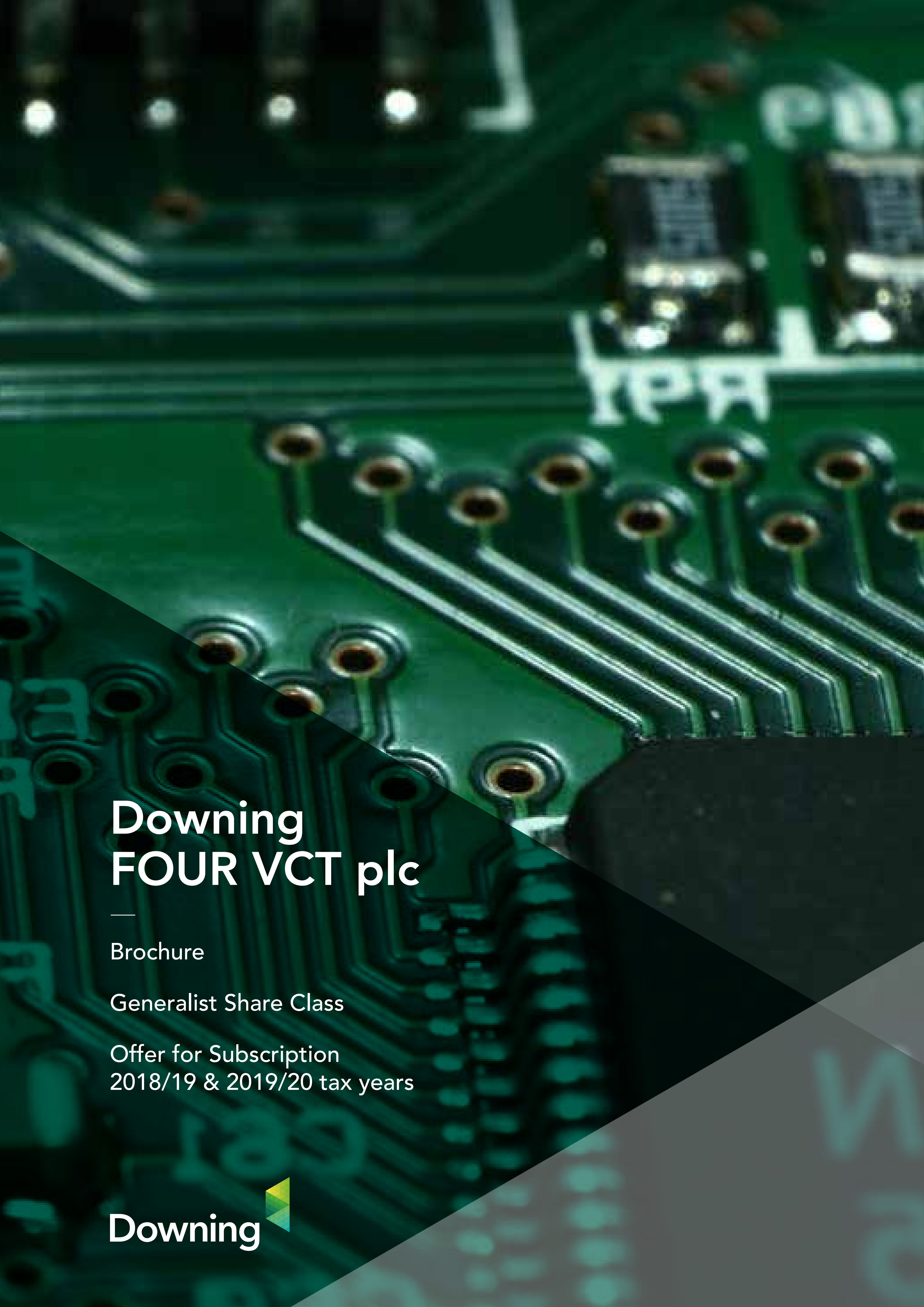


Downing FOUR VCT plc

Brochure

Generalist Share Class

Offer for Subscription
2018/19 & 2019/20 tax years

Downing

Important notice

If you are in any doubt about the content of this brochure for Downing FOUR VCT plc (the "Company" or "Downing FOUR") Generalist Share Class and/or any action that you should take, you should seek advice from an independent financial adviser who specialises in advising on opportunities of this type and is authorised under the Financial Services and Markets Act 2000 (FSMA).

