

Mobeus VCTs

Mobeus Income & Growth VCT plc MIG
Mobeus Income & Growth 2 VCT plc MIG 2
Mobeus Income & Growth 4 VCT plc MIG 4
The Income & Growth VCT plc I&G

INVESTOR GUIDE

Investing In Privately Owned Smaller Companies

Offers for Subscription by

Mobeus Income & Growth VCT plc MIG
Mobeus Income & Growth 2 VCT plc MIG 2
Mobeus Income & Growth 4 VCT plc MIG 4
The Income & Growth VCT plc I&G

For the tax year 2017/18 to raise up to £50 million
with over-allotment facilities to raise up to a further £30 million

September 2017



Important Information

For UK investors only

Mobeus Income & Growth VCT plc ("MIG"), Mobeus Income & Growth 2 VCT plc ("MIG 2"), Mobeus Income & Growth 4 VCT plc ("MIG 4") and The Income & Growth VCT plc ("I&G") (together "the Mobeus VCTs" and each a "Mobeus VCT") are companies advised by Mobeus Equity Partners LLP ("Mobeus") that seek to provide funds to small, growing companies. This means you may not get back the full amount you put in. It is important that you read and fully understand the risks involved before deciding whether these investments are right for you. To help, we have a dedicated section outlining the key risks on page 11.

Investment in a Mobeus VCT should be regarded as a longer term investment and may be higher risk and more difficult to realise than investments in other securities listed on The Official List.

The value of shares in a Mobeus VCT, and the income derived from them, can go up as well as down. In addition, there is no certainty that the market price of the shares will fully reflect their underlying net asset value. Past performance is not a reliable indicator of future results. For five-year performance history, please see page 4.

Please note that tax reliefs available on VCT investments depend on individual circumstances and may change in the future. Tax reliefs also depend on the Mobeus VCTs maintaining their VCT-qualifying status.

This document is an advertisement and not a prospectus. Any decision to invest should only be made on the basis of the information contained in the summary, securities note ("Securities Note") and registration document ("Registration Document") issued by the

Mobeus VCTs dated 6 September 2017 (which together constitute a prospectus) ("Prospectus"), together with any supplementary prospectus issued by the Mobeus VCTs thereto, available at www.mobeusequity.co.uk/vct-investors.

You can also request print copies by calling us on 020 7024 7600 or by sending an email to info@mobeusequity.co.uk. Mobeus does not give advice on investments, legal matters, taxation or anything else. We always recommend you talk to a qualified financial adviser before making any investment decisions.

This document constitutes a financial promotion for the purposes of s.21 of the Financial Services and Markets Act 2000, and has been issued as such by Mobeus Equity Partners LLP, which is authorised and regulated by the Financial Conduct Authority (reference number 456538). Registered office: 30 Haymarket, London SW1Y 4EX. Registered in England and Wales OC320577.

This document is for information only and does not constitute an offer to buy or sell an investment nor does it solicit any such invitation. Any decision to invest in a Mobeus VCT should be made only on the basis contained in the Prospectus (and any supplementary prospectus issued in connection therewith). The information contained in this document 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.

Issued 6 September 2017.

The Mobeus VCTs are a tax efficient way to invest in established portfolios of privately owned, smaller companies with strong growth potential.

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The Mobeus VCTs are four established venture capital trusts that aim to make tax-free dividend distributions to investors from capital gains and income generated from existing and future diversified portfolios of investments in small UK companies. The Mobeus VCTs co-invest in the same target companies and are raising capital in joint offers for subscription.

From an existing asset base of approximately £200 million, the Mobeus VCTs are now opening new share offers to raise, in aggregate, up to £50 million, with over-allotment facilities to raise, in aggregate, up to a further £30 million.

The Mobeus VCTs are currently predominantly invested in management buyouts (MBOs) of established profitable companies. As a result of VCT rule changes, all new investments from November 2015 must be in younger, smaller companies to fund their growth and development.

