

MOBEUS VCT UPDATE

JULY 2014




MOBEUS INCOME & GROWTH VCT PLC MIG
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 THE INCOME & GROWTH VCT PLC I&G



INVESTMENT AND PORTFOLIO NEWS

New investment

The Mobeus VCTs have jointly invested a total of £14.0 million since the beginning of the year to support the MBOs of Entanet and Creative Graphics ("CGI") and to provide expansion capital to the Bourn Hall fertility clinics. Entanet is one of the UK's leading providers of business class data and voice services via a network of over 2,000 wholesale and reseller channel partners. CGI produces adhesive decorative graphics applied to the exteriors of cars, recreational vehicles and aircraft. Bourn Hall was the first IVF clinic in the world and is one of the UK's leading providers of fertility services. The three investments are shown in the table below.

Company	Business	Month	Amount (£m)
 Bourn Bioscience *	IVF Clinics	February	3.5
 Entanet International	Wholesale provider of internet connectivity solutions	February	6.0
 Creative Graphics International	Producer of adhesive decorative graphics	June	4.5

* MIG did not invest in Bourn Bioscience

Ten largest investments

Across the current combined asset base of approximately £221 million, the VCTs' ten largest investments account for approximately £73 million (33% of the asset base) and are shown in the table below.

Company	Business	Total (£m)	
		Cost	Valuation
Motorclean	Vehicle cleaning and valet services	7.4	8.7
Virgin Wines	Online wine retailer	8.7	8.7
EMaC	Provider of service plans to the motor trade	4.8	8.2
Blaze Signs	Signs and sign maintenance	1.5	7.5
Tessella	Consultancy	4.9	6.9
Veritek Global	Maintenance of imaging equipment	6.9	6.9
ATG Media	Publisher and online auction platform operator	6.9	6.9
Gro-Group	Baby sleep products	6.9	6.5
ASL Technology	Printer and photocopier services	6.3	6.3
Entanet International	Internet connectivity solutions	6.0	6.0
Total for ten largest investments		60.3	72.6
Other Investments		51.8	48.5
Portfolio Total		112.1	121.1

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

Realisations

The VCTs have made four major realisations in the year to date, producing substantial realised gains.

In April, the VCTs sold their investment in Machineworks, a provider of software for CAM and machine tool vendors, for a total of £3.6 million. Total proceeds represented 4.1 times the original cost of the investment.

In June, the VCTs sold part of their investment in ATG Media by way of a secondary MBO transaction involving a larger private equity house, ECI Partners. This valued the VCTs' investment at £21.0 million, approximately 2.5 times the original cost. Cash of £13.8 million was received, with the balance being reinvested into new loan stock and a significant minority equity stake. Mobeus and ECI will partner with ATG's management to continue to drive the company's international expansion.

In June, the VCTs realised their investment in Monsal, a renewable energy consultancy, through the sale to the US conglomerate General Electric Company. Total proceeds received were £4.8 million, contributing to a total return of 1.9 times original investment cost.

In July, the VCTs sold their investment in DiGiCo Global, as part of a secondary MBO, to a larger private equity house, Electra. This realised total proceeds of £25.3 million over the life of the investment, earning a total return of 5.5 times original investment cost.

A further £4.8 million has also been received by the VCTs during the period, principally in loan stock repayments, taking cash realised in the period to approximately £35 million as shown in the table below.

Company	Month	Amount (£m)	Realisation
Machineworks	April	3.6	Full sale
ATG Media	June	13.8	Partial sale
Monsal	June	4.8	Full sale
DiGiCo Global	July	8.2	Full sale
Various	Jan - June	4.8	Loan repayments
Total		35.2	

MOBEUS VCT SHAREHOLDER WORKSHOP 2015

The Adviser holds an annual VCT workshop for shareholders in Central London. Each workshop includes a presentation on the Mobeus VCTs' investment activity and performance. The next workshop will be held on **Tuesday, 27 January 2015 at the Royal Institute of British Architects in Central London**. There will be separate day-time and evening sessions. Shareholders will be sent an invitation to this event and further details nearer to the date.

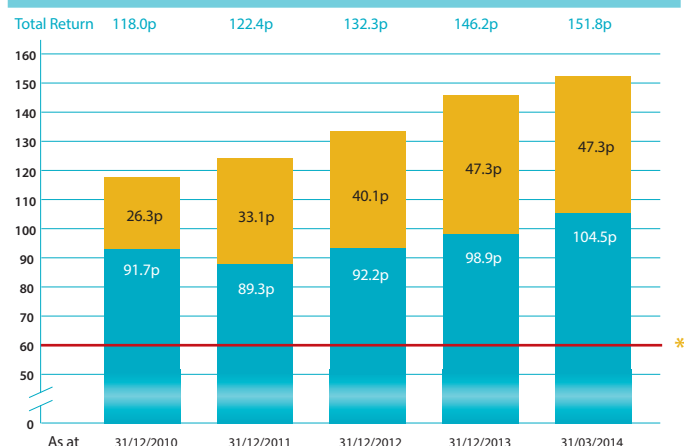
Mobeus is also pleased to include an exclusive offer from one of the VCTs' portfolio companies, Virgin Wines, for Mobeus VCT shareholders. Please find the leaflet and promotional code enclosed.

