

# MOBEUS VCTS

## OFFERS FOR SUBSCRIPTION

**TO RAISE, IN AGGREGATE, UP TO  
£38 MILLION WITH OVER-ALLOTMENT  
FACILITIES TO RAISE, IN AGGREGATE,  
UP TO A FURTHER £20 MILLION**

FOR 2019/20 TAX YEAR

Securities Note and  
Application Form



Promoted and advised by  
Mobeus Equity Partners LLP



## Contents

Important Information	2
Risk Factors	4
Timetable, Key Offer Information and Offer Costs	5
Letter from the Chairmen of the Mobeus VCTs	6
Part One – Why Invest in these Offers?	8
Part Two – The Mobeus VCTs’ Investments	18
Part Three – Details of The Offers	25
Part Four – The Boards	32
Part Five – Objectives and Policies	35
Part Six – Management Expenses and Administration	38
Part Seven – Other Information	42
Part Eight – Tax Considerations	53
Part Nine – Definitions	58
Terms and Conditions of Application	61
Application Procedures	68
Application Form	75
Corporate Information	81

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL INTERMEDIARY AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (FSMA).**

This document constitutes a securities note (**Securities Note**) issued by 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 **Companies** and each a **Company**) dated 25 October 2019.

This document has been prepared in compliance with the Prospectus Regulation Rules made under FSMA (**Prospectus Regulation Rules**), English law and the rules of Financial Conduct Authority (**FCA**) and the information disclosed may not be the same as that which would be disclosed if this document had been prepared in accordance with the laws of a jurisdiction outside England. Additional information relating to the Companies is contained in a registration document issued by the Companies (**Registration Document**). A brief summary written in non-technical language conveying the essential characteristics of and risks associated with the Companies and ordinary shares of 1p each in the capital of each of the Companies which are being offered for subscription (**Offer Shares**) (the **Offers** and each an **Offer**), is contained in a summary issued by the Companies (**Summary**). The Securities Note, Registration Document and Summary have been prepared in accordance with Regulation (EU 2017/1129) and have been approved by the FCA as competent authority under Regulation (EU 2017/1129). The FCA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU 2017/1129) and such approval shall not be considered as an endorsement of the securities that are subject of this Securities Note.

This Securities Note, the Registration Document and the Summary together comprise a prospectus issued by the Companies dated 25 October 2019 (**Prospectus**). The Prospectus has been filed with the FCA in accordance with the Prospectus Regulation Rules and you are advised to read the Prospectus in full. Summary information on each Company is also contained in its key information document (**KID** and together the **KIDs**). Investors should make their own assessment as to the suitability of investing in the Offer Shares. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU 2017/1129).

The Companies and the directors of the Companies (**Directors**) (whose names are set out on the inside back cover of this document) accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Companies and the Directors the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

**Offers for subscription to raise, in aggregate, up to £38 million  
with over-allotment facilities to raise, in aggregate, up to a further £20 million  
through the issue of Offer Shares in each Company**

<b>Mobeus Income &amp; Growth VCT plc</b>	<b>Mobeus Income &amp; Growth 2 VCT plc</b>	<b>Mobeus Income &amp; Growth 4 VCT plc</b>	<b>The Income &amp; Growth VCT plc</b>
Registered in England & Wales under number 05153931	Registered in England & Wales under number 03946235	Registered in England & Wales under number 03707697	Registered in England & Wales under number 04069483
ISIN: GB00B01WL239	ISIN: GB00B0LKLZ05	ISIN: GB00B1FMDH51	ISIN: GB00B29BN198
Offer for subscription to raise up to £10 million, with an over-allotment facility to raise up to a further £5 million	Offer for subscription to raise up to £15 million, with an over-allotment facility to raise up to a further £5 million	Offer for subscription to raise up to £8 million, with an over-allotment facility to raise up to a further £5 million	Offer for subscription to raise up to £5 million, with an over-allotment facility to raise up to a further £5 million

In connection with the Offers, Howard Kennedy Corporate Services LLP, the sponsor to the Offers, and Mobeus Equity Partners LLP (**Mobeus**), the promoter to the Offers, are acting for the Companies and no one else and will not be responsible to anyone other than the Companies for providing the protections afforded to customers of Howard Kennedy Corporate Services LLP and Mobeus (subject to the responsibilities and liabilities imposed by FSMA and the regulatory regime established thereunder) in providing advice in relation to the Offers. Howard Kennedy Corporate Services LLP and Mobeus are authorised and regulated in the United Kingdom by the FCA.

Shakespeare Martineau LLP, which is regulated in the United Kingdom by the Solicitors Regulation Authority, is acting as legal adviser to the Companies and no one else and will not be responsible to anyone other than the Companies for providing advice in connection with any matters referred to herein.

