

# MOBEUS VCT NEWSLETTER

## SUMMER 2017

MOBEUS INCOME & GROWTH VCT PLC MIG

MOBEUS INCOME & GROWTH 2 VCT PLC MIG2

MOBEUS INCOME & GROWTH 4 VCT PLC MIG4

THE INCOME & GROWTH VCT PLC I&G

## WELCOME

**It has been another busy six months, with three new growth capital investments, the recent sale of Entanet and preparation for a fundraising later in the year.**

### **Growth Capital portfolio - New Investment**

The VCTs have invested £14.4 million in three new companies (and made a £0.3 million follow-on investment) over the past six months. A total of £30.9 million has been invested by Mobeus since the introduction of the new VCT rules in November 2015, which caused the VCT industry to focus investment into smaller, younger businesses. We are pleased to report that all these new investments have made encouraging starts.

### **MBO portfolio**

The performance of investments made under the previous MBO strategy continues to be steady overall. In early July, the sale of Entanet Holdings occurred, which should complete by 4 August. It will realise very healthy proceeds of £21.2 million, contributing to an overall 2.5X gain over the original £9.5 million cost of this investment, in the three and a half years that this investment has been held.

### **Offer for Subscription**

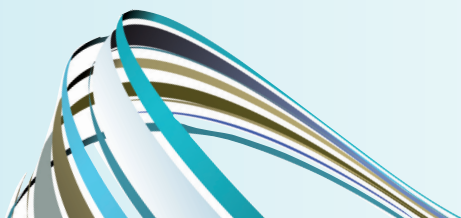
Shareholders will soon be invited to take part in Offers for Subscription by all four Mobeus advised VCTs, planned to launch in September 2017. This is the first opportunity for shareholders to invest in the Mobeus VCTs since 2015, when a combined £39 million was raised, and which was fully subscribed well ahead of schedule. In the interim, shareholders wishing to invest may like to contact their usual financial adviser to register their interest.

### **Shareholder Event**

The next meeting will again be held at the Royal Institute of British Architects on 30 January 2018. An invitation is enclosed with this letter. We hope to see you at the event, which has been well-received by shareholders who have attended previous events.

### **Contents**











<a href="#">Investment and Portfolio News</a>	2-3
<a href="#">Relative Performance of the Mobeus VCTs</a>	3
<a href="#">Shareholder Return Performance Data for each VCT</a>	4-5



## INVESTMENT AND PORTFOLIO NEWS

### Ten largest investments

Across the current combined asset base of approximately £217 million, the VCTs' ten largest investments account for approximately £85 million by value (39% of the asset base) and their cost and valuation are shown in the table below.





Company	Business	Total (£m)	
		Cost	Valuation
 Access-IS	Data capture and scanning hardware	11.0	13.2
 Virgin Wines	Online wine retailing	8.4	11.5
 MBI	Events and publishing	11.7	10.7
 ASL Technology	Printer and photocopier services	9.7	10.5
 Entanet	Wholesale communication provider	9.5	10.2*
 Gro-Group	Baby sleep products	7.1	6.1
 Veritek	ATG Media	6.9	6.0
 Tharstern	Print sector management information systems	4.7	5.6
 Tushingham Sails	Design, manufacture and sale of stand-up paddleboards	4.0	5.5
 CGI	Adhesive decorative graphics for vehicles	6.2	5.5
<b>Total for ten largest investments</b>		<b>79.2</b>	<b>84.8</b>
Other Investments		86.2	79.5
<b>Portfolio Total</b>		<b>165.4</b>	<b>164.3</b>

The above data have been extracted from each VCT's latest announced financial information, adjusted for subsequent additions and disposals to 30 June 2017.

\*If the sale of Entanet is completed as anticipated by 4 August, this will realise proceeds that exceed this valuation by £11.0m.

### New investment - Total: £14.7 million

Three of the nine investments made to date under the new VCT rules have been completed in the period, as shown in the table below, along with one follow-on investment in BookingTek, to fund an opportunity for US expansion.

Company	Business	Month	Amount (£m)
 Buster + Punch	Interiors retailer	March	2.4
 BookingTek	Software for hotel groups	March	0.3
 MyTutor	Online tutor marketplace	May	2.0
 Wetsuit Outlet	Watersport products online retailer	July	10.0
		<b>Total</b>	<b>14.7</b>

## New investment (continued)

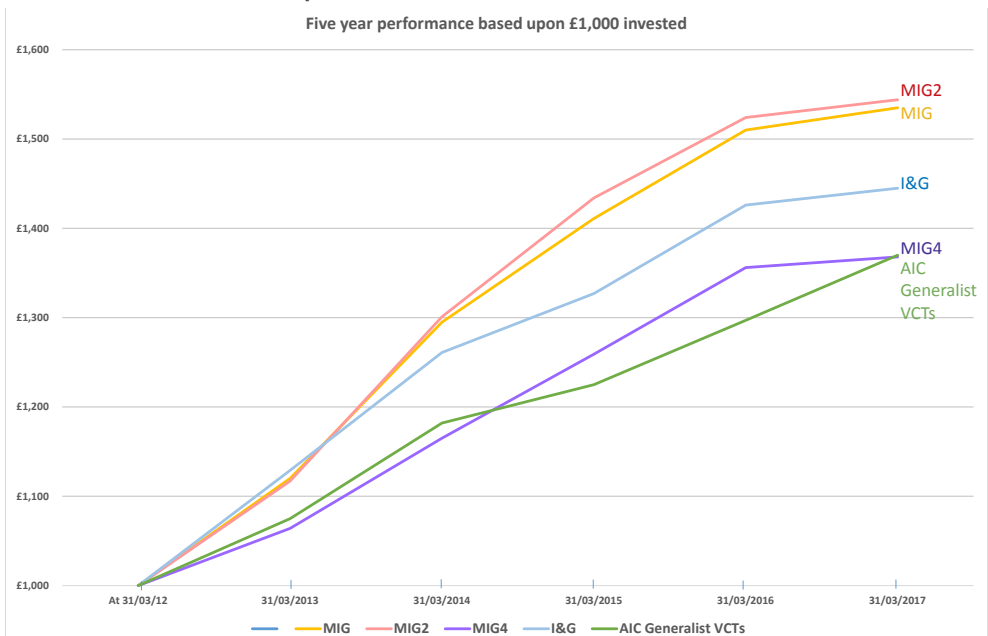
**Buster + Punch - [www.busterandpunch.com](http://www.busterandpunch.com)** - is a London-based interiors brand founded in 2012 by architect and industrial designer Massimo Buster Minale. Buster + Punch started in a small garage in East London, where it built the ‘world’s first designer LED light bulb’ (the Buster Bulb), and made its name with industrial-inspired lighting. Its products are now sold in over 50 countries, both directly to end-consumers, designers and architects, and through well-known retailers including John Lewis, Harvey Nichols and Harrods. The investment will support the business’s international expansion plans and the broadening of its product range.

**MyTutor - [www.mytutor.co.uk](http://www.mytutor.co.uk)** - is a digital marketplace that connects school pupils who are seeking private one-to-one tutoring with university students. The business is satisfying a growing demand from both schools and parents to improve pupils’ exam results and to enhance their academic and career prospects. This investment represents an opportunity to consolidate the sizeable £2bn UK tutoring market, build MyTutor’s market presence and will also be used to drive technological development.

**Wetsuit Outlet - [www.wetsuitoutlet.co.uk](http://www.wetsuitoutlet.co.uk)** - has established itself as a leading online retailer in the watersports market, stocking an impressive brand portfolio including Musto, Billabong, RipCurl, O’Neil, Red Paddle (an existing Mobeus investment) and Gul. Founded in 2005, it has developed into a successful and profitable business with £11.5m of revenues and £1.8m of operating profit. It now sells to 160 countries, and international sales represented 52% of sales. The investment is to fund working capital and growth in the existing activity and enter two new markets.

## RELATIVE PERFORMANCE OF THE MOBEUS VCTS

The Mobeus VCTs’ relative performance over 5 years compares favourably to the index of AIC (Association of Investment Companies) Generalist VCTs.



### What does this chart show?

This chart shows the Net Asset Value (“NAV”) cumulative return at 31 March each year, assuming £1,000 had been invested in each VCT at its NAV per share at 31 March 2012. The figure at each year-end represents the NAV per share plus dividends paid per share, multiplied by the number of shares held in each VCT at 31 March 2012, as a result of the investment of £1,000.

# 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 (on a NAV cumulative total return basis) rank the Mobeus VCTs as 4th at +60.0% (MIG), 7th at +55.8% (MIG2), 13th at +45.5% (I&G) and 17th at +38.5% (MIG4) out of 43 generalist VCTs.

## What do these charts show?

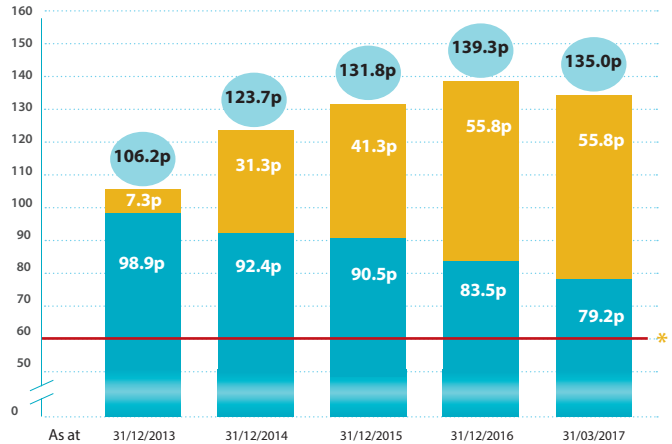
Each bar chart shows cumulative total returns on a net asset value ("NAV") per share basis. They each show five bars of data, covering at least the last four full financial periods, plus the current period to 31/03/17, for that VCT. Each bar shows the two components of total return at each period end. 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 that ended in 2013.

Stated underneath each chart is: 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.

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 3 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.

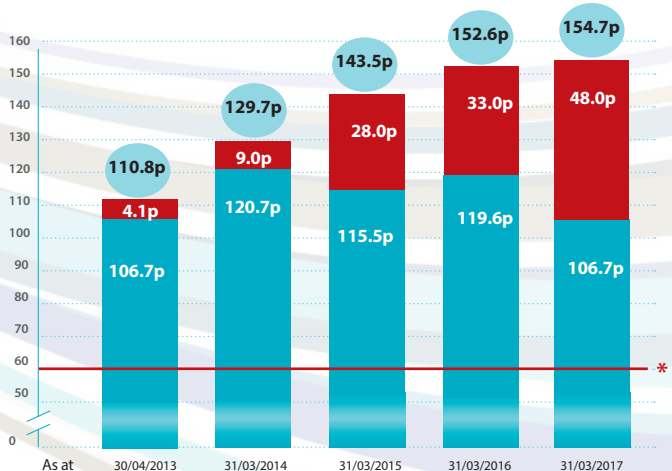
## MIG 2004/05 fundraising Latest net assets: £59.8 million NAV cumulative total return <sup>1,2</sup>



\* Allotment price of 100p less 40p income tax relief equals 60p

Basis	NAV	Share price
Opening at 01/01/2013	92.2p <sup>3</sup>	77.0p <sup>3</sup>
Total return at 31/03/2017	135.0p	124.3p <sup>4</sup>
<b>Increase over 4 years 3 months</b>	<b>+42.8p</b>	<b>+47.3p</b>

## MIG 2 2005/06 fundraising Latest net assets: £38.1 million NAV cumulative total return <sup>1,2</sup>



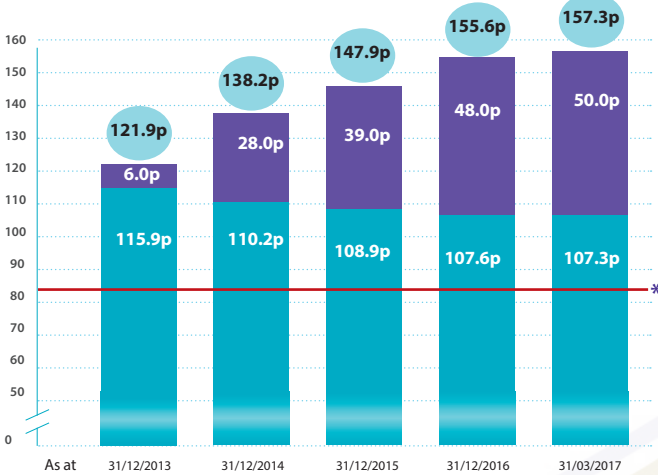
\* Allotment price of 100p less 40p income tax relief equals 60p

Basis	NAV	Share price
Opening at 01/05/2012	98.7p	67.0p
Total return at 31/03/2017	154.7p	141.0p <sup>4</sup>
<b>Increase over 4 years 11 months</b>	<b>+56.0p</b>	<b>+74.0p</b>

## MIG 4 2006/07 fundraising

Latest net assets: £50.9 million

### NAV cumulative total return <sup>1,2</sup>



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

Basis	NAV	Share price
Opening at 01/01/2013	111.8p <sup>3</sup>	96.0p <sup>3</sup>
Total return at 31/03/2017	157.3p	139.0p <sup>4</sup>
<b>Increase over 4 years 3 months</b>	<b>+45.5p</b>	<b>+43.0p</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> The NAVs per share, net assets and bid prices have been adjusted for dividends in respect of each year/period, but paid/payable after the period end.

<sup>3</sup> The opening NAV and share price have been reduced by a dividend payable in respect of the previous period.

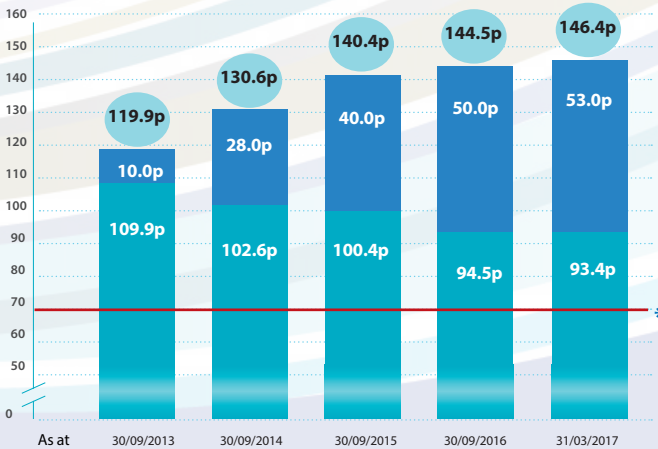
<sup>4</sup> Share price cumulative total return: bid price plus cumulative dividends paid/payable in respect of each year/period to date covered by each chart.

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.

## I&G 2007/08 fundraising

Latest net assets<sup>2</sup>: £68.1 million

### NAV cumulative total return <sup>1,2</sup>



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

Basis	NAV	Share price <sup>2</sup>
Opening at 01/10/2012	103.6p <sup>3</sup>	91.0p <sup>3</sup>
Total return at 31/03/2017	146.4p	135.5p <sup>4</sup>
<b>Increase over 4 years 6 months</b>	<b>+42.8p</b>	<b>+44.5p</b>

## 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

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.

### 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.

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" and "Venture Capital Trust Investors".

### Social Media

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



LinkedIn

Important notice issued by Mobeus Equity Partners LLP of 30 Haymarket, London SW1Y 4EX, registered in England & Wales number OC 320577, authorised and regulated by the Financial Conduct Authority, number 456538. This material is for information only and does not constitute an offer to buy or sell an investment nor does it solicit any such invitation. The information contained in this newsletter is believed to be accurate at the date of publication but no representation or warranty stated or implied is made or given by any person as to its accuracy or completeness and no responsibility or liability is accepted for any such information or opinion.

**Mobeus Equity Partners LLP**  
30 Haymarket London SW1Y 4EX  
+44 (0)20 7024 7600 [vcts@mobeusequity.co.uk](mailto:vcts@mobeusequity.co.uk)  
[www.mobeusvcts.co.uk](http://www.mobeusvcts.co.uk)

 **mobeus**  
EQUITY PARTNERS