

MOBEUS VCT UPDATE

JANUARY 2015

MOBEUS INCOME & GROWTH VCT PLC MIG
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Welcome to the January 2015 Newsletter

May we take this opportunity to remind you of our Annual Shareholder Event, at the Royal Institute of British Architects, on Tuesday 27 January. This is a great opportunity for you to meet the people who are responsible for investing your money and hear about the companies that the Mobeus VCTs are backing. At the time of writing 217 attendees had registered for the daytime session starting at 11am and 54 attendees had registered for the evening session starting at 6pm. Please contact our office on tel: 020 7024 7600; or email: events@mobeusequity.co.uk should you wish to attend either of the sessions.

INVESTMENT AND PORTFOLIO NEWS

New investment - Total: £15.6 million

Dealflow for the half year has remained strong, resulting in three new investments and a follow-on investment. Tharstern is the leading supplier of software based Management Information Systems ("MIS") to the print sector. The investments in Ward Thomas Removals and Aussie Man & Van were into two companies controlled by common shareholders. The follow-on investment in ASL Technology is to provide capital to refinance the company's bank borrowings and support ASL's acquisition strategy.

	Company	Business	Month	Amount (£m)
	Tharstern	Software based MIS	July	5.0
	Ward Thomas Removals	Logistics, storage and removals	December	5.0
	Aussie Man & Van	Removals	December	2.2
	ASL Technology	Printer and photocopier services	December	3.4

Ten largest investments

Across the current combined asset base of approximately £213 million, the VCTs' ten largest investments account for approximately £68.8 million (32.3% of the asset base).

		Total (£m)	
		Cost	Valuation
ASL Technology	Printer and photocopier services	9.7	10.2
Virgin Wines	Online wine retailer	8.4	8.4
Motorclean	Vehicle cleaning and valet services	7.2	7.4
ATG Media	Publisher and online auction platform operator	6.9	7.0
Gro-Group	Baby sleep products	7.1	6.9
Tessella	Consultancy	4.8	6.7
Veritek Global	Maintenance of imaging equipment	6.9	6.2
Entanet International	Internet connectivity solutions	6.0	6.0
Ward Thomas	Logistics, storage and removals	5.0	5.0
Tharstern	Software based MIS	5.0	5.0
Total for ten largest investments		67.0	68.8
Other		48.9	43.3
Portfolio Total		115.9	112.1

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

Realisations - Total: £30.3 million

The second half of 2014 saw three sizeable, profitable sales that generated further attractive returns for the VCTs, as summarised in the table below, along with a number of loan repayments.

In October, the VCTs sold their investment in Focus Pharma to Cinven backed Amdipharm Mercury Group, for £6.5 million. Total proceeds received to date over the life of the investment of £12.1 million represent 3.8 times the original cost of the investment.

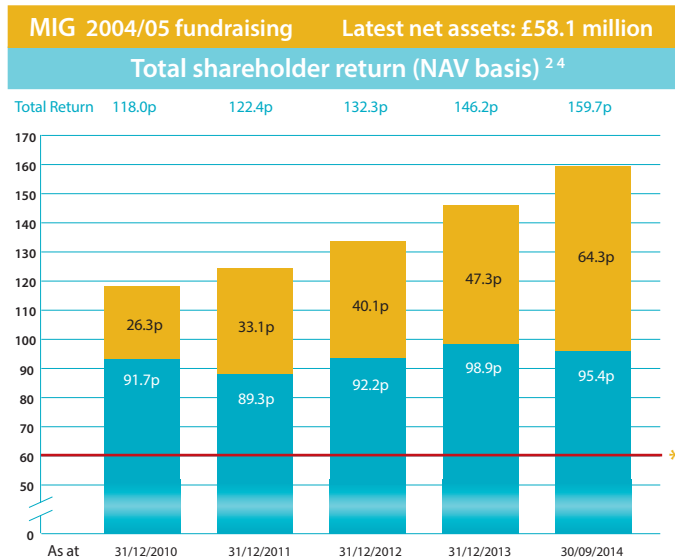
Also in October, the investment in Youngman, a provider of ladders and access towers, was sold for £5.8 million to the world's largest ladder manufacturer, Werner, a US company. This investment has realised £8.6 million in total over the life of the investment, being 2.5 times original cost.

In December, the investment in EMaC, the UK's leading outsourced provider and administrator of service plans to the motor trade, was sold for £15.6 million to Innovation Group plc, listed on AiM. This investment has realised total proceeds of £18.4 million, being 3.1 times the original cost of the investment made three years ago.