Mobeus has promoted several offers by the Mobeus VCTs since 2010. Since that time, the Mobeus VCTs have:

- Raised £129 million
- Returned £169 million to shareholders in dividends*
- Made 30 investments totalling £159 million

*including the dividends of 9.0 pence per MIG share payable on 13 September 2017 and 18.0 pence per MIG 4 share payable on 11 September 2017.

- Sold 19 investments, realising £126 million in cash proceeds, contributing to a gain of £104 million over cost during the life of these investments
- Made nine growth investments under the new VCT regulations in the last 18 months, totalling £31 million

Other key features

There are several tax benefits to investing in VCTs. Qualifying investors receive and retain income tax relief of up to 30% of the amount subscribed under the offers for subscription, as long as the shares are subsequently held for five years. Investors may, at the end of five years, decide to hold onto the shares, or sell them, at which point the relevant Mobeus VCT may buy them back at a discount to the latest announced NAV per share.

One of the other main benefits of VCTs is their potential for paying regular tax-free dividends to qualifying investors. All Mobeus VCTs aim to pay tax-free dividends per share each year from realised income and capital returns earned from the investments. Although the Mobeus VCTs have historically distributed the majority of income and any realised capital gains on sales of investments, should any gain arise on the eventual sale of their shares, qualifying investors should not have to pay any capital gains tax on any increase in value of their shares.

Please note that tax treatment depends on individual circumstances and may change in the future. Tax reliefs depend on a VCT maintaining its qualifying status.

Besides the tax benefits, other features of each Mobeus VCT include:

	MIG	MIG2	MIG4	I&G
Dividend policy – annual dividend target per share*	4.0p	5.0p	4.0p	6.0p
Buyback policy – to buy at % discount to NAV	10%	10%	10%	10%
Ongoing charges ratio - as % of net assets	2.7%	3.0%	2.8%	2.8%

*This is the current dividend target set by each VCT Board and may be subject to change at the discretion of each Board.

The ongoing charges ratio has been calculated using the AIC recommended methodology. This figure shows the annual percentage reduction in shareholder returns as a result of recurring operational expenses including VAT, assuming markets remain static and the portfolio is not traded. Although the ongoing charges figure is based upon historical information, it provides an indication of the likely level of costs that will be incurred in managing the fund in the future.

Why invest?

Investors should benefit from investment into an existing portfolio of predominantly MBO investments, which have historically had a low loss ratio, delivered a strong yield and attractive investment returns. This will be balanced with recent and future investments in younger and fast growing companies. This strategy is explained more fully on pages 5 and 6. Potential investors are reminded that past performance is not a guide to future performance.

A strong track record – actual performance

The Mobeus VCTs have a strong track record of producing good returns and distributing those returns back to shareholders through tax-free dividends. This is illustrated in the table:

MIG ¹	As at 31 December	2012	2013	2014	2015	2016	30 June 2017
	MIG NAV Cumulative Total Return ² :	132.3p	146.2p	163.7p	171.8p	172.0p	178.4p
	Of which cumulative dividends paid/payable:	40.1p	47.3p	71.3p	81.3p	95.0p	104.8p
MIG 2 ¹	As at 30 April / 31 March	2013	2014 ³	2015	2016	2017	30 June 2017
	MIG 2 NAV Cumulative Total Return ² :	124.8p	143.7p	157.5p	166.6p	168.8p	172.2p
	Of which cumulative dividends paid/payable:	18.1p	23.0p	42.0p	47.0p	62.0p	69.0p
MIG 4 ¹	As at 31 January/ December	2012 ³	2013	2014	2015	2016	30 June 2017
	MIG 4 NAV Cumulative Total Return ² :	144.0p	154.1p	170.4p	180.1p	180.5p	186.4p
	Of which cumulative dividends paid/payable:	32.2p	38.2p	60.2p	71.2p	80.2p	98.2p
I&G ¹	As at 30 September	2012	2013	2014	2015	2016	30 June 2017
	I&G NAV Cumulative Total Return ² :	138.1p	154.4p	165.1p	174.9p	179.0p	183.7p
	Of which cumulative dividends paid/payable:	34.5p	44.5p	62.5p	74.5p	84.5p	102.5p

Five year and relative performance of Mobeus VCTs

The percentage growth of each Mobeus VCT over the past five years is shown below, both in absolute terms and relative to their VCT peer group.

