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# MOBEUS VCT NEWSLETTER

## SUMMER 2016

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MOBEUS INCOME & GROWTH VCT PLC MIG

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MOBEUS INCOME & GROWTH 2 VCT PLC MIG2

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MOBEUS INCOME & GROWTH 4 VCT PLC MIG4

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THE INCOME & GROWTH VCT PLC I&G

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## WELCOME TO THE SUMMER 2016 NEWSLETTER

The completion of the first two growth capital investments made under the new VCT rules and steady portfolio performance has contributed to a positive start to 2016.

### Impact of Brexit

The decision to leave the EU has created considerable short-term uncertainty for the UK economy and market volatility. This is unwelcome, but we believe that Brexit will not have a significant impact on our investment programme nor on the VCTs' performance over the medium-term.

### New VCT Rules - a reminder

New VCT legislation under the November 2015 Finance Act has caused your VCTs to change the focus of new investment towards smaller, younger businesses. Investments to finance the acquisitions of businesses, such as MBOs, are no longer permitted, although the VCTs' existing MBO investments continue to be qualifying holdings. This new legislation has affected all investments made by ALL VCTs.

Investors in I&G VCT, MIG VCT and MIG4 VCT will be aware that those Companies have recently revised their Investment Policy in order to comply with the requirements of the new legislation. The Board of MIG2 VCT has recently sent similar proposals to its shareholders, for approval at MIG2's Annual General Meeting on 15 September 2016. As Investment Adviser, we are progressing several new investment opportunities that comply with the new legislation and are confident that we can continue to deliver good returns to shareholders.

### Shareholder Event - Date for your diary

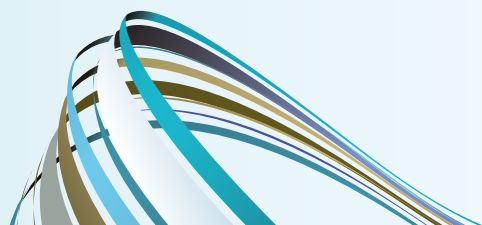
The next meeting will again be held at the Royal Institute of British Architects, on 24 January 2017. An invitation is enclosed with this newsletter.

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## INVESTMENT AND PORTFOLIO NEWS

### Ten largest investments



Across the current combined asset base of £240.3 million, the VCTs' ten largest investments account for £87.4 million by value (36% of the asset base) and are shown in the table below.

Company	Business	Total (£m)	
		Cost	Valuation
 Entanet International	Wholesale communications provision	9.5	13.5
 Virgin Wines	Online wine retailing	8.4	12.3
 ASL Technology	Printer and photocopier services	9.7	11.1
 Access-IS	Data capture and scanning hardware	11.0	11.0
 MBI	Events and publishing	11.7	9.9
 Veritek Global	Maintenance of imaging equipment	6.9	7.0
 Motorclean	Vehicle cleaning and valet services	5.3	6.6
 Tharstern	Print sector management information systems	4.7	5.8
 CGI	Adhesive decorative graphics for vehicles	6.2	5.5
 Gro-Group	Baby sleep products	7.1	4.7
<b>Total for ten largest investments</b>		<b>80.5</b>	<b>87.4</b>
Other Investments		91.4	84.7
<b>Portfolio Total</b>		<b>171.9</b>	<b>172.1</b>

The above data have been extracted from each VCT's latest announced financial information, adjusted for subsequent additions and disposals to 30 June 2016.

### New investment - Total: £5.8 million

Two new investments have been completed into Redline Worldwide and MPB Group, shown in the table below.

Company	Business	Month	Amount (£m)
 Redline Worldwide	Aviation security services	February	3.7
 MPB Group	Online platform for used photo equipment	June	2.1
<b>Total</b>			<b>5.8</b>

**Redline** is a market leader in the provision of aviation security consultancy and training services to airlines, airports and governments. The investment will be applied to enable the company to grow in its core aviation market and in other sectors.

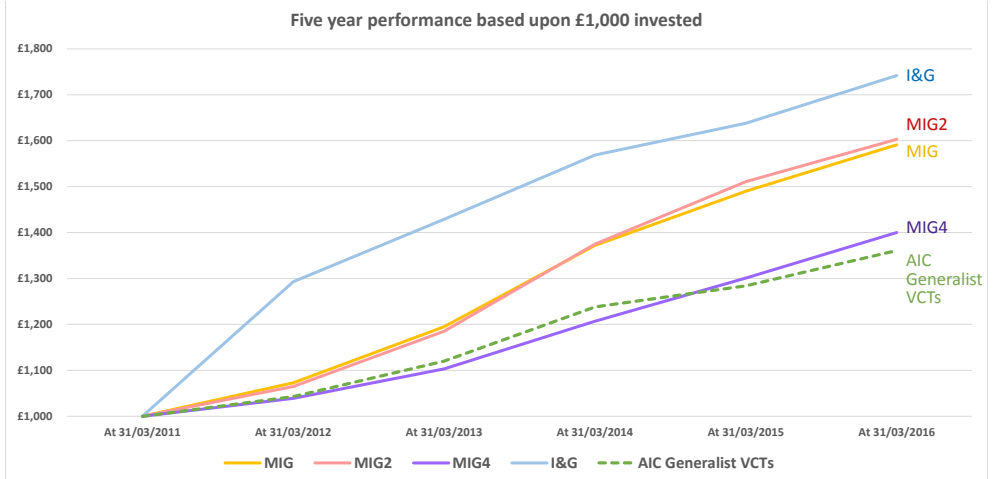
**MPB Group** is the UK's largest dedicated market place ([www.mpb.com](http://www.mpb.com)) for used photographic equipment. It offers a complete end to end experience for buying and selling SLR cameras, lenses and other accessories. It is a rapidly growing business that plans to use the investment to expand into two new overseas markets.

## Realisations - Total: £8.3 million

The half year was marked by a number of loan repayments, due to strong cash flow at those companies, and the receipt of deferred proceeds from previous sales, as analysed below.

Company	Month	Proceeds (£m)	Realisation	
 Ward Thomas	January	3.6	Loan repayment	
 Focus Pharma	January-March	1.8	Deferred proceeds	
 Original Additions	March	0.5	Full exit	
<b>MONSAL</b>	Monsal Holdings	January	0.4	Deferred proceeds
 Motorclean	February	0.3	Loan repayment	
 Jablite	April	0.2	Loan repayment	
 Newquay Helicopters	February	0.1	Voluntary liquidation proceeds	
Various	January-February	1.4	Loan repayments/deferred proceeds	
<b>Total</b>		<b>8.3</b>		

## RELATIVE PERFORMANCE OF THE MOBEUS VCTS



### What does this chart show?

This chart shows the NAV cumulative return at 31 March each year, assuming £1,000 has been invested in each VCT at its NAV per share at 31 March 2011. The figure at each year-end represents the net asset value per share plus dividends paid per share, multiplied by the number of shares held in each VCT at 31 March 2011, as a result of the investment of £1,000.

**The Mobeus VCTs' relative performance compares favourably to the index of AIC (Association of Investment Companies) Generalist VCTs.**

# SHAREHOLDER RETURN PERFORMANCE DATA FOR EACH VCT

We hope shareholders will be pleased to note that the most recent AIC performance data over the 5 years to 31 May 2016 (on a NAV cumulative total return basis) rank the Mobeus VCTs as 1st at +75.2% (I&G), 3rd at +65.3% (MIG2), 4th at +62.5% (MIG) and 18th at +34.5% (MIG4) out of 47 generalist VCTs.