None of the Offer Shares has been, nor will be, registered in the United States under the United States Securities Act of 1933, as amended, (the Securities Act) or under the securities laws of Canada, Australia, Japan or South Africa (each a Restricted Territory) and they may not be offered or sold directly or indirectly within the United States or any of the Restricted Territories or to, or for the account or benefit of US Persons (as defined in Regulation S made under the Securities Act) or any national, citizen or resident of the United States or any of the Restricted Territories. The Offers are not being made, directly or indirectly, in or into the United States or any of the Restricted Territories or in any other jurisdiction where to do so would be unlawful. In particular, prospective investors who are resident in the United States or any Restricted Territory should note that this document is being sent for information purposes only. The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities law of any such jurisdiction. An Application Form is not being and must not be forwarded to or transmitted in or into the United States or a Restricted Territory.

Application has been made to the FCA for the Offer Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange plc for such Offer Shares to be admitted to trading on its main market for listed securities. It is expected that admission to the Official List will become effective and that dealings in the Offer Shares will commence within three Business Days following allotment. The Companies' existing issued Shares are traded on the London Stock Exchange's main market for listed securities.

Copies of this Securities Note, the Registration Document and the Summary (and any supplementary prospectus issued by the Companies) are available, together with the Key Information Document free of charge from the National Storage Mechanism ([www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM)) and the promoter of the Offers:

Mobeus Equity Partners LLP  
30 Haymarket  
London SW1Y 4EX

telephone: 020 7024 7600  
download: [www.mobeus.co.uk/investor-area](http://www.mobeus.co.uk/investor-area)  
email: [info@mobeus.co.uk](mailto:info@mobeus.co.uk)

The procedure for, and the terms and conditions of, application under the Offers are set out at the end of this document, together with an Application Form. Completed Application Forms must be posted or delivered by hand to the receiving agent, Mobeus Offers, The City Partnership (UK) Limited, 110 George Street, Edinburgh EH2 4LH. Each Offer opens on 25 October 2019 and will close at 12.00 midnight on 31 March 2020 (or, if earlier, as soon as that Offer is fully subscribed or otherwise at the relevant Company's Board's discretion).

**YOUR ATTENTION IS DRAWN TO THE RISK FACTORS ON PAGE 4.**

# Risk Factors

**YOUR ATTENTION IS DRAWN TO THE ADDITIONAL RISK FACTORS IN RELATION TO AN INVESTMENT IN THE COMPANIES ON PAGES 3 AND 4 OF THE REGISTRATION DOCUMENT.**

Although the significant tax benefits available to Qualifying Investors in VCTs reduce the effective cost of investment, prospective investors should carefully assess the risks of investing in the Companies. The following are those risk factors which are material to each Company's Offer Shares and of which each Company's respective Directors are aware. Material risk factors relating to the Companies are contained in the Registration Document. Additional risks which are not presently known to the Directors, or that the Directors currently deem immaterial, may also have an effect on the market risk attaching to their respective Company's Offer Shares.

The value of the Shares in a Company could decline due to any of these risk factors described below and in the Registration Document, and investors could lose part or all of their investment in that Company. Investors should consider consulting an independent financial intermediary authorised under FSMA.

- > **The past performance of the Companies and Mobeus is not an indication of future performance.** The return received by investors will be primarily dependent on the performance of the underlying investments held by the Company. The value of such investments, and interest income and dividends therefrom, may rise or fall. There is no certainty that dividends will be paid or that investors will get their money back. The 2015 change in the investment strategy, as a result of the changes in the VCT rules, to investing in smaller, earlier stage companies increases investment risk which may adversely affect the future performance of the Companies.
- > **The disposal of Offer Shares within five years of subscription will result in any income tax relief claimed thereon becoming repayable.** In addition, loss of VCT status by a Company will result in Qualifying Investors losing tax reliefs available for VCT shares, resulting in adverse tax consequences, including any income tax relief claimed on Offer Shares issued by the relevant Company if the Offer Shares have not been held for five years as at the date of VCT status being regarded as lost. Further, the disposal of existing Shares within six months either side of the acquisition of Offer Shares in the same Company will result in the amount of the investment in Offer Shares to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.
- > **The Companies are closed-ended investment companies.** Shareholders will have no right to have their Shares redeemed or repurchased by the relevant Company at any time. Shareholders wishing to realise their investment will be required to dispose of their Shares on the stock market. Accordingly, the ability of Shareholders to sell their Shares at or close to net asset value will depend on the existence of a liquid market in the Shares and the market price of the Shares.
- > **Liquidity in the Shares may be limited.** Although the existing Shares are (and it is anticipated that the Offer Shares will be) admitted to the premium segment of the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities, there may not be a liquid market for the Shares as there is a limited secondary market for VCT shares (primarily because initial VCT tax reliefs are only available to investors subscribing for new VCT shares and are not available on VCT shares bought in the secondary market). Shareholders may, therefore, find it difficult to realise their investment. Investment in a Company should be seen as a long term investment.
- > **The Shares may trade at a discount.** At any given point in time, the price for a Share which a Shareholder could achieve on the stock market may be significantly less than the net asset value of the Share or the price paid by the Shareholder to acquire the Share. The Shares may trade at a discount to their underlying net asset value for a variety of reasons, including as a consequence of general market conditions, concerns regarding the general liquidity or marketability of the Shares or the actual or expected performance of the Companies.
- > **The tax rules, or their interpretation, in relation to an investment in a Company and/or the rates of any tax, may change during the life of that Company and may apply retrospectively.** For example, a change in the tax treatment in relation to VCT Shares may result in dividends being subject to income tax and gains being subject to capital gains tax. The value of the tax reliefs depends on the personal circumstances of the investors, who should consult their own tax advisers before making any investment.