SHAREHOLDER RETURN PERFORMANCE DATA

The bar charts below show total shareholder returns for each VCT on a net asset value (NAV) basis as at the previous four year-ends and the latest date reported in the current year. Each bar shows the NAV below, then the dividends paid above. 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 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.

MIG 2004/05 fundraising Latest net assets: £62.8 million

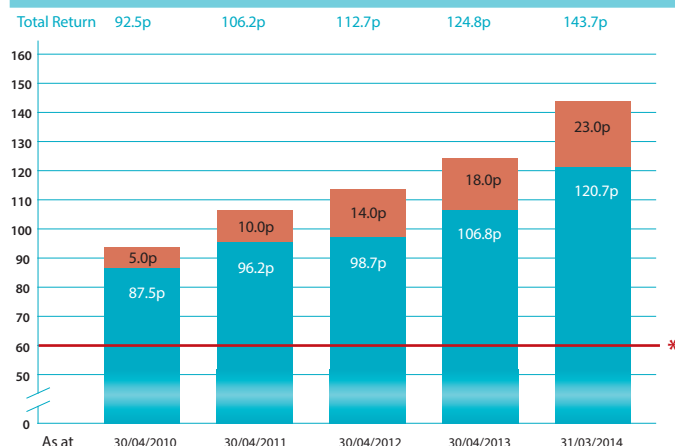
Total shareholder return (NAV basis) ^{2,4}



* Allotment price of 100p less 40p income tax relief equals 60p
Share price total shareholder return is 135.1p ^{3,4}

MIG2 2005/06 fundraising Latest net assets: £33.9 million

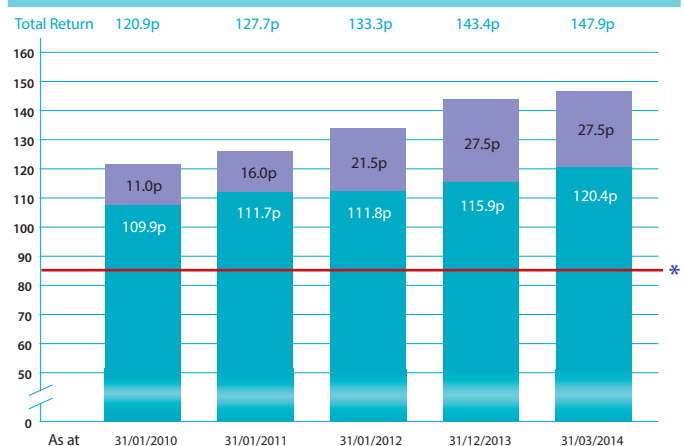
Total shareholder return (NAV basis) ^{2,4}



* Allotment price of 100p less 40p income tax relief equals 60p
Share price total shareholder return is 125.0p ^{3,4}

MIG4 2006/07 fundraising Latest net assets: £49.2 million

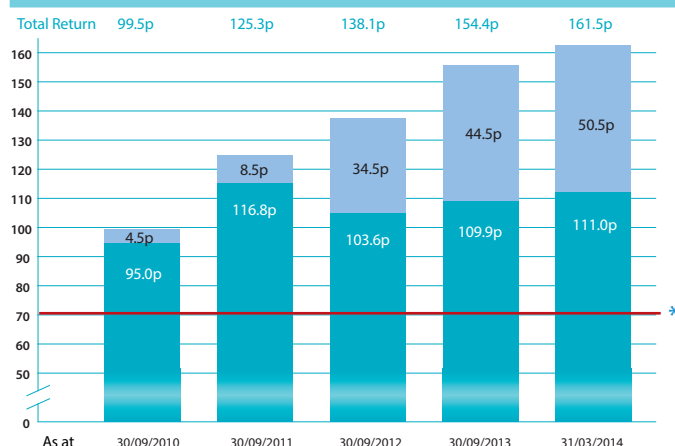
Total shareholder return (NAV basis) ^{2,4}



* Allotment price of 120.9p less 30% income tax relief equals 84.6p
Share price total shareholder return is 130.5p ^{3,4}

I&G 2007/08 fundraising Latest net assets: £67.8 million

Total shareholder return (NAV basis) ^{2,4}



* Allotment price of 100p less 30p income tax relief equals 70p
Share price total shareholder return is 143.5p ^{3,4}

¹ MIG from inception. MIG 2 from the date on which the VCT's investment strategy changed. MIG 4 from the date on which Mobeus became sole Adviser. I&G from the inception of the current fund.

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 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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