

MOBEUS VCT UPDATE

JANUARY 2014






MOBEUS INCOME & GROWTH VCT PLC MIG
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INVESTMENT AND PORTFOLIO NEWS

New investment

Two further substantial investments were made in the second half of 2013, to support the MBOs of Veritek and Virgin Wines. In the year, just over £30 million was invested to finance transactions involving five companies:-

Company	VCTs	Business	Month	Amount (£m)
 Fullfield (Motorclean)	All	Vehicle cleaning and valet services	February	3.6
 Gro-Group	All	Baby sleep products	March	6.9
 ATG Media	All	Publisher and online auction platform operator	April	4.5
 Veritek Global	All	Maintenance of imaging equipment	July	6.9
 Virgin Wines	All	Online wine retailer	November	8.7

Ten largest investments

Across the combined asset base of approximately £180 million, the VCTs' ten largest investments account for £78 million (43.6% of the asset base) and are shown in the table below.

Company	Business	Total (£m)	
		Cost	Valuation
ATG Media	Publisher and online auction platform operator	8.5	16.7
Motorclean	Vehicle cleaning and valet services	8.4	10.0
Virgin Wines	Online wine retailer	8.7	8.7
EMaC	Provider of service plans to the motor trade	4.8	7.9
Tessella	Consultancy	5.3	7.1
Veritek Global	Maintenance of imaging equipment	6.9	6.9
Gro-Group	Baby sleep products	6.9	6.9
DiGiCo Global	Audio mixing desks	3.8	5.4
Equip	Branded outdoor equipment and clothing	4.4	4.5
Blaze Signs	Signs and sign maintenance	1.5	4.4
Total for ten largest investments		59.2	78.5
Other investments		49.8	35.5
Portfolio total		109.0	114.0

The above data has been extracted from each VCT's latest announced financial information adjusted for subsequent additions and disposals.

Realisations

The VCTs received a total of £7.3 million from loan stock repayments, and £3 million of proceeds from sales during the second half of 2013. For the year, just under £22 million was received by the VCTs in repayments of loan stock and sales of shares. A highlight was I&G realising its investment in Alaric Systems, a provider of payment processing and fraud prevention software, in December for £2.5 million; total proceeds represent 4.4 times the original investment cost.

Company	VCT(s)	Month	Amount (£m)	Realisation
Realisations in the first half of the year			11.5	Sales and loan repayments
Alaric Systems	I&G	Dec	2.5	Sale
Focus Pharma	All	Sep/Nov	2.0	Loan repayments
DiGiCo Global	All	Jul/Oct	1.9	Loan repayments
EMaC	All	Aug	1.3	Loan repayment
Blaze Signs	All	Oct	1.0	Loan repayment
Faversham House	All	Oct-Dec	0.6	Loan repayments
Other	All		1.0	Sales and loan repayments
Total for 2013			21.8	

MANAGER'S COMMENTARY

The VCTs have continued to increase their total returns (NAV basis) over the six month period since the last newsletter. This has been largely due to the strong trading performance of a number of companies in the portfolio.

Dealflow continues to be healthy, due to improved business confidence and the continued perception that the UK banking industry is reluctant to lend to smaller businesses. We are encouraged by this and are confident that this will lead to the

completion of a number of new deals over the coming months.

The Mobeus website www.mobeusequity.co.uk provides comprehensive information on the portfolios and performance of the VCTs as well as details of whom to contact if you have a query.