# Timetable, Key Offer Information and Offer Costs

## Expected Timetable for each Company

Offer opens	25 October 2019
First allotment	within first two weeks of 2020
Second and final allotment	between 1 – 5 April of 2020
Offer closes	12.00 midnight on 31 March 2020
Effective date for the listing of Offer Shares and commencement of dealings	within three Business Days following allotment
Share certificates and tax certificates to be dispatched	within ten Business Days of allotment

Note: Each Board will close its respective Company's Offer (which includes the over-allotment facility referred to below if utilised) earlier than the date stated above if it is fully subscribed by an earlier date or at its discretion. Each Board further reserves the right to accept Application Forms and to allot and arrange for the listing of Offer Shares in its Company in respect of Applications received for its Company's Offer on or prior to the first allotment date or the closing date of such Offer as the relevant Board sees fit, which may not be on the dates stated above.

## Key Offer Information<sup>1</sup>

	MIG	MIG 2	MIG 4	I&G	For all VCTs
	£m	£m	£m	£m	£m
Maximum amount to be raised under the Offer (excluding the over-allotment facility)	10.0	15.0	8.0	5.0	38.0
Maximum amount to be raised under the Offer (including the over-allotment facility) *	15.0	20.0	13.0	10.0	58.0
	£	£	£	£	£
Investor's minimum subscription:					
- Aggregate investment across all Offers	n/a	n/a	n/a	n/a	6,000
- Investment per Offer	1,500	1,500	1,500	1,500	6,000
	£m	£m	£m	£m	£m
Net assets as at 30 June 2019 (unaudited)	77.1	51.0	59.5	84.2	271.8
Adjusted net assets as at 30 June 2019 (unaudited)**	72.7	43.7	50.6	78.0	245.0
	pence	pence	pence	pence	pence
Net asset value per Share as at 30 June 2019	73.0	105.2	88.0	81.1	n/a
Adjusted net asset value per Share as at 30 June 2019**	69.0	90.2	75.0	75.1	n/a
Dividend policy: annual dividend target per Share of:	4.0p	5.0p	4.0p	6.0p	n/a
Ongoing charges as a % of net assets***	2.5%	2.8%	2.7%	2.6%	n/a

\* If a Board decides (in consultation with Mobeus) to utilise the over-allotment facility, this will be advised through a RIS Announcement.

\*\* Adjusted for dividends paid and share buybacks made since 30 June 2019.

\*\*\* Based on the net assets of the relevant Company in respect of its most recent financial year (see further page 38 in respect of how ongoing charges are calculated).

## Offer Costs (% of Investment Amount)<sup>1</sup>

Application through 'execution only' intermediary (no financial advice)	2.50%
Application through financial adviser (financial advice) <sup>2</sup>	2.50%
Direct application	3.00%

<sup>1</sup> Details on Offer selection, allocation of your Application, the Allotment Formula (how the number of Offer Shares will be calculated and the resulting pricing of those Offer Shares), together with details of 'execution only' intermediary commission and facilitation of financial adviser charges, are set out in Part Three of this document.

<sup>2</sup> Excluding any fees payable by an investor to their financial adviser.

# Letter from the Chairmen of the Mobeus VCTs

25 October 2019

Dear Investor

We are delighted to invite you to subscribe for new Offer Shares in the four Mobeus VCTs.

## New Fundraising

The four Mobeus VCTs are raising up to an initial £38 million in aggregate, plus over-allotment facilities which, if utilised, will raise up to a further £20 million in aggregate (a total of up to £58 million).

The last fundraising by the Mobeus VCTs in 2017/2018 proved to be very popular with investors. The Mobeus VCTs raised £80 million in aggregate, with the offers becoming fully subscribed well before the end of the 2017/2018 tax year.

The new funds are being raised to ensure that the Mobeus VCTs retain adequate levels of liquidity to continue to:

- > take advantage of new investment opportunities and fund further expansion of the businesses in their investment portfolios;
- > seek the delivery of attractive Shareholder returns, including the payment of dividends, over the medium term; and
- > seek to buy back shares from those Shareholders who may wish to sell their shares.

The attraction of investing in the Mobeus VCTs is the combination of the potential investment return from exposure to fast growing private young businesses, enhanced by the VCT tax reliefs.

## Investment Performance and Track Record of returns to shareholders

Investors who subscribed equally into previous joint fundraisings by the Mobeus VCTs have all received positive returns from their investment **as a result of the combination of good investment returns, plus the benefit of initial income tax relief**. Depending on the date of launch of these offers, these positive returns have ranged to date from 40.5% for the most recent 2017/18 fundraising to 93.7% for the first such fundraising in 2010/11.

Further details on the returns investors in previous offers have achieved to date, together with data which shows the historic performance track record for each of the four Mobeus VCTs, are set out more fully on pages 8 to 11.

## Investment Team and Investment Strategy

The Mobeus VCTs' investment adviser, Mobeus Equity Partners LLP, has a long track record of new and follow-on VCT investment and fund management, achieving many profitable VCT investment realisations.