Growth in NAV Cumulative Total Return over past 5 years to 31 July 2017			
MIG	MIG2	MIG4	I&G
59.6%	33.9%	29.7%	40.3%

AIC Ranking*			
MIG	MIG2	MIG4	I&G
1st	12th	18th	8th

*Source: data reported by the Association of Investment Companies as at 31 July 2017 with the rank being out of 41 AIC Generalist (including planned exit) VCTs.

Notes to the table of actual performance

¹Shares in the MIG, MIG 2 and I&G VCTs were launched with an issue price of 100p per share. Shares in MIG 4 were originally launched in January 1999 at an issue price of 100p per share but subsequently a 2:1 consolidation took place resulting in an adjusted issue price of 200p per share.

²NAV Cumulative Total Return (pence per share): This comprises the audited/unaudited net asset value per share as at the relevant financial period end (not separately shown in this table), plus cumulative dividends paid/payable per share in respect of the periods since launch of the current share class, to date. Where dividends were paid in respect of a financial period, but after the end of that period, the dividends paid have been adjusted upwards and the closing NAV has been adjusted downwards. The NAV cumulative total return for each VCT as at the start of the period of performance shown above is: MIG: 122.4p (as at 1 July 2012); MIG 2: 112.7p (as at 1 May 2012); MIG 4: 121.7p (as at 1 February 2012) and I&G: 125.3p (as at 1 October 2011).

³MIG 2 changed its year end to 31 March in 2014 and MIG 4 changed its year end to 31 December in 2012. Therefore these two particular periods were 11 month periods.

The former investment strategy – MBOs










The track record of the Mobeus VCTs reflects the success of their former investment strategy whereby Mobeus focused on financing management buyouts (MBOs) of established, profitable businesses, using a combination of loan stock and equity.

The Mobeus VCTs made investments under this former investment strategy up to November 2015. This strategy was pursued because MBO deals were considered attractive and lower risk.

Realisations

Significant realisations since 1 January 2014 are set out opposite, resulting in realised cumulative cash gains of £99.4 million, on total proceeds of £147.4 million against a cost of £48.0 million. Opportunities to realise investments are often unpredictable and can depend on the economic cycle.

Investors should note that the number and value of the investment realisations during 2014 and 2015 were exceptional.

Investment	Sold		Money Multiple ¹	Cash gain ² (£ million)
Entanet Holdings Limited Wholesale communications infrastructure provider	August 2017		2.5X	14.7
Westway Services (2014) Limited ³ Heating, ventilation and air conditioning services company	December 2015		6.9X	8.8
Tessella Holdings Limited Technology and consulting services company	December 2015		2.8X	10.2
Ingleby (1879) Limited (trading as EMac) Administrator of service plans to the motor trade	December 2014		3.1X	12.5
Youngman Group Limited Provider of ladders and access towers	October 2014		2.5X	5.4
Focus Pharma Holdings Limited Licensor and distributor of generic pharmaceuticals	October 2014		4.5X	11.1
DigiCo Global Limited Manufacturer of digital sound mixing consoles	July 2014		5.5X	20.7
Monsal Holdings Limited Supplier of engineering services to the water and waste sectors	June 2014		2.0X	3.5
ATG Media Holdings Limited (partial realisation) Publisher and online auction platform operator	June 2014		1.9X	7.9
MachineWorks Software Limited Software products for the manufacturing sector	April 2014		4.1X	4.6
Cumulative cash gains from investments realised from 1 January 2014 to date				99.4

¹ Money multiple means the total of net proceeds, loan repayments, dividends and interest received in cash from the date of investment to date, divided by the original cost of investment. In the case of a partial sale, the calculation excludes the current valuation of the remaining investment, so the multiple is that achieved to date.