This document constitutes a financial promotion pursuant to Section 21 of the FSMA and is issued by Downing LLP ('Downing'), St Magnus House, 3 Lower Thames Street, London EC3R 6HD, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

This document is provided as an introduction to the Generalist Share Offer set out in the Company's Prospectus dated 13 November 2018 ("Prospectus"). No reliance should be placed on this brochure – investors are recommended to read the Prospectus before making any decision to invest.

No person has been authorised to give any information, or to make any representation, concerning the offer other than the information contained in this document, the Prospectus, and the Application Form and, if given or made, such information or representation must not be relied upon.

This brochure does not constitute a direct offer to sell or a solicitation of an offer to purchase securities and in particular does not constitute an offering in any state, country or other jurisdiction where, or to any person or entity to whom, an offer or sale would be prohibited.

Downing has taken all reasonable care to ensure that the facts stated in this brochure are true and accurate in all material respects and that there are no other material facts whose omission would make any statement of fact or opinion in this brochure misleading. Nothing in this brochure constitutes investment, tax, legal or other advice by Downing.

All statements of opinion or belief contained in this brochure and all views expressed and statements made regarding future events represent Downing's own assessment and interpretation of information available to it as at the date of this brochure.

No representation is made, or assurances given, that such statements or views are correct or that the objectives of the offer will be achieved. Investors must determine for themselves what reliance (if any) they should place on such statements, views or forecasts, and no responsibility is accepted by Downing in respect thereof. All information contained in this brochure has been sourced by Downing unless otherwise stated.

We would like to take the opportunity to remind you that VCT investments are high risk and will not be appropriate for all recipients of this brochure. It is important you know about the risks involved with investing, as set out on page 4 of this document and within the Prospectus.

Please also remember that the value of an investment may go down as well as up, you may not get back the full amount invested, and tax rules and regulations are subject to change.

If you have any questions, please call our investor helpline on **020 7416 7780**.

For UK investors only.
Information correct as at 13 November 2018.

Welcome

Downing FOUR VCT – Generalist Share Class offers you the opportunity to be invested in a range of companies at different stages of maturity, while benefitting from attractive tax reliefs.

Downing FOUR is seeking to raise up to approximately £20 million in its Generalist Share Class, giving you the chance to support the growth of existing portfolio companies and take advantage of a strong pipeline of new investment opportunities.

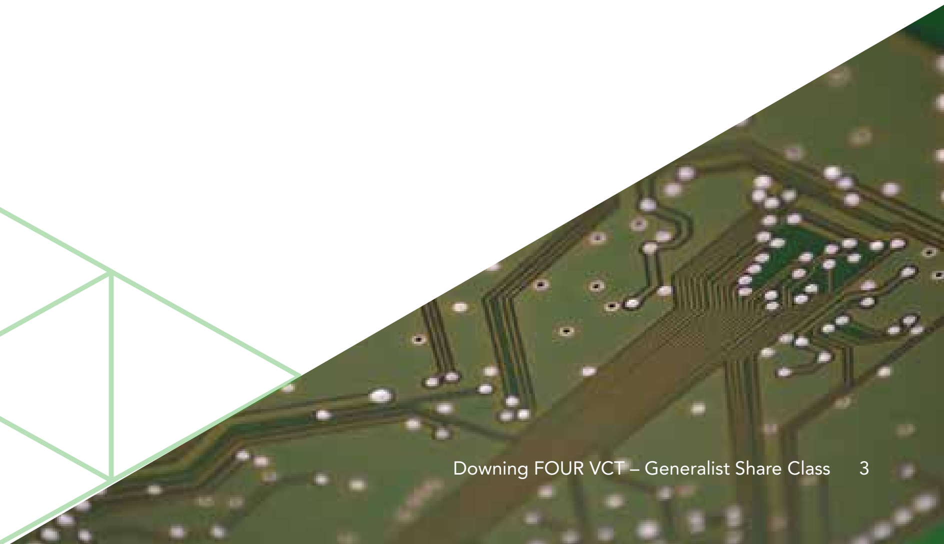
The offer has been designed for investors seeking a generalist strategy, while taking advantage of VCT tax reliefs.

This brochure gives you an overview of the tax reliefs available, the types of companies Downing FOUR could invest in and our approach to investment. It also contains important information on the charges and key risks.

You can find more detailed information in the Prospectus and, if you need anything else, please call our investor helpline on 020 7416 7780.