Mobeus has a large and experienced team. Since the new VCT rules in November 2015, the investment strategy has been to make growth capital investments in young, fast-growing companies.

Mobeus will be seeking to continue to deliver attractive returns from making new investments and from realising additional value from the existing portfolio of investments.

The investment adviser's investment strategy, team and track record is set out more fully on pages 12 to 17.

## Tax Benefits

VCTs continue to offer attractive tax reliefs to Qualifying Investors.

VCTs offer Qualifying Investors, subject to annual investment limits, 30% upfront income tax relief on the amount subscribed for VCT shares (subject to the shares being held for five years). Other tax benefits include tax-free dividends and gains arising on the disposal of the VCTs' shares being free of capital gains tax.

## The Offers

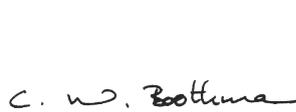
The Offers allow investors to select which of the Mobeus VCTs they wish to invest in.

Investors may choose either to\*:

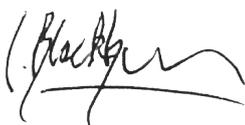
- > invest equally in all of the Mobeus VCTs;
- or**
- > invest different amounts in one or more of the Mobeus VCTs.

We very much hope that existing Shareholders will add to their holdings and look forward to welcoming new investors to the Mobeus VCTs.

Yours faithfully



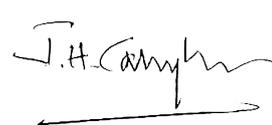
**Clive Boothman**  
Chairman of MIG



**Ian Blackburn**  
Chairman of MIG 2



**Christopher Moore**  
Chairman of MIG 4



**Jonathan Cartwright**  
Chairman of I&G

\* this is subject to a Company's Offer (including the over-allotment facility if utilised by the relevant Company's Board) not having closed prior to an investor's application being processed and a minimum investment per Company of £1,500 (£6,000 in aggregate across all Companies). Further details relating to selection options and the terms of the Offers are set out in Part Three of this document.

## Part One - Why Invest in these Offers?

The Offers are designed to appeal to Qualifying Investors who wish to hold their Shares over the long term, whilst receiving tax-free dividends from income and capital realisations.

The Mobeus VCTs invest in an illiquid asset class, where a medium to long term investment view has to be taken. The Companies already have established and diversified portfolios and are advised by one of the VCT industry's leading advisers with a strong performance track record. As at the date of this document, the Mobeus VCTs have unaudited net assets of approximately £245.0 million, in aggregate. New investors under the Offers will join over 10,000 existing investors in the Companies and gain immediate exposure to these assets.

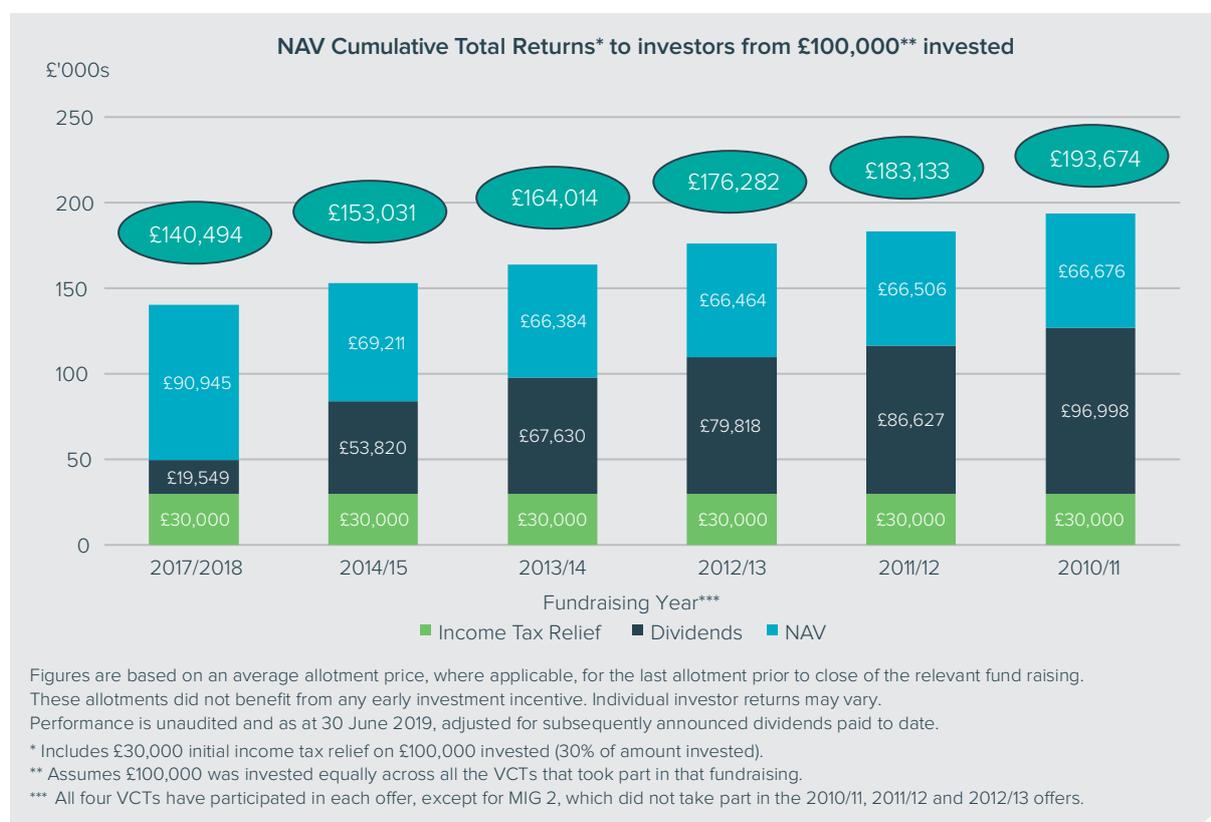
The Boards believe that the reasons why investors should consider the Offers are the Mobeus VCTs' track records, the investment strategy, the investment adviser's team, the investment adviser's approach to making growth investments and their record of profitable realisations.