² Cash gain is the surplus of the total received in cash as described in note 1 above over the original cost of investment

³ MIG 2 did not invest in this company.

*In addition to these realisations, returns totalling £26.28 million have been received principally from loan repayments of £19.84 million and other sundry proceeds of £6.44 million from other investments held in the portfolio over the same period.

**Past performance is not a guide to future performance. As with any diversified portfolio of investment there have also been investment losses and write offs. All of the financial data above is unaudited.

The current investment strategy – growth capital

New rules were introduced in November 2015 that require new investments to be made in younger and smaller companies for growth and development purposes. The Mobeus VCTs have adapted to these new rules and Mobeus has recruited further experienced growth capital investment professionals.

Growth capital is a type of equity investment in privately owned or unquoted companies which are beyond the stage of start-up and are usually looking for capital to finance a transformational event in their life cycle.

Fast growing smaller and younger companies are also an attractive investment opportunity due to a number of factors:

- Key employees are highly incentivised to grow their business and equity value.
- Their existing small scale allows them to be focused on specific niches which are differentiated from their competitors.
- They can experience significant revenue growth far exceeding the general economy.
- As they begin to benefit from economies of scale they can dramatically improve profitability during the lifetime of the investment.
- Smaller fast growing companies can be attractive acquisition targets to larger competitors, providing the investor with an attractive exit.

Growth capital investments may carry higher risk, because the companies may be less established than companies under the previous policy and may still be loss-making, but should have the potential for greater growth and returns than more established companies.

A further summary of the key risks is set out on page 11

Key characteristics of investments

When identifying suitable investment opportunities, Mobeus seeks some, or all, of the following characteristics:

- An established company with a robust business model
- Evidence of a market opportunity
- Founder and manager owned with a strong management team
- No, or limited, third party debt
- Opportunity to provide additional follow on capital
- Stage of development, geographical spread and sector diversification
- Use of funds invested to finance a transformational event in a company's life cycle
- Structured investment