Key features

Offer size:	£20.3 million (with an over-allotment facility of up to £20.3 million)
Minimum investment:	£500 per month or £5,000 lump sum (across both the Healthcare and Generalist Share Classes of Downing FOUR)
Maximum investment:	£200,000 per tax year or £16,666 per month
Share buy-back policy:	Nil discount to NAV (subject to liquidity and regulations)
Dividend policy:	At least 4% per annum of NAV expected from summer 2020 onwards (this is a target and is not guaranteed)
Proprietary dealflow:	Downing Ventures EIS provides a pipeline of potential investment opportuntiies



The risks of investing

It's normal for equity investments to carry risk, but it's important you understand the risks so you can make an informed decision. Please note that VCT investments are high-risk.

We've outlined the key risks associated with an investment in the Generalist Share Class of Downing FOUR below – please refer to the Prospectus for a full list.

- **Capital is at risk**
  The value of the shares and income derived from them can fluctuate. There's no guarantee you'll get back the amount you invest.
- **Investments are long-term and high-risk**
  You should be prepared to hold your shares for a minimum of five years. Qualifying investments made by the Company will be in businesses which have a higher risk profile than larger "blue chip" companies and whose securities are not readily realisable and therefore may be difficult to realise.
- **Tax reliefs are not guaranteed**
  The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company. Changes may apply retrospectively, which could affect tax reliefs obtained by shareholders and the VCT status of the Company. If you dispose of your shares within five years of issue, you'll have to repay any income tax reliefs originally claimed.
- **Maintaining VCT status is not guaranteed**
  There can be no guarantee that the Company will retain its status as a VCT. Losing VCT status could lead to adverse tax consequences including a requirement for you to repay the 30% initial income tax relief.
- **Shares may be difficult to sell**
  Although the Company's shares are traded on the London Stock Exchange, there may not be a liquid market in the shares and you may find it difficult to sell them. In addition, the price at which shares are traded may not reflect their underlying net asset value.
- **You cannot rely on past performance**
  There can be no assurances that the Company will meet its objectives or identify suitable investment opportunities. The past performance of the Company and other funds managed or advised by Downing is not a guide to future performance.
- **There are investment restrictions**
  The Company's ability to obtain maximum value from its investments may be limited by the VCT rules. Changes in the VCT rules may be applied retrospectively and may reduce the level of your returns. Several new investment restrictions came into force in 2015 and 2017, which include VCT funds being prohibited from being used to finance management buy-outs or the acquisition of existing businesses as well as the inclusion of a 'capital-at-risk' test. In addition, the maximum lifetime amount a company can receive from VCTs has been restricted, as well as limiting VCT investment to companies under a certain age.
- **There are market risks**
  The investments the Company may make in funds comprising listed stocks will be subject to normal market fluctuations and other risks inherent in investing in securities.

Downing’s approach to investing

Looking after your financial wellbeing is at the core of our ethos and we treat your money as if it were our own.

The Company is managed by Downing LLP, whose origins date back to 1986. We’re an experienced investment manager, with over £1 billion of funds under management - of which £240 million is invested in VCTs (as at 30 June 2018).

We take the responsibility for managing your money very seriously and we don’t take unnecessary risks when making investment decisions on your behalf. Downing’s partners invest alongside you on the same terms, so you can be sure that we’re aligned to your interests.

Here are the key criteria we use to decide in which businesses to invest:

- Strong management team
- Clear and large market for product
- Defensibility against competition and new market entrants
- Obvious routes to exit

We know that a successful business needs a strong team behind it, so we look for management teams with the appropriate skills and with whom we can build a long-term relationship.

We take time to get to know them, their business and their aspirations, and work alongside them to achieve success.

Once invested, we offer support in a variety of ways to help businesses grow; and often have a representative on investee companies’ boards to maintain oversight and help them achieve their performance milestones.

We look for strong management teams with whom we can build a long-term relationship.

A generalist growth strategy

We seek to provide attractive returns from a portfolio of VCT-qualifying growth investments.

Finding the right balance of risk versus return is very important. We'll invest in a range of companies at different stages of the business life cycle and seek to maximise the returns available to investors. We will also try to manage risk where possible.

Our investments will be in companies that we believe have prospects for high levels of capital growth, reflecting their higher risk profile.

Most of the companies we invest in are likely to be generating revenues but many may still be pre-profit, with our funding expected to push them closer to break-even and profitability. Some companies may already be profitable but with cashflows that may not be enough to fuel their growth potential.

We have a wealth of experience in investing in early stage companies through the funds we manage, including other VCTs and EISs. Our first VCT was launched in 1997.

Our Ventures EIS portfolio provides a source of proprietary follow-on deal flow for the Generalist Share Class and the VCT can seek to support those opportunities that are demonstrating the most traction.

We'll draw upon our extensive expertise in the early-stage investment space when selecting investment opportunities for the Share Class. Downing has been investing in high-growth businesses since 2012 and our dedicated ventures team currently manages a portfolio of 54 companies valued at over £60 million as at 30 September 2018.

The team is active in the venture capital industry and was recently named the joint fifth most active UK and Ireland venture investor for the second quarter of 2018.*

*Pitchbook, Global League Tables 2Q 2018

A closer look at a couple of the investments we've made

Highlighted below are two investments backed by Downing FOUR Generalist Share Class that illustrate the types of investments we will look to make.

Revenue generating pre-profit

Masters of Pie provides a virtual and augmented reality module that integrates with computer aided design (CAD) platforms. The company has developed a platform named 'Radical' that allows industrial designers and production line experts to load their data into a virtual meeting space and collaborate with their colleagues in 'real time'.

The company has partnered with Siemens and Ford and aims to expand its partnerships with Original Equipment Manufacturers ("OEMs") to receive royalties on each license that an OEM sells.

The virtual reality market is predicted to grow to nearly $80 billion by 2025, a subset of this growth being in the engineering sector in which Masters of Pie operates.

Profitable

Xupes Limited is an online retailer of pre-owned luxury goods. We were attracted by the opportunity to back an experienced management team as they aim to become the go-to online store for pre-owned luxury goods, such as watches and handbags. The e-commerce market has developed considerably over the past 10 years, led in part, we believe, by an increased level of trust in online shopping. Because of this, we see now as an exciting time to be a part of Xupes's growth.

Following our investment, the business has continued to impress and generated excellent press coverage in 2018, featuring in Business Insider, the Financial Times and Esquire.

MASTERS OF PIE

XUPES.COM

Note: the investments have been set out above for illustrative purposes only.

Qualifying investment portfolio split

The Company will seek to invest in businesses across a range of sectors and at different points in the business life cycle.

The Generalist Share Class investments are made up of qualifying and non-qualifying investments. The non-qualifying investments currently comprise funds managed by Downing's Public Equity team and cash deposits as explained on page 9.

In respect of the qualifying investments, we're continuing to build a portfolio of investments across a range of sectors. We focus on investing in revenue-generating companies and opportunities demonstrating positive traction and a foreseeable exit route.

The table below represents an estimated split of the portfolio by stage of investment. The actual portfolio may vary from the table, depending on the opportunities available at the time of investment. **The potential returns are not guaranteed.**

STAGE OF GROWTH	REVENUE GENERATING PRE-PROFIT	PROFITABLE
Anticipated split of portfolio	75% to 90%	10% to 25%
Potential returns on cost	3x to 5x	1.5x to 3x
Potential risk	High	High-medium
Business characteristics	Business is generating revenues demonstrating viability of product/service. Needs to increase level of sales to become profitable and viable in the long-term.	Business is now generating profits in addition to revenue but additional funding required to fuel further expansion.

Liquidity investments

Our award-winning* Public Equity team will aim to minimise cash deposits to make the most of your investment.

With the Bank of England base rate currently at 0.75%, returns from funds held on deposit will be negligible and significantly below the Company's running costs, which will result in a declining net asset value on that proportion of the funds.

Therefore, the Company will seek to minimise cash deposits by investing up to 70% of the funds raised within six months (subject to market conditions and working capital requirements) in listed opportunities and funds managed by Downing's award-winning Public Equity team*. These assets should be sufficiently liquid to allow them to be released to make qualifying investments when required.

Downing Public Equity

The funds invested in Downing managed funds will predominantly be in micro-cap opportunities, although funds with other strategies will also be considered to provide additional diversification. Downing currently has three funds focused on micro and small-cap investments:

- MI Downing UK Micro-Cap Growth Fund
- MI Downing Monthly Income Fund
- Downing Strategic Micro-Cap Investment Trust plc

Downing's Public Equity division was established in 2010 by Judith MacKenzie. Since then, the team has grown to manage more than £200 million of publicly-listed assets across the UK micro-cap and UK equity income sectors. Judith has over 20 years' investment experience, is the lead fund manager for Downing's Micro-Cap Growth Fund and Investment Trust, and sits on the Investment Committee of the Monthly Income Fund.

Downing will rebate to Downing FOUR all management fees received from Downing managed public equity funds in respect of Downing FOUR's holdings. This rebate is a benefit of investing in Downing funds compared to investing in other asset managers' funds.

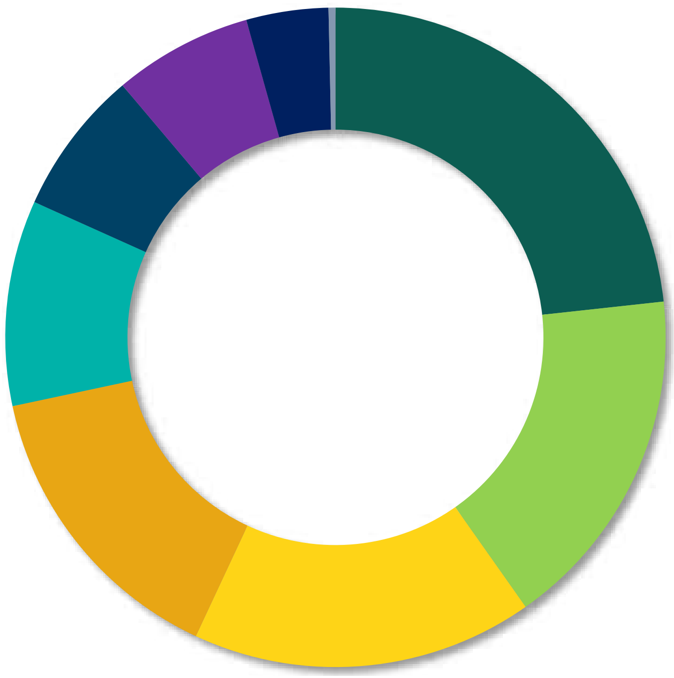
*Judith MacKenzie, Small-Cap Fund Manager of the Year, UK Small Cap Awards 2013 and 2015, Downing Micro-Cap Growth Fund

Access to a generalist portfolio of investments

New investors' subscriptions will be spread across a growing portfolio of early stage businesses.

Current sector split

Set out below is the portfolio (by value) of Downing FOUR's Generalist Share Class as at 19 October 2018, split by sector. This does not include liquidity investments or cash.



Technology	23%
Healthcare	17%
Education	17%
Pubs	15%
Manufacturing	10%
Recruitment	7%
E-commerce	7%
Construction	4%
Travel and leisure	<1%

Set out opposite is the total portfolio of the Generalist Share Class as at 19 October 2018. The Share Class made its first investment in February 2017 in Xupes Limited. Since then the portfolio has grown but remains in its infancy with 10 new investments made in 2018, and 25 investments in total. As such, the majority of the portfolio is currently held at cost.

Four of the qualifying investments are valued below cost, but we believe offer potential for uplift in value in the future. Other investments are showing promising signs, but it is still too early to uplift any valuations. Alongside this, the Share Class' non-qualifying holdings in Downing's public equity funds have been impacted by a falling stock market which has widely affected company valuations.

We consider that the market sentiment has been cautious on UK smaller companies because of the uncertainty of the current political climate, particularly Brexit. This has had an impact across our public equity funds, but the fund manager is confident of improved performance as the markets navigate this time of uncertainty. The Share Class' non-qualifying investments are longer term holdings and our funds continue to outperform their indices over a five year time frame – a typical holding period for a VCT.

* non-qualifying investment

^ listed and traded on the Main Market of the London Stock Exchange

^^ quoted on AIM

The total portfolio (as at 19 October 2018)

Generalist Share pool	Cost £'000	Valuation £'000	% of portfolio
Venture capital investments			
Live Better With Limited *E-commerce business selling products for those with long-term health conditions*	1,211	1,284	4.5%
Lignia Wood Company Limited *Producer of modified sustainable wood*	1,111	1,111	3.9%
Maverick Pubs (Holdings) Limited *Pub company*	1,000	1,000	3.5%
E-Fundamentals (Group) Limited *Analytics tool developer for brand owners selling through online retailers*	917	917	3.2%
BridgeU Corporation *University and careers guidance platform for global secondary schools*	811	811	2.9%
Hackajob Limited *Specialist technology recruitment platform*	784	784	2.8%
Empiribox Limited *Education technology company providing schools with specialist science equipment and training for teachers*	750	750	2.7%
Xupes Limited *Online retailer of second-hand luxury items*	750	750	2.7%
Glownet Limited *A cashless solution & advanced data analytics platform for live events*	741	741	2.6%
Ormsborough Limited *Pub company*	900	621	2.2%
Volo Commerce Limited *Software developer for retailers selling through online market places*	567	567	2.0%
Fenkle Street LLP* *Property developer*	321	321	1.1%
Virtual Class Limited *Online educational platform providing primary school maths tuition*	525	282	1.0%
Destiny Pharma plc^^ *Drug development company*	500	242	0.9%
Arecor Limited *Drug development technology provider*	240	240	0.9%
Limitless Technology Limited *Crowdsourced customer service technology*	173	173	0.6%
Masters of Pie Limited *Augmented/virtual reality software for computer aided design*	167	167	0.6%
ADC Biotechnology Limited *Drug development technology provider*	250	104	0.4%
Others* *Non-qualifying investments*	153	159	0.5%
Liquidity investments			
MI Downing Monthly Income Fund*	3,950	3,707	13.1%
MI Downing UK Micro-Cap Growth Fund*	4,025	3,670	13.0%
Downing Strategic Micro-Cap Investment Trust plc*^	4,100	3,444	12.2%
MI Downing Diversified Global Managers Fund*	1,800	1,805	6.4%
Total investments	25,746	23,650	83.7%
Cash at bank and in hand		4,612	16.3%
Total		28,262	100.0%

Monthly subscriptions

As annual and lifetime pension limits continue to be restricted, VCTs may provide an attractive supplement to retirement income through tax-free dividend payments.

We're pleased to offer a monthly standing order option, allowing investors to subscribe a regular amount in the VCT, in addition to the usual lump sum offer.

Monthly subscriptions will be allotted at least quarterly in the Company. Share and tax certificates will be sent out quarterly after each allotment. Allotments are anticipated to be made at the end of March, June, September and December (although additional allotments may be made).

The maximum individual subscription per tax year remains at £200,000 (£16,666 per month), and the minimum monthly subscription will be £500 per month.

Once this offer has closed, it's anticipated that it'll be replaced with a new offer on a similar basis to enable monthly contributions to continue.

	Monthly contribution	Equivalent annual amount subscribed
Minimum monthly subscription	£500	£6,000
Maximum monthly subscription	£16,666	£199,992

Target dividend returns and exit opportunities

By offering a nil discount buy-back policy, we aim to give shareholders the opportunity to exit Downing FOUR in one transaction, at a time that suits them, with no exit penalties.

Target dividend returns

It's anticipated that dividends will be paid from summer 2020 onwards. Thereafter, it's intended that the Company will pay an annual dividend of at least 4% per annum tax-free on shares held in the Generalist Share Class, based on the net asset value ("NAV") of the shares.

Please note that this is a target and is not guaranteed. It's subject to the availability of sufficient liquid reserves and compliance with VCT regulations.

Exit opportunities

Evergreen VCTs have no fixed life and investors seeking to exit their investment usually sell their shares, which are often purchased by the VCT at a discount to NAV (typically a 5% – 20% discount*). A "discount to NAV" is effectively a penalty on exit.

The Company intends to buy-back shares at a nil discount to its latest published NAV (i.e. no exit penalty). This policy is subject to applicable regulations, market conditions at the time, and the VCT having available both the necessary funds and distributable reserves.

Please remember that if you don't hold your shares for the minimum holding period of five years, you'll need to repay any income tax relief you have received (except in the case of a shareholder's death).

* Source: Trustnet, 5 October 2018 – over 50% of the VCTs listed had a share price trading in the range of a 5% - 20% discount to NAV

VCT rules and tax benefits

Downing is an experienced manager whose team has managed VCTs since 1997.

VCT-qualifying conditions

VCTs are designed to support UK SME businesses with high potential for growth. We've adapted our investment approach to fit a number of different rule changes. We're experienced in sourcing and selecting investments that qualify for VCT funding. The main rules for which are outlined below:

- The company must be unquoted i.e. not listed on a main stock exchange. (companies whose shares are traded on AIM or the NEX Exchange Growth Market are treated as unquoted.)
- At the time of investment, the company must have less than 250 full-time employees.
- A VCT can invest up to 15% of its funds in a company, although a company can only receive a total of £5 million of funding in any 12-month period from any source classed as 'aid'. Aid includes VCTs, Enterprise Investment Schemes, Seed Enterprise Investment Schemes and any other government incentive scheme.
- The gross assets of the company must be £15 million or less at the time of investment and not more than £16 million immediately after.

In addition, the company must carry out a 'qualifying trade' to receive VCT funding. Most trades are qualifying, although there are some exceptions including dealing in land, property development, financial activities, farming and the management of hotels and nursing homes. If non-qualifying trades make up more than 20% of the company's activities, it isn't eligible for VCT funding.

For VCT investments made after 6 April 2018, the government has introduced a new 'risk to capital' condition when providing advance assurance. HMRC will consider whether there is a significant risk of loss of capital and encourage VCT investment into early-stage high risk companies.

Please note, the qualifying criteria set out above could change. You can find out more about the latest VCT legislation on HMRC's website.