### Track Record – Actual Performance

The Mobeus VCTs have launched six joint fundraising offers in the past nine years. Investors who subscribed into previous joint fundraisings by the Mobeus VCTs have seen positive returns upon their investment from the combination of investment performance and initial tax relief.

### Returns from previous joint fundraising offers (including the benefit of initial income tax relief)

The performance of previous joint fundraising offers by the Mobeus VCTs is shown in the table below based on an initial £100,000 investment. Depending on the date of launch of previous offers, these positive returns have ranged from £140,494 (40.5%) to £193,674 (93.7%) to date.



Investors will note that the income tax relief and tax-free dividends are cash returns. For instance, investors who subscribed £100,000 for shares in the 2010/11 offer have received, to date, 127.0% of their initial investment in cash (or £126,998 in monetary terms), and retain a holding in the Companies' shares at an unaudited NAV value that still represents a further 66.7% of their initial investment (or £66,676 in monetary terms).

## Five year financial performance of the four Mobeus VCTs (excluding the benefit of initial income tax relief)

The table below shows the unaudited financial performance (% increase in NAV Cumulative Total Return) of each of the Mobeus VCTs over the five years to 30 June 2019:

	Five year % increase in NAV Cumulative Total Return per Share <sup>1,2</sup> (unaudited)
<b>MIG</b>	<b>29.5%</b>
<b>MIG 2</b>	<b>27.4%</b>
<b>MIG 4</b>	<b>25.9%</b>
<b>I&amp;G</b>	<b>23.7%</b>

Notes to the above table:

1. NAV Cumulative Total Return per Share is each Company's unaudited adjusted NAV per Share as at 30 June 2019 plus cumulative dividends paid/payable for the preceding five year period, divided by the opening NAV per Share as at 30 June 2014, adjusted for dividends payable at that date, expressed as a percentage. The percentage figures represent performance over the five years to 30 June 2019.
2. Past performance of the Companies is not an indication of future performance. Investors should note that this return varies between each Company for a number of reasons, including each Company's liquidity level and its participation in each investment.

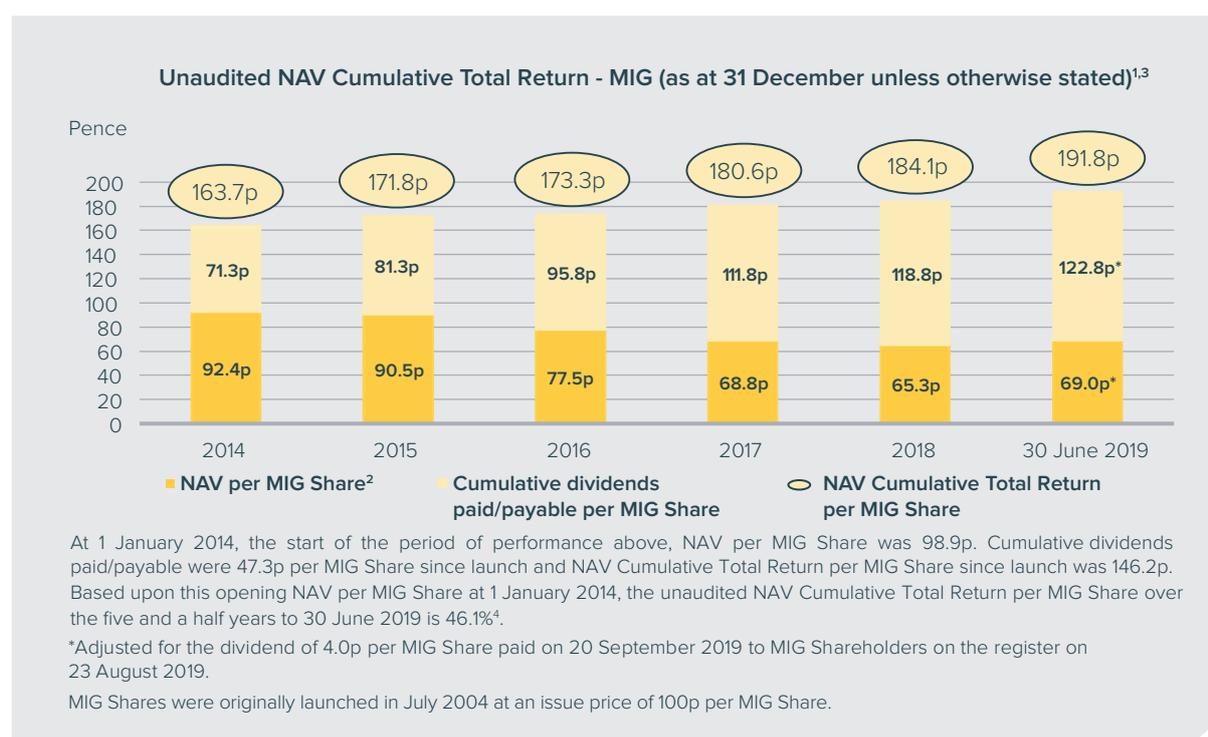
The data used to calculate the percentage figures in the above table has been extracted from the audited/ unaudited figures shown in the charts and notes below.