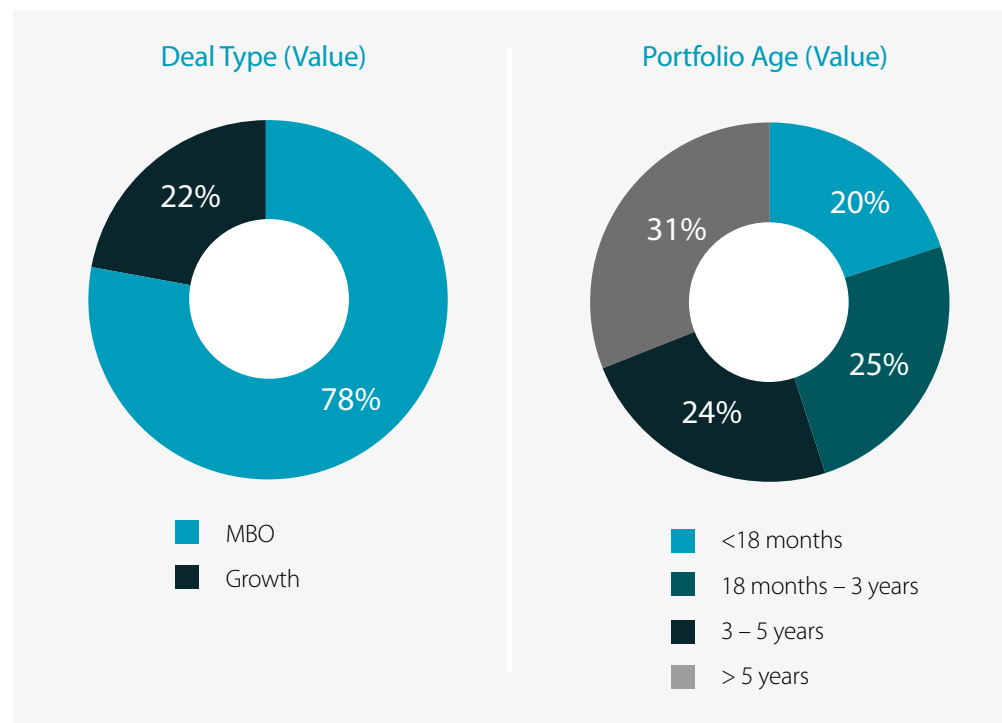
New investments – progress to date

The implementation of this new strategy commenced with the completion of the first investment in February 2016. Nine growth investments totalling £31 million have since been completed, as shown below. Although it is too early to draw conclusions, the initial performance of these investments has been encouraging.

Investment	Date Invested	Cost (£ million)
Redline Worldwide Limited Provider of security services to the aviation industry and other sectors	February 2016	3.7
MPB Group Limited Online marketplace for used photographic equipment	June 2016	2.1
BookingTek Limited Direct booking software for hotel groups	October 2016	2.5
Pattern Analytics Limited (trading as Biosite) Workforce management and security services for the construction industry	November 2016	2.8
Preservica Limited Seller of proprietary digital archiving software	December 2016	3.0
Ibericos Etc. Limited (trading as Tapas Revolution) Spanish restaurant chain	January 2017	2.5
Chatfield Services Limited (trading as Buster + Punch) Industrial inspired lighting and interiors retailer	March 2017	2.4
My Tutorweb Limited Digital marketplace targeting school pupils seeking one-to-one online tutoring	May 2017	2.0
Manufacturing Services Limited (trading as Wetsuit Outlet) Online retailer in the water sports market	July 2017	10.0
Total		31.0

The current portfolio in summary

The combination of the former investment strategy with the new investment strategy has created the current portfolio. This is shown below by the type of investment and age of company, as well as the top ten investments within the combined portfolio*.



*Combined investment portfolio (excluding cash and liquidity funds) as at 30 June 2017, adjusted for the following movements:

- i) the realisation of Entanet Holdings Limited for £21.4 million
- ii) a further net investment in Manufacturing Services Investment (Wetsuit Outlet) of £1.0 million
- iii) the repayment of £0.8 million of loans by TPSFF Holdings Limited

Further details are contained in the Securities Note on page 25.

Top Ten Investments		Date Invested	Cost (£ million)	Valuation (£ million)
Tovey Management Limited (trading as Access IS) Provider of data capture and scanning hardware		October 2015	11.0	13.1
Virgin Wines Holding Company Limited Online Wine retailer		November 2013	8.4	11.0
ASL Technology Holdings Limited Printer and photocopier services		December 2010	9.7	10.2
Manufacturing Services Investment (Wetsuit Outlet) Online retailer in the water sports market		July 2017	10.0	10.0
Media Business Insight Holdings Limited A publishing and events business focused on the creative production industries		January 2015	11.7	8.5
Turner Topco Limited (trading as ATG Media) Publisher and on-line auction platform operator		October 2008	6.9	6.1
Vian Marketing Limited (trading as Red Paddle Co) Design, manufacture and sale of stand-up paddleboards and windsurfing sails		July 2015	4.0	5.9
Gro-Group Holdings Limited Baby sleep products		March 2013	7.1	5.7
EOTH Limited Branded outdoor equipment and clothing		October 2011	4.5	5.6
Tharstern Group Limited Software based management information systems to the print sector		July 2014	4.7	5.4
Total			78.0	81.5

This section contains summary details of eight of the companies within the Mobeus VCTs' investment portfolio.



Provider of data capture and scanning hardware

Access-IS is a leading provider of data capture and scanning hardware. The company has a significant share of the worldwide market for this technology in airports.



Online wine retailer

Virgin Wines is a leading UK online wine retailer. The online wine market continues to expand as many customers move to the convenience of this means of purchase and delivery. It is well positioned to grow in this market with a niche range of exclusive, boutique quality wines, backed by the power of the Virgin brand.



COMMITMENT | QUALITY | DESIGN

Design, manufacture and sale of paddleboards & windsurfing sails

Tushingam Sails has recently moved into the young and rapidly expanding watersport of stand-up paddleboarding, as the manufacturer of its own fast growing brand called Red Paddle. Red Paddle products are sold in 55 countries.



Leading online retailer of technical clothing & equipment for water sports

Wetsuit Outlet has established itself as a leading on-line retailer for premier water sports products from GUL, Billabong, Quiksilver, Rip Curl and Henri Lloyd.



Online tutoring

Mytutorweb 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 pupil's exam results to enhance their academic and career prospects.



Online marketplace for used photo and video equipment

MPB is a fast growing online marketplace for used photo and video equipment. Based in Brighton, their custom-designed pricing technology enables MPB to offer both buy and sell services through the same platform and a one-stop shop for all of its customers.



Sellers of proprietary digital archiving software

Preservica has developed software for the long-term preservation of digital records, ensuring that digital content remains accessible, irrespective of future changes in technology.



Leading security business

Redline Assured Security is a business based in Doncaster that provides world-class security training and covert quality assurance services to a large number of customers, including the majority of UK airports.



Mark Wignall
Managing Partner



Mike Walker
Partner



Trevor Hope
Partner



Bob Henry
Partner



Rob Brittain
Partner



Clive Austin
Partner



Eric Tung
Partner



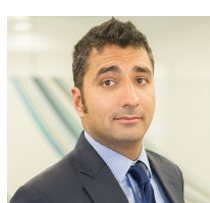
Tim Jones
VCT Services Director



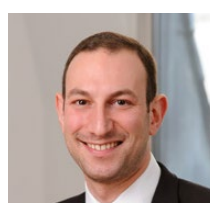
Guy Blackburn
Portfolio Director



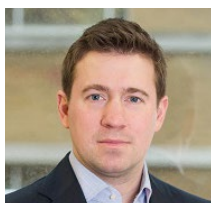
Jane Reoch
Portfolio Director



Amit Hindocha
Investment Director



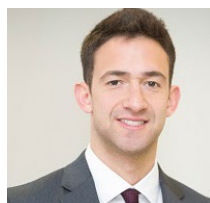
Greg Blin
Investment Director



Jonny Burr
Origination Director



Joshua Henshaw
Investment Analyst



Josh Levy
Investment Executive

Mobeus Equity Partners LLP Mobeus is the UK's sixth largest VCT investment adviser. Its award-winning fund management team comprises 23 investment professionals, supported by 11 other employees. As at the date of this document, as well as the £199 million of funds under management in the Mobeus VCTs, Mobeus manages a £166 million institutional LP fund, focused on investments in smaller company MBOs.

Mobeus has a large, experienced and stable team. The partners own the business and so integrity and reputation are key to everything they do.

Mobeus is one of the largest and most experienced VCT advisers. The team has a strong and consistent track record of delivering profitable cash realisations from VCT investments. The investment team of 23 private equity investment professionals includes ten partners who have an average of 23 years' experience in both UK private equity and VCT investment. The four partners who originally formed the team have worked and invested together for 19 years.

The team has a clear and aligned interest with investors in making the Mobeus VCTs a success.

The Mobeus team has won numerous private equity investment awards, including:

Unquote™ British Private Equity Awards:
VCT Manager of the Year 2008, 2012, 2013, 2014 & 2015
VCT Exit of the Year 2015

Investor Allstars awards:
VCT Manager of the Year 2005 and 2006

The Mobeus VCTs are open for investment with new share offers to raise, in aggregate, up to £50 million, with over-allotment facilities to raise, in aggregate, up to a further £30 million, subject to demand.