Attractive tax benefits

In return for supporting high potential growth companies, investors can benefit from attractive tax reliefs. Set out below are the main tax reliefs available under the offer on a maximum investment of £200,000 per individual, per tax year.

- **Income tax relief - 30% of the amount subscribed**
  This is conditional upon you holding your VCT shares for at least five years and not having sold any shares in the Company six months either side of the issue of the new shares. Relief is restricted to the amount which reduces your income tax liability to nil.
- **Tax-free dividends and capital distributions**
  Dividends and capital distributions from a VCT are tax-free.
- **Capital gains tax**
  Capital gains tax exemption on any gains arising on the disposal of VCT shares.

To help you understand the benefits of investing in a VCT, here's an example that shows the effect of the initial 30% income tax relief.

Example £10,000 notional investment

Cost of investment	
Your gross investment	£10,000
30% income tax relief	(£3,000)
Your net investment	£7,000
Initial value of investment	
Your gross investment	£10,000
Assumed issue costs of 3% on your gross investment	(£300)
Initial value of your investment	£9,700
Initial uplift (£)	+£2,700
Initial uplift (%)	+38.6%

In the example above, the effect of any adviser charges or early application discounts received have been ignored. Note that because you are required to hold the shares for at least five years in order to retain income tax relief on your investment, this initial uplift cannot be immediately realised.

This is only a brief summary of the VCT rules and UK tax position for investors in VCTs and is based on the Company's and Downing's understanding of current law and practice. Further details are set out in the Prospectus. We recommend that investors consult their own appropriate professional advisers before investing. Remember that the availability of tax reliefs is subject to personal circumstances and relies on the Company maintaining its VCT qualifying status. Tax treatment may be subject to change.

For more information on VCTs and the rules, please see our guide to VCTs, available at www.downing.co.uk/vct.

Key members of our investment team

We have an investment team of over 45.

At Downing, we only invest after carrying out our due diligence process, including approval by our investment committee. The six investment professionals listed below are key members of the Downing investment team who are likely to be directly involved in the management of the Generalist Share Class.

Chris Allner, Partner and Head of Investment

Chris has 35 years of venture capital and private equity experience, most recently as head of private equity at Octopus Investments. Prior to this, he was a director at Beringea and Bridgepoint with previous experience at 3i and Charterhouse. Chris has transacted over 50 investments and has sat on the boards of a number of unquoted and quoted portfolio companies across a variety of commercial sectors. Chris joined Downing in March 2012.

Dr Kostas Manolis, Partner and Head of Unquoted

Kostas has more than 14 years' private equity experience as investor, board director, portfolio manager, adviser and business angel. He worked as a corporate finance advisor at PwC and later joined the private equity team of Bank of Scotland in 2006. Kostas was a member of the Caird Capital team that led a successful spin out of a £500 million private equity portfolio from Lloyds Banking Group in 2010. He holds a degree in Biochemistry, a PhD in Molecular Genetics and is a chartered accountant.

Colin Corbally, Partner and Head of Investment Strategy

Colin qualified as a solicitor with Linklaters in 1996 and spent six years as Senior Manager at 3i Group in corporate finance and venture capital. He then spent four years at The Royal Bank of Scotland where he was a Director, structuring debt and equity investments, before joining Downing in 2006.

Judith MacKenzie, Partner and Head of Quoted Funds

Judith joined Downing in October 2009. Previously, she was a partner at Acuity Capital, a buy-out from Electra Private Equity. Prior to Acuity, Judith spent seven years with Aberdeen Asset Management Growth Capital as co-Fund Manager of the five Aberdeen VCTs, focussing on technology and media investments in both the public and private arenas. She is a Certified Fellow of the Securities Institute.

James Lewis, Investment Director

James joined Downing in 2012 and is involved in sourcing and evaluating transactions, alongside managing a number of portfolio companies. He qualified as a chartered accountant with PwC in London and Hong Kong. Immediately before joining Downing James returned to London to run the finance and operations of a small UK-based drinks company. At Downing he focusses on businesses seeking growth capital.

Richard Lewis, Investment Director

Richard joined Downing in January 2017 where he focusses on supporting businesses seeking growth capital. He has 15 years' venture capital and private equity experience. Richard started his career at Manchester-based North West Equity Fund, working within a team to complete 30 investments over a five-year period. He then moved to London and spent nine years at Mitsui & Co, completing growth and venture capital investments in the UK, USA and Israel. Immediately prior to joining Downing, Richard worked at Radius Equity as the Head of Investment and has an MBA from Manchester Business School.