## Recent cumulative financial performance of the four Mobeus VCTs since launch (excluding the benefit of initial income tax relief)

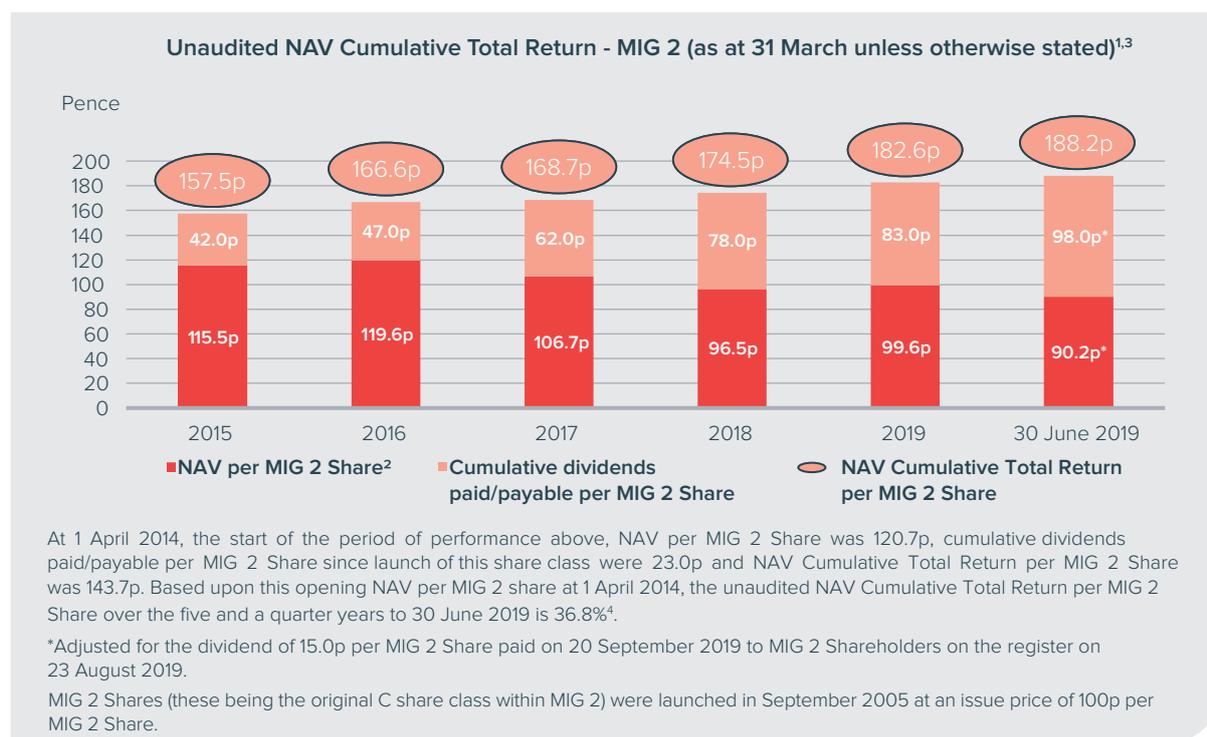
The NAV cumulative Total Return since the launch of the current share class (post merger, if applicable) of each of the Companies at each of the last five full financial year ends and to 30 June 2019 in the current period, is summarised on each of the tables below. The tables show both the NAV changes and cumulative dividends performance of each Company since launch at each period end over the recent past.

Further notes applicable to all of these tables, which include an explanation of the information presented and the calculation methodology can be found after the tables on page 11.

