

MATRIX INCOME & GROWTH 4 VCT PLC

MIG 4 VCT UPDATE JANUARY 2010

SHARE PRICE: 93.0p NET ASSET VALUE: 104.8p

Welcome to the latest Matrix Income & Growth 4 VCT ("MIG4 VCT") Newsletter, providing an update of activity since the Half-Yearly Report was circulated to shareholders in October.

As at 31 October, MIG4 VCT's total shareholder return was 119.5p per share comprising NAV per share of 104.8p plus cumulative dividends paid of 14.7p. This represents a decrease of 0.3% in total shareholder return from 119.8p at 31 July 2009.

A dividend of 1p per share was paid to shareholders after the quarter end on 7 November 2009 bringing cumulative dividends paid to date to 15.7p per share.

MIG 4 VCT TOP UP OFFER

MIG4 VCT has launched an Offer for Subscription of up to 1,995,757 new ordinary shares, subject to a maximum of £2.18 million of funds raised. Further details of the Offer and a letter from the Chairman setting out the key features are included with this Newsletter.

LATEST INVESTMENTS

CB IMPORTS GROUP (COUNTRY BASKETS)

MIG4 VCT has invested £1 million to support the management buy-out of CB Imports plc, a profitable company trading under the name of Country Baskets. The investment comprises loan stock and a 6% equity stake.



Founded in 1990 and operating from a national distribution centre in Leeds, the Group employs 270 people and has a turnover of circa £20 million. It is the UK's leading importer and distributor of artificial flowers, floral sundries, glassware, giftware, basket ware and Christmas decorations.

The market supplying florists is highly fragmented and Country Baskets is unrivalled in its product range and its ability to offer highly competitive prices due its scale.

The UK's leading importer of artificial flowers and floral sundries

The company is planning to roll out further outlets across the UK as part of a new growth phase funded by this investment.

IGLU.COM HOLIDAYS

MIG4 VCT has invested £878k in the management buyout and recapitalisation of Iglu.com, the UK's largest specialist ski and fastest growing cruise holiday travel agent. The investment comprises loan stock and an equity stake of 7.15%.

Iglu is a profitable and cash generative business with a strong management team that has a successful track record of building a profitable niche business. Based in Wimbledon, South London, the company employs more than 95 people.

Iglu.com's cruise sales have doubled year on year and this growth looks set to continue. Repeat business and referrals from satisfied customers, plus an increasing share of the growing cruise market have helped Iglu.com secure total sales of £45m this year, up from £38m last year.



An Ocean Village cruise booked through Iglu.com

BRITISH INTERNATIONAL HOLDINGS

MIG4 VCT has made a further investment of £45.5k into British International to provide additional working capital, bringing its total investment in this provider of helicopter services to £295k.

Operating from its headquarters in Sherborne, Dorset, British International operates helicopter services including the longest running scheduled helicopter service, from the UK mainland to the Isles of Scilly.

DIVESTMENT OF PASTAKING HOLDINGS

MIG4 VCT has successfully sold its investment in PastaKing, the Newton Abbott based foodservice company, to NBGI Private Equity. PastaKing has profited from the Government-backed healthy eating campaign, enjoying rapid growth since investment in 2006 and now has a staff of 71 and an annual turnover of £12 million.

This realisation contributed to total proceeds of some £432k to the Company over the life of the investment, representing a 3.25 fold gain on the Company's original investment of £133k.

FUND BREAKDOWN AT 31 OCTOBER 2009

	31 October 2009 £	31 July 2009 £
Unquoted loan stock	4,193,387	4,291,699
Unquoted equities	3,186,141	3,134,127
AiM quoted equities	81,333	58,881
Money market funds	13,499,525	13,588,405
Cash	36,999	33,038
Net other assets/(liabilities)	(38,568)	(48,759)
Net assets	20,958,817	21,057,391
Number of shares in issue	19,998,300	20,038,300
Net asset value per share	104.8 pence	105.1 pence

CONTACT MATRIX

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MATRIX

SIX MONTHLY UPDATE JANUARY 2010
ASSET MANAGEMENT

QUALIFYING INVESTMENT PORTFOLIO AS AT 31 OCTOBER 2009

COMPANY	BUSINESS	INVESTMENT COST £	INVESTMENT VALUATION £	% OF THE INVESTMENT PORTFOLIO
TEN LARGEST INVESTMENTS				
DiGiCo Europe	Audio mixing desks	782,608	1,856,515	24.9%
ATG Media Holdings	Publisher - Antique Trades Gazette	1,000,000	957,800	12.8%
Focus Pharma Holdings	Generic pharmaceuticals	772,451	768,041	10.3%
Higher Nature	Vitamins and natural medicines	500,127	701,357	9.4%
Monsal Holdings	Engineering - water and waste sectors	704,771	596,573	8.0%
Stortext FM	Document management services	561,820	444,225	6.0%
VSI	CAD and CAM software	111,928	364,056	4.9%
PastaKing Holdings	Fresh pasta meals	133,055	354,247	4.7%
Youngman	Ladders and access towers	500,026	349,983	4.7%
MC 440 (Westway Cooling)	Air conditioning systems	327,616	327,616	4.4%
	Total for ten largest investments	5,394,402	6,720,413	90.1%
	Other investments	4,459,919	740,448	9.9%
	Total portfolio	9,854,317	7,460,861	100.0%

MANAGER'S COMMENTARY

In the period since the publication of the Half-Yearly Report, we have seen clear signs that new deal activity is picking up. Sellers are becoming more willing to accept realistic prices. There is also a general belief that the global banking industry will not be allowed to collapse, which has restored confidence. We have found that corporate financial advisers have begun to fill their pipelines again over the last few months. In these changing market conditions, we are very pleased to have completed three investments and two exits since the summer. We do however remain cautious in our selection of potential deals during the current challenging environment for the UK economy. We have in particular continued to avoid transactions requiring high levels of bank borrowing, believing that whilst economic conditions remain challenging, over-leveraged companies are much too vulnerable. The portfolio of management buy-out investments continues to reflect our strategy of seeking to capitalise companies properly at the time of investment so that they are well positioned to contend with difficult times. We continue to believe that the portfolio, taken as a whole, is resilient and of high quality and we anticipate that there is considerable potential for uplift in its value in the future. Most importantly, the Company has cash available at this point in the cycle to support the portfolio where necessary and to participate in high quality and attractively priced new investment opportunities. It will hopefully have increased cash resources after the Top-Up Offer.

In the portfolio, DiGiCo Europe has continued to roll out new products and this has led to rising profits this year. Focus Pharma continues to trade very well, returning improving year on year gross profits. Monsal has returned to profit and the outlook for this company has been further enhanced by the prospect of new capital contracts and the company exploits its expertise in anaerobic digestion. ATG Media has progressed well with its on-line auction product showing impressive growth. Other investments, not included in the ten largest listed above, comprise several investments where performance is satisfactory, and a number where performance has been less so to date, but where we believe opportunities to recover value do remain. The companies in the portfolio that are more directly exposed to the construction sector are suffering from the negative effects of the recession. Youngman, PXP and Plastic Surgeon have all been affected by the significant downturn in the construction industry as business volumes have shrunk and reduced demand from major customers has impacted on revenue. It is still too early to assess when we are likely to see signs of recovery in these areas.

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