Applying for shares

Before making an application it is important that you read the Prospectus (and any supplementary prospectus which may be subsequently published) which is available at www.mobeusequity.co.uk/vct-investors or by contacting Mobeus on 020 7024 7600 between the hours of 9.00 a.m. and 6.00 p.m. on any business day.

As with any investment, there are risks to consider before you decide to invest. Please read about these risks on page 11 and in the prospectus. We always recommend that you talk to a professional financial adviser about whether this investment is right for you and by what route you should invest.

When you have made the decision to invest, you will need to complete and return the application form at the back of the prospectus, following the instructions also provided in the prospectus.

Choosing your investment

New and existing investors can apply to invest equally in all of the Mobeus VCTs or to invest specific amounts in one or more of the Mobeus VCTs. Further information on application options and allocation are set out in the Prospectus.

The minimum aggregate investment is £6,000 in one or more of the Mobeus VCTs (£1,500 per Mobeus VCT if you wish to invest in all four Mobeus VCTs). The maximum you can invest in VCTs while still qualifying for tax benefits is £200,000 per tax year.

Applications will normally be accepted on a first-come first-served basis.

Early investment incentive

Investors who successfully apply for shares up to the earlier of the first £50 million, in aggregate, being raised across the offers **or** 3 November 2017 will be eligible to receive an early incentive discount equal to 1% of the amount invested. For full details, please refer to the prospectus.

The charges

We set out below the upfront and ongoing charges for each of the three main ways in which investors can invest in the Offers, namely through a financial adviser, an execution-only broker, or directly.

	Financial adviser	Execution-only broker	Direct investor	
Upfront	Initial fee ^{1,2}	3.25%	3.25% ³	3.25%
	Adviser charges	Up to 4.5% ⁴	-	-
Ongoing annual charges ⁵	Annual management charges – borne directly by the VCTs	2% of Net Assets plus administration fees	2% of Net Assets plus administration fees	2% of Net Assets plus administration fees
	Adviser charges	-	-	-
	Trail Commission (paid to an execution only intermediary) borne directly by the VCTs	0%	0.375% pa and a cap of 2.25%	0%

¹ Our upfront charges of 3.25% are to meet the costs of launching the offers, which are included in the offer price at which shares are allotted to you.

² These upfront initial fees may be reduced by the **early investment incentive discount of 1%**, any waivers of commission received from your execution only broker (if applicable), and any other terms that may be agreed by Mobeus.

³ Your execution only broker cannot offer financial advice, but may rebate some of the commission received from Mobeus for arranging your investment, to be re-invested in further shares.

⁴ Your financial adviser may charge a one-off initial fee for providing financial advice upon your investment. Initial adviser charges of 4.5% of the amount you subscribe can be facilitated on your behalf to pay (in whole or part) this fee. The maximum initial charges via this route will therefore be 7.75%, unless you agree to pay additional adviser charges direct to your adviser, but could be lower.

⁵ Details of the ongoing annual charges are contained in the Prospectus.

We want investors to understand the risks associated with this investment before making a decision. If you have any questions about the risks mentioned here, we recommend you speak to a professional financial adviser

Any decision to invest in the Mobeus VCTs should be made on the basis of information contained in the Prospectus (and any supplementary prospectus subsequently published in connection therewith). This is available at

www.mobeusequity.co.uk/vct-investors

Your capital is at risk and you could lose money

There is no guarantee that the amount you invest will be returned to you. The value of shares in a Mobeus VCT, and the income derived from them, can go up and down. In addition, there is no certainty that the market price of the shares will fully reflect their underlying net asset value.

This is a long-term investment

Investment in a Mobeus VCT should be regarded as a longer term investment and may be higher risk and more difficult to realise than investments in other securities listed on the Official List.

You should be prepared to hold your shares for a minimum of five years. If you decide to sell your shares before then, you will be required to repay to Her Majesty's Revenue and Customs (HMRC) any upfront income tax relief you have claimed.

Past performance is no guide to the future

The past performance of the Mobeus VCTs or Mobeus is not an indication of future performance. Nor should you rely on any dividend targets about future returns. The return received will be dependent on the performance of the investments made by the Mobeus VCT in which you invest.

The VCTs qualifying status could end

There is no guarantee that the Mobeus VCTs will maintain their VCT status. If a VCT loses its qualifying status, tax advantages may be withdrawn from that point. Additionally, if a VCT loses its status within five years of your initial investment, you will be liable to repay any upfront income tax relief you have already claimed.

Your share may be difficult to sell

The secondary market for VCT shares is generally illiquid. Moreover, VCT shares usually trade at a discount to net asset value. This means that if you decide to sell your shares, it may take time to find a buyer, or you may have to accept a price lower than the NAV of the investment.

Tax rules can change

The VCT tax benefits we have described in this brochure are correct at the time of going to print. However, rates of tax, tax benefits and tax allowances do change. In addition, the tax benefits available to you through this investment depend on your own financial circumstances.

To ensure that VCT money continues to support government policy objectives, Her Majesty's Treasury can also change the definition of a VCT-qualifying investment in the future. This could impact the nature of new investments a VCT can make over time.

Changes to the VCT scheme could occur and affect VCT tax benefits and the nature of new investments, arising from the results of the Patient Capital Review. These results are expected later this year.

Investing in smaller companies is considered a high-risk investment

The Mobeus VCTs invest in smaller, unquoted companies. Small companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals. They may be more susceptible to political, exchange rate, taxation, economic and other regulatory changes and conditions.

Further details of the risks are set out in the Prospectus on page 3 of the Securities Note and pages 3 and 4 of the Registration Document.

Applications

Application forms can be obtained from www.mobeusequity.co.uk or by contacting Mobeus on **020 7024 7600** between the hours of 9.00 a.m. and 6.00 p.m. on any business day.

If you have a financial adviser

If you have a financial adviser, they can help you to complete your application form.

Issuing your shares

Once we have received your funds our receiving agent, The City Partnership, will acknowledge your application. If your application is successful, we will allot your shares at the next available date.

You should receive share and income tax certificates within ten business days after your shares have been allotted. You can use the income tax certificate to claim income tax relief from HMRC.

Keeping you updated

We will send you annual and half-year reports containing the full financial statements for the Mobeus VCTs in which you invest; these will include updates from the chairman of the relevant Mobeus VCT and Mobeus, the investment adviser. The Mobeus VCTs also announce quarterly data for each of the other two quarters on the London Stock Exchange.

Receiving your dividends

Most shareholders ask us to pay dividends directly to their bank account. I&G and MIG 4 offer the opportunity to re-invest dividends in further shares, usually at a discount of 10% to the latest NAV. Both are options to choose on the application form.

Selling your shares – the two options

Sell your shares on the secondary market

VCT share prices are quoted on the London Stock Exchange. You can buy or sell shares at any time through a stockbroker or a share dealing account. Usually the market price is less than the underlying net asset value (NAV) of the shares (currently around 10%). It is worth noting that since previously owned VCT shares do not qualify for the 30% upfront income tax relief, the number of buyers of second-hand VCT shares is, in practice, limited.

Sell your shares back to a Mobeus VCT

Because natural demand for VCT shares on the secondary market is limited, the Mobeus VCTs offer a share buyback facility for investors, provided there are funds available. This facility allows existing investors to sell their shares back to the Mobeus VCTs, currently at a 10% discount to the NAV. This is the current policy agreed by each Mobeus VCT board. Share buybacks are conducted at each board's discretion, and therefore there can be no guarantees that shares will always be sold on request. It's worth noting, however, that the Mobeus VCTs have a strong track record of buying shares from investors.

Please remember that VCT shares should be held for a minimum of five years in order to retain the 30% upfront tax relief.

Questions

If you have any questions, you can call Mobeus on the number in the first column. Please remember that we cannot offer investment, legal, financial or tax advice, but we will endeavour to answer any questions regarding the application process.

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