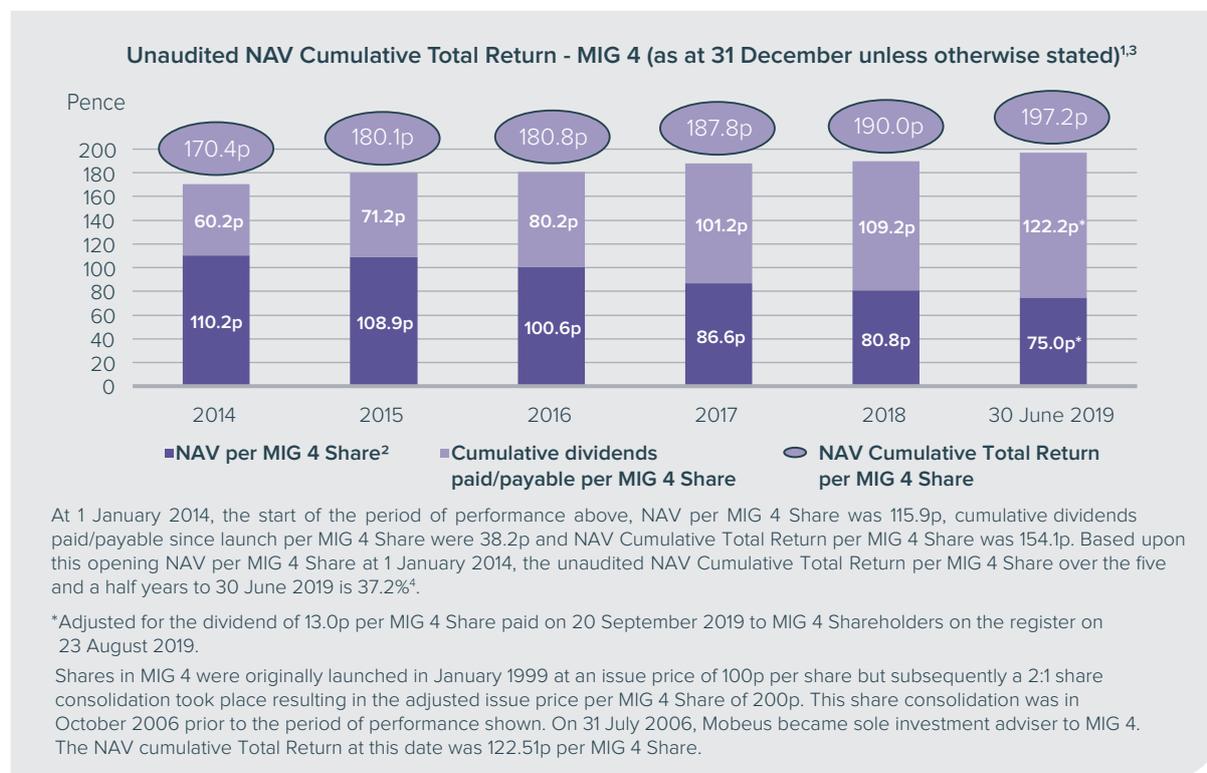
### Mobeus Income & Growth VCT plc



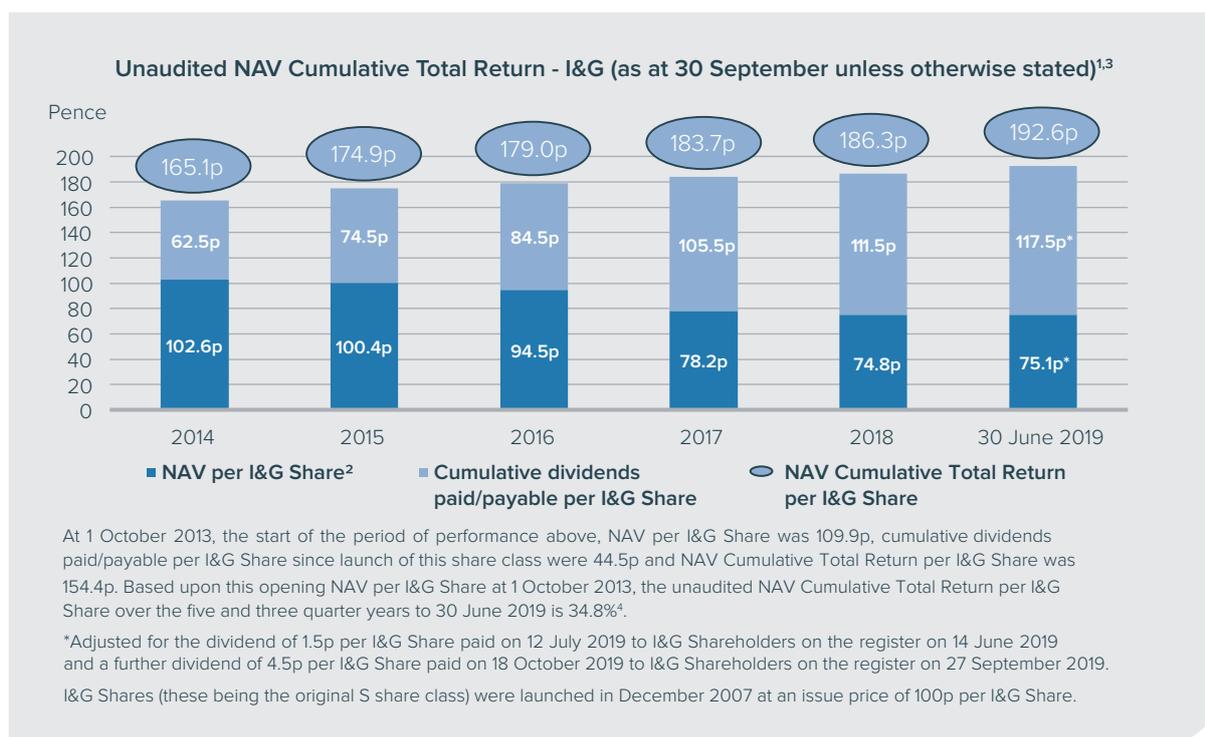
## Mobeus Income & Growth 2 VCT plc



## Mobeus Income & Growth 4 VCT plc



## The Income & Growth VCT plc



### Notes to the recent cumulative financial performance of the four Mobeus VCTs since launch

- NAV Cumulative Total Return is the audited/unaudited NAV per Share as at the relevant period end date, plus cumulative dividends per Share paid/payable 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 per Share included for all the Companies in respect of the end column is as at 30 June 2019 (unaudited), this being the latest published NAV per Share for each Company as at the date of this document, adjusted for dividends per Share paid after that date as explained under the relevant table. The NAVs per Share for the earlier years are as at the end of the relevant audited financial year shown, adjusted for dividends per Share paid or payable in respect of that financial year.
- The data does not reflect the further benefit of income tax relief available on initial investment for Qualifying Investors.
- Investors should note that this return will vary between each Company for a number of reasons including each Company's liquidity level, its share of each investment and the three different lengths of time over which this return is reported.
- Past performance of the Companies is not an indication of future performance. Investors should also note that the past performance information also materially relates to investments made under the previous investment strategy of MBO investments prior to the change in the VCT rules requiring investments to be made in earlier stage businesses.

## The Investment Strategy

The Mobeus VCTs adopted their current investment strategy nearly four years ago, when new rules were introduced in November 2015 that require all new investments by all VCTs from that point to be made in younger and smaller companies for growth and development purposes. Before then, Mobeus focused on financing management buyouts (MBOs) of established, profitable businesses, using a combination of loan stock and equity.

These predominantly MBO investments still comprise approximately 54.0% by value of the Companies' investment portfolio (excluding cash and liquidity funds) as at the date of this document, although this percentage will reduce over time as further growth capital investments are made and as sales of investments made under the previous strategy occur.

The current strategy of investing in fast-growing smaller and younger companies can be attractive due to a number of factors:

- > In many cases, with limited security to support a loan, such companies struggle to achieve bank funding and are open to a combination of equity and debt funding from an investor;
- > Key employees within the business are usually significant shareholders in the company and are highly incentivised to grow their business and increase equity value;
- > Their existing small scale allows them to be focused on specific niches, developing targeted products and services which are differentiated from their competitors;