Charges

We are always open and transparent about our charges. We make sure all the information is provided up-front so you can be confident there will be no hidden surprises.

Early application discount to the initial fee available, please see page 1 of the Prospectus for more details.

Initial costs	‣ Direct and advised investors: Downing's promoter fee: 3% of the monies subscribed. Initial adviser fees can be facilitated through the Offer (see the Application Form for more details). Any initial adviser fees will be dealt with by adjusting the issue price of your shares. You'll receive tax relief on the full amount of the gross sum that you invest. ‣ Intermediary introduced investors: Downing's promoter fee: 5% of the monies subscribed. We'll pay commission to introducing intermediaries out of this promoter fee.
Annual fees	‣ Investment management fee: We receive an annual investment management fee - paid by the Company - of 2% of the net assets of the Generalist Share Class. ‣ Secretarial and administration fees: We also provide secretarial and administration services to the VCT. The charges are based on a formula which takes into account the number of share classes and net assets. Assuming full subscription, these charges are not expected to be in excess of 0.20% of the Generalist Share Class' net assets per annum. The Company also pays 0.25% of net assets for five years in respect of offer shares on which trail commission is payable. This is paid to Downing, out of which it pays trail commission to intermediaries. ‣ Annual running costs: The annual running costs are capped at 3% (including irrecoverable VAT) of net assets of the Generalist Share Class and Downing will pay any excess. Annual running costs include directors' fees, fees for audit and taxation advice, commission, registrar's fees, costs of communicating with shareholders and investment management fees.
Performance incentive	A performance incentive equivalent to 20% of all dividends is paid if the total return exceeds a hurdle. For the hurdle to be met, the Generalist Share Class must have a total return in excess of £1.00 for all years to 31 March 2020. For subsequent years, the total return hurdle increases by £0.03 per annum. We do not anticipate paying any dividends until summer 2020, so do not expect any performance incentive to be payable before then.
Charges payable by investee companies	An arrangement fee of up to 3% of the amount invested will be charged by Downing to each underlying business, plus an annual monitoring fee capped at the higher of £10,000 per annum or 0.5% of the cost of the investment per annum, per business. Any costs incurred on abortive investments will be paid by us, not the Company. For further details of costs and charges please refer to the Prospectus.

What to do next

Before applying, please read the Prospectus (including the risk factors) and get in touch with your financial adviser to discuss the suitability of our VCT for you.

When you are ready to invest

- Complete and follow the instructions in the Application Form

If you wish to start a monthly standing order, please ensure you set it up with your bank, which can usually be done online.

If you would like any more information, call our investor helpline on **020 7416 7780** and we'll be happy to help. Please note that we can't provide investment or tax advice.

Investment limits

- Minimum investment
  - £5,000 lump sum (which can be split over two tax years); or
  - £500 per month.

  (across both the Generalist and Healthcare Share Classes of Downing FOUR)

- Maximum investment
  - £200,000 lump sum per tax year; or
  - £16,666 per month.

After you submit your application we'll send you:

- An email confirming that we've received your application (issued within two business days)
- An email when your shares have been allotted (issued in due course)
- A share certificate and a VCT income tax certificate for you to claim your income tax relief (expected within four weeks of your shares being allotted)
- Share certificates and income tax certificates quarterly after each allotment (for monthly subscriptions)

Board of directors

- Lord Flight (Chairman)
- Sir Aubrey Brocklebank
- Russell Catley

The Board comprises three independent non-executive directors and each has extensive experience in investment management.

Price of the Offer

The Offer price is calculated based on the latest NAV adjusted to reflect the promoter's fee and, if applicable, any adviser charges, waived commission or early application discounts.

Closing dates

- 3pm on 5 April 2019 for the tax year 2018/19
- 3pm on 30 June 2019 for the tax year 2019/20
- (Unless extended or fully subscribed earlier)

Target dividend payment dates

- Summer 2020 onwards

Financial reporting

- Annual report and accounts to 31 March
- Half-yearly reports to 30 September

Conflicts of interest policy

The Company may co-invest alongside other funds managed or advised by Downing LLP. This can allow the Company to invest in a broader range of transactions and/ or larger scale transactions than it might otherwise be able to access on its own. With these relationships, there's a chance that the interests of one group of investors will present a conflict with the interests of another group or with the interests of Downing. The Company's co-investment policy is summarised in the Prospectus.

In the event of a conflict of interest, the Directors will work with Downing to ensure that any conflicts are resolved fairly and in accordance with Downing's conflicts policy.

Downing

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