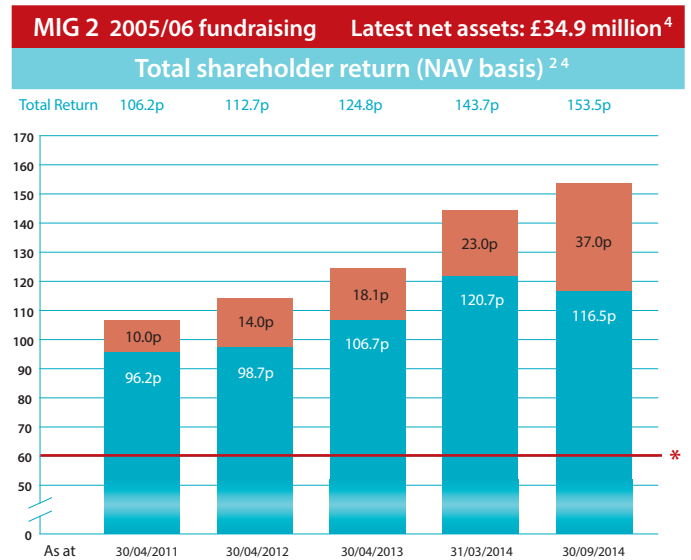
Company	Month	Proceeds (£m)	Realisation
Focus Pharma	October	6.5	Full sale
Youngman	October	5.8	Full sale
EMaC	December	15.6	Full sale
Country Baskets	December	1.5	Loan repayment
Various	August - December	0.9	Loan repayments
Total		30.3	

SHAREHOLDER RETURN PERFORMANCE DATA

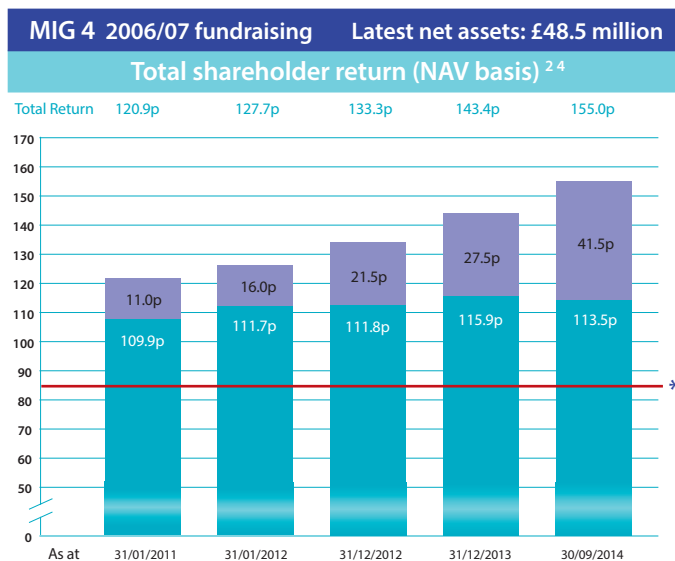
The bar charts for each VCT below show total shareholder returns on a net asset value (NAV) basis as at the previous four year-ends and the latest date reported in the current year, except for I&G which shows data for five full years. Each bar shows the two components of total return, the lower being the latest NAV, the higher being cumulative dividends paid. The return on a share price basis is noted beneath each chart at the latest date reported. A red line across the bars shows the original investment cost, net of applicable income tax relief, to an investor. For each VCT, the data are for the first fundraising for which Mobeus was the sole Adviser, and could therefore apply its investment strategy (see note 1 below). Subsequent mergers of a VCT's share classes mean that the data for MIG 2 and I&G also reflect any impact from the performance of portfolios of former Adviser(s) and/or former share classes.



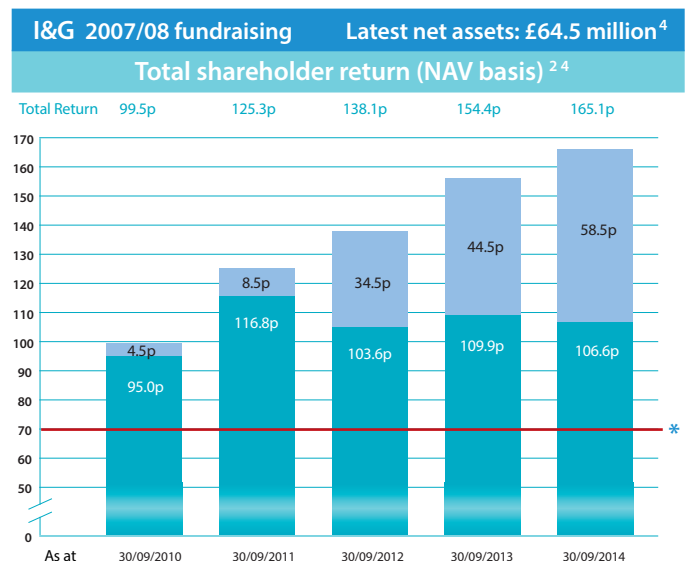
* Allotment price of 100p less 40p income tax relief equals 60p
Share price total return is 148.3p ^{3,4}



* Allotment price of 100p less 40p income tax relief equals 60p
Share price total return is 140.0p ^{3,4}



* Allotment price of 120.9p less 30% income tax relief equals 84.6p
Share price total return is 141.5p ^{3,4}



* Allotment price of 100p less 30% income tax relief equals 70p
Share price total return is 152.5p ^{3,4}

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

² Total shareholder return - NAV basis: NAV plus cumulative dividends paid in respect of each year to date.

³ Total shareholder return - share price basis: Bid price plus cumulative dividends paid in respect of each year to date.

⁴ These net assets, NAVs and bid prices have been adjusted for dividends in respect of the year, but paid after the period-end.

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 on the Mobeus website.

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