- > They can experience significant revenue growth far exceeding the general economy as sales of their products or services can increase exponentially;
- > As they begin to benefit from economies of scale they can dramatically improve profitability during the lifetime of the investment; and
- > Smaller fast-growing companies can be attractive acquisition targets to larger competitors, as they look to supplement their own growth. In many instances acquirers are willing to pay premium prices for the asset, providing the investor with an attractive exit.

Growth capital investments carry higher risk but have the potential for greater growth and returns than more established companies.

## The Investment Adviser: Mobeus

The Boards believe that Mobeus is an investment adviser with a proven track record of investing capital profitably and generating strong returns for the Mobeus VCTs:

### Mobeus

Mobeus is a UK limited liability partnership, with its origins dating back to 1998. Since 30 June 2012, Mobeus has been wholly owned by its executive partners.

Mobeus has been a VCT investment adviser for over 20 years and to the four Mobeus VCTs as set out below:

Mobeus Income & Growth VCT plc	From inception in 2005 as sole adviser.
Mobeus Income & Growth 2 VCT plc	From September 2005 following a change in MIG 2's strategy.
Mobeus Income & Growth 4 VCT plc	From inception in 1999 as one of three advisers and as sole adviser from July 2006.
The Income & Growth VCT plc	From inception in 2000 as one of three advisers and as sole adviser from March 2009.

## **The Mobeus Team**

Mobeus is one of the largest and most experienced VCT investment advisers. The VCT investment team directly source, make, manage and realise investments. The Mobeus executive team provides investment committee support and oversight.

The Mobeus team has now grown to 37 people, including 26 investment professionals. The Mobeus team focuses on advising and administering four Mobeus-advised VCTs and on managing an institutional limited partnership.

## **VCT Investment Team**

### ***Trevor Hope***

Trevor is a partner who joined Mobeus in 2016 to develop and lead the firm's growth capital and investment strategy. For over 20 years, Trevor has invested growth capital into UK businesses across a wide range of sectors including technology, media, leisure, business services, healthcare, telecoms and consumer services. Before joining Mobeus, he was the chief investment officer of Beringea, the manager of the ProVen VCTs.

### ***Clive Austin***

Clive is a partner of Mobeus and has an overall responsibility for the firm's investment portfolio. He is an investment management specialist whose 24 years' private equity experience covers a wide variety of sectors and stages of company development. He has been working at Mobeus since 2013. Before joining Mobeus, he worked at NVM Private Equity and 3i plc.

### ***Amit Hindocha***

Amit joined Mobeus in 2016 and is an investment partner responsible for sourcing and completing investment opportunities from across the UK. Amit has eight years' