pricing formula; no separate charge to applicants). Early-bird reduces the effective issue cost.
- Ongoing: Mgmt fee 2%; annual running costs capped on average at 2.75%.
- Performance fee: 15% over a 5% p.a. hurdle measured over rolling 5-year periods (mechanics/timing vary by VCT; see KIDs).
- Buybacks: Boards intend to buy back around a 5% discount to NAV when possible (not guaranteed).

Investment Strategy

Back mission-critical B2B companies in Software, Healthtech/Life Sciences, Fintech and selective Deeptech. Follow-on capital supports winners; the VCTs co-invest to do larger tickets and multiple rounds. Recent initial checks illustrate £3–7m new deals.

Portfolio Overview

- Exposure: ~70 private UK companies across the three VCTs; sector mix (ex-cash) led by software/fintech/healthcare.
- Stage mix: c. 79% scale-up by value; diversified by employee count and stage.
- Largest positions: Quantexa, Oviva, Proveca (c. 27.6% combined of VCT NAVs)

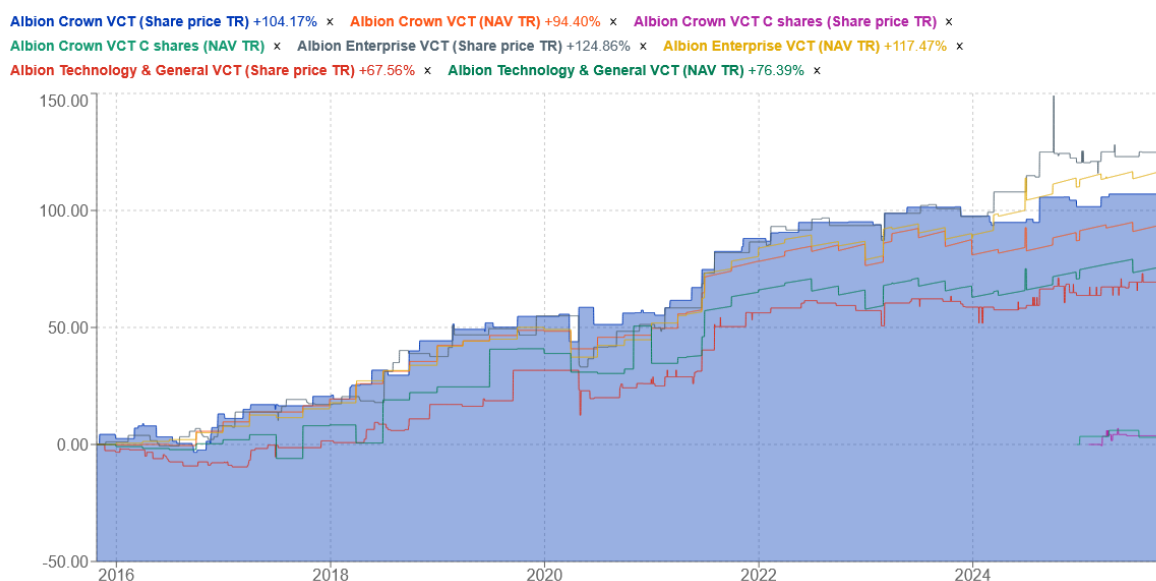
Asset breakdown (% of NAV)

	Asset-based companies	Growth companies	Cash and deposits
AAEV	7%	69%	24%
AATG	9%	70%	21%
CRWN - Ordinary shares	8%	64%	28%
CRWN - C shares	24%	67%	9%

Source: Albion Capital, 30 June 2025.

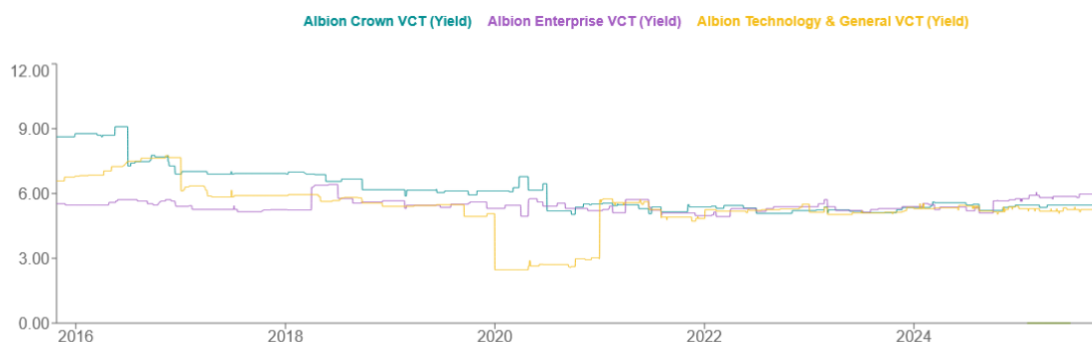
Performance & Track Record (exits)

- Average annual total return (dividends + NAV change): 5 yrs 6.5%, 10 yrs 6.9% (to 30 Jun 2025; unaudited; before tax relief).
- Realisation activity (Oct-22 to Sep-25): >£96m proceeds including sale of Egress (~£60m), partial Quantexa sales (~£16m), and disposals of Ophelos (~£6.6m) and Locum's Nest (~£5.3m).
- Recent new deals: OpenTrade (Fintech infra), Evaro (digital health), Latent Technology (AI animation); last 12 months: 31 investments into 29 companies; £53.3m deployed.



Dividends

Boards target ~5% NAV yield via semi-annual payments; distributions depend increasingly on capital profits (post-2018 VCT rules). DRIS available to reinvest dividends for new VCT shares (with tax relief if held 5+ years).



Dividend yield history (% of starting NAV)

	AAEV	AATG	CRWN
2020	4.8%	13.3%	11.0%
2021	4.9%	5.4%	10.1%
2022	4.9%	4.9%	5.0%
2023	5.2%	5.1%	5.1%
2024	15.9%	5.1%	5.1%
YTD	2.8%	2.5%	2.5%

Source: Morningstar. Dividend yields are based on the dividends paid over the period divided by the starting NAV of the VCT in each period. Past performance is no guide to the future.

Key Strengths

- Scale & depth: One of the largest VCT complexes with broad, seasoned team and >£700m VCT AUM.
- Clear focus: Mission-critical B2B software/healthcare with recurring-revenue bias; meaningful follow-on capacity (cash 20–28% in two of the three VCTs).
- Distribution policy: Long-run record of regular dividends, targeting ~5% yield.
- Demonstrable exits: Notable cash realisations (e.g., Egress; Quantexa partials).

Risks

- Early-stage & sector concentration risk: Tech/healthcare valuations can be volatile; top 3 holdings ≈27.6% of combined NAV.
- Illiquidity & discount: Secondary market is thin; buybacks targeted but discretionary.
- Dividend reliance on capital profits has increased post-rule changes.

Failures

As with all VCTs, some portfolio companies will underperform or fail to deliver on their growth ambitions. One recent example is Brytlyt, which developed software designed to enable artificial intelligence to run more efficiently on GPU hardware.

Albion invested a total of £3.3 million in Brytlyt (alongside Amadeus Capital and Finch Capital), with its first investment made in 2021. Despite forming partnerships with major firms such as Accenture and achieving modest revenue growth from £0.5 million to £1 million, the market for its technology did not develop as quickly as anticipated. The slower growth rate limited the company's ability to attract follow-on funding, and the business was subsequently marketed for sale.

In June 2024, Brytlyt was acquired by Open Signal, generating £60,000 of proceeds for the VCTs. While disappointing, this outcome reflects the inherent risks of investing in early-stage technology companies and underscores Albion's transparency in reporting both successful and unsuccessful investments.

VCT Size

- NAVs / assets: AEVT c. £280.5m (31 Mar 2025), AT&G c. £270.5m (30 Jun 2025), Albion Crown c. £170.1m (30 Jun 2025). 2025 raise earlier in the year totalled ~£80m post-merger; current top-up seeks £60m plus OA.

Number of Underlying Companies & Ticket Sizes

~70 across the combined platform (co-invested among the three VCTs).

Cash

Cash levels: AEVT 24%, AT&G 21%, Albion Crown (Ord) 28%, Crown C shares 9% (cash & deposits less current liabilities) – giving dry powder for follow-ons and buybacks.

Deal Size / Tickets

Illustrative initial cheques in recent disclosed deals are ~£3–7m; follow-ons can be larger via co-investment across the VCTs.

Conclusion

Albion's three-VCT platform offers scaled, diversified access to UK private growth companies with a clear ~5% NAV yield target, disciplined buyback intent, and ample cash to support portfolio winners. The strategy's B2B/software-and-healthcare focus has produced credible exits (e.g., Egress, Quantexa partials) and steady multi-year returns (5- and 10-year average annual total returns of c. 6.5–6.9%, pre-tax relief). Risks remain typical of VCTs—early-stage volatility, concentration in key winners, and market illiquidity—but Albion's scale, process and transparency make this a strong, mainstream option for investors comfortable with venture risk and seeking VCT tax benefits.