SHAREHOLDER RETURN PERFORMANCE DATA

The table below shows, for each VCT, total shareholder returns on both a net asset value (NAV) and bid price basis, as at the last three/four financial year-ends and at the latest date reported. For each VCT, the data are for the first fundraising for which Mobeus was the sole Manager, and able to apply its investment strategy (see note 1 below). The data nonetheless also reflect any impact from the performance of former managers (MIG 2, MIG 4 and I&G) and/or mergers of former share classes (MIG 2 and I&G) or merger with a former VCT (MIG). Individual VCT performances have been affected by differing levels of liquidity, by differing rates of fund size expansion and by historic portfolio composition. The trend of returns and dividends is shown below:

Mobeus Income & Growth VCT plc	as at:	31/12/2010	31/12/2011	31/12/2012	30/09/2013	Original subscription price p	Annual % return on NAV ⁵
Net assets at 30 September 2013 : £51.8 million		p	p	p	p		
Dividends paid in respect of the financial year		5.0	6.8	7.0	4.0		
Cumulative dividends paid per share since 2004		26.3	33.1	40.1	44.1		
Net asset value (NAV) per share at period end ²		91.7	89.3	92.2	96.7		
Total shareholder return - NAV basis³		118.0	122.4	132.3	140.8	100.0	11.6%
Bid share price at period end		82.0	78.5	79.0	86.0		
Total shareholder return - bid price basis⁴		108.3	111.6	119.1	130.1		

Mobeus Income & Growth 2 VCT plc	as at:	30/04/2011	30/04/2012	30/04/2013	31/10/2013	Original subscription price p	Annual % return on NAV ⁵
Net assets at 31 October 2013 : £27.3 million		p	p	p	p		
Dividends paid in respect of the financial year		4.0	4.0	4.0	0.0		
Cumulative dividends paid per share since 2005		10.0	14.0	18.0	18.0		
Net asset value (NAV) per share at period end ²		96.2	98.7	106.8	114.0		
Total shareholder return - NAV basis³		106.2	112.7	124.8	132.0	100.0	11.2%
Bid share price at period end		62.0	67.0	70.3	93.5		
Total shareholder return - bid price basis⁴		72.0	81.0	88.3	111.5		

Mobeus Income & Growth 4 VCT plc	as at:	31/01/2011	31/01/2012	31/12/2012	30/09/2013	Original subscription price p	Annual % return on NAV ⁵
Net assets at 30 September 2013 : £41.0 million		p	p	p	p		
Dividends paid in respect of the financial year		4.0	5.0	5.5	2.0		
Cumulative dividends paid per share since 2007		11.0	16.0	21.5	23.5		
Net asset value (NAV) per share at period end ²		109.9	111.7	111.8	116.4		
Total shareholder return - NAV basis³		120.9	127.7	133.3	139.9	120.9	8.6%
Bid share price at period end		103.0	100.0	101.5	103.5		
Total shareholder return - bid price basis⁴		114.0	116.0	123.0	127.0		

The Income & Growth VCT plc	as at:	30/09/2010	30/09/2011	30/09/2012	30/09/2013	Original subscription price p	Annual % return on NAV ⁵
Net assets at 30 September 2013 : £60.5 million		p	p	p	p		
Dividends paid in respect of the financial year		4.0	4.0	26.0	6.0		
Cumulative dividends paid per share since 2008		4.5	8.5	34.5	40.5		
Net asset value (NAV) per share at period end ²		95.0	116.8	103.6	113.9		
Total shareholder return - NAV basis³		99.5	125.3	138.1	154.4	100.0	16.0%
Bid share price at period end		85.0	91.0	95.0	98.0		
Total shareholder return - bid price basis⁴		89.5	99.5	129.5	138.5		

¹ MIG VCT from inception. MIG 2 from date of investment strategy change. MIG 4 from date Mobeus became sole Manager. I&G from date Mobeus became sole Manager.

² These NAVs have been adjusted for dividends in respect of the year, but paid after the period end.

³ Total shareholder return - NAV basis: NAV plus cumulative dividends paid to date.

⁴ Total shareholder return - bid price basis: Bid price plus cumulative dividends paid to date.

⁵ The Annual % returns to investors on a NAV basis from each fundraising include the benefit of initial income tax relief. The income tax relief was 40% between 6 April 2004 and 5 April 2006, and 30% thereafter.

Data for every allotment for every fundraising by each VCT are shown in appendices to that VCT's half-yearly and annual reports, which are also included on the Mobeus website.

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