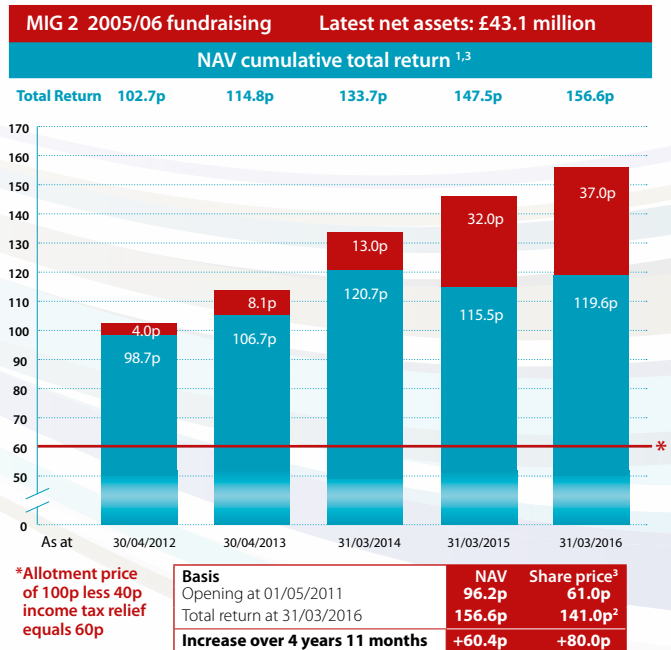
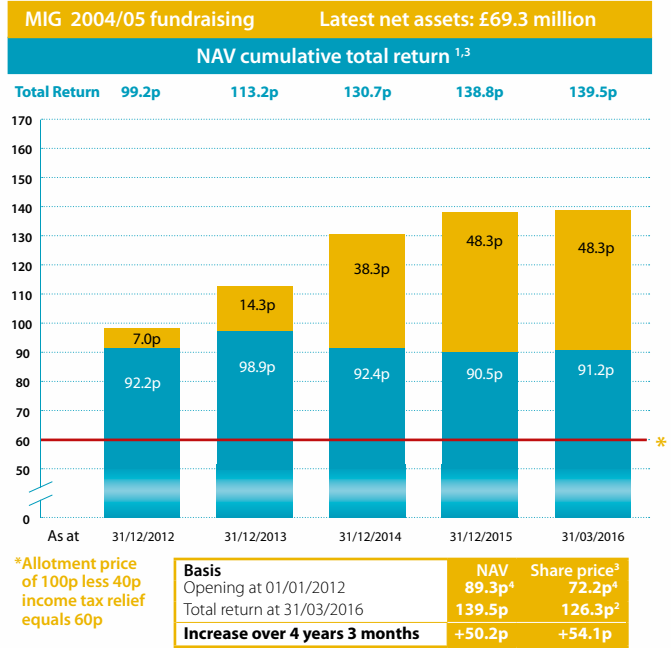
## What do these charts show?

Each bar chart shows cumulative total returns on a net asset value ("NAV") per share basis. They each show five bars of data, covering the last four full financial periods, plus the current period to 31/03/16, for that VCT. Each bar shows the two components of total return at each period end. The lower part is the closing NAV, while the higher is cumulative dividends paid or payable in respect of a period, since the start of the VCT's financial period ending in 2012.

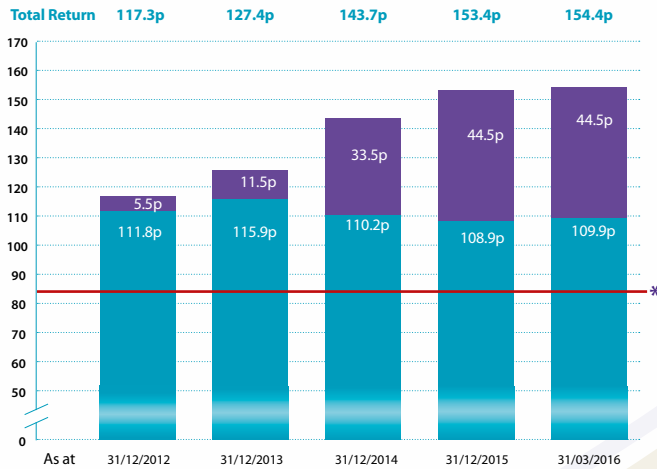
Underneath each chart, the growth, in pence, in NAV Total return (NAV + dividends paid/payable) and Share price Total return (Share price + dividends paid/payable) over the opening NAV and bid share price for each VCT's reported performance period, is stated.

The red line across the bars shows the original investment cost for the fundraisings indicated in the charts, net of applicable income tax relief, to an investor.

The data in the four charts cover a range between 4 years and 2 months to 4 years and 11 months. This is due to the three differing year-ends amongst the four VCTs. Shareholders should note that the data do not enable direct comparison of the VCTs' relative performance, due partly to these differing reporting dates.



**MIG 4 2006/07 fundraising** Latest net assets: £53.9 million  
**NAV cumulative total return**<sup>1,3</sup>



\* Allotment price of 120.9p less 30% income tax relief equals 84.6p

Basis	NAV	Share price <sup>3</sup>
Opening at 01/02/2012	111.7p <sup>4</sup>	95.0p <sup>4</sup>
Total return at 31/03/2016	154.4p	140.0p <sup>2</sup>
<b>Increase over 4 years 2 months</b>	<b>+42.7p</b>	<b>+45.0p</b>

**Notes to the charts**

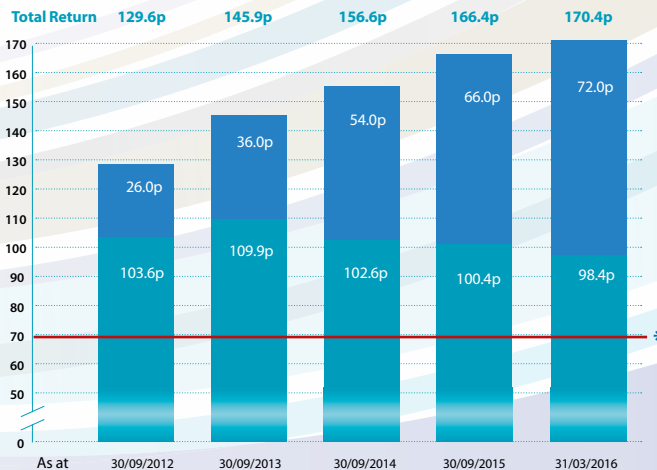
<sup>1</sup> NAV cumulative total return: NAV plus cumulative dividends paid/payable in respect of each year/period to date covered by each chart.

<sup>2</sup> Share price cumulative total return: bid price plus cumulative dividends paid/payable in respect of each year/period to date covered by each chart.

<sup>3</sup> The NAVs per share, net assets and bid prices have been adjusted for dividends in respect of each year/period, but paid after the period end.

<sup>4</sup> The opening NAV and share price have been reduced by a dividend payable in respect of the previous period.

**I&G 2007/08 fundraising** Latest net assets: £74.0 million  
**NAV cumulative total return**<sup>1,3</sup>



\* Allotment price of 100p less 30% income tax relief equals 70p

Basis	NAV	Share price <sup>3</sup>
Opening at 01/10/2011	116.8p <sup>4</sup>	87.0p <sup>4</sup>
Total return at 31/03/2016	170.4p	158.5p <sup>2</sup>
<b>Increase over 4 years 6 months</b>	<b>+53.6p</b>	<b>+71.5p</b>

Performance data for every allotment for every fundraising by each VCT are shown in an appendix to that VCT's half-year and annual reports and/or on the Mobeus website.

## SHAREHOLDER ENQUIRIES:

For enquiries concerning each VCT, please contact the Investment Adviser, Mobeus Equity Partners LLP, on 020 7024 7600 or by e-mail to [vcts@mobeusequity.co.uk](mailto:vcts@mobeusequity.co.uk).

For information on your holding, to notify the Company of a change of address or to request a dividend mandate form (should you wish to have future dividends paid directly into your bank account) please contact the Company's Registrars, as follows:

### For MIG 2, MIG 4 and I&G

Capita Asset Services

The Registry

34 Beckenham Road

Beckenham, Kent BR3 4TU

[www.capitashareportal.com](http://www.capitashareportal.com)

VCT investor line: 0371 664 0324

Lines are open from 9:00am - 5:30pm,  
Monday to Friday, excluding public holidays  
in England and Wales.

### For MIG

Computershare Investor Services plc

The Pavilions

Bridgwater Road

Bristol, BS99 6ZZ

[www.investorcentre.co.uk](http://www.investorcentre.co.uk)

VCT investor line: 0370 707 1155

Lines are open from 8:30am - 5:30pm,  
Monday to Friday, excluding public holidays  
in England and Wales.

To contact the Chairman or any member of a Board, please contact the Company Secretary, Mobeus Equity Partners LLP in the first instance, on 020 7024 7600 or by e-mail to [vcts@mobeusequity.co.uk](mailto:vcts@mobeusequity.co.uk).

You can also access information that is regularly updated for each VCT by visiting our website on [www.mobeusequity.co.uk](http://www.mobeusequity.co.uk) and selecting "Investor Area".

### Social Media

Please follow us on [Twitter@mobeusequity](https://twitter.com/mobeusequity) and on LinkedIn for more regular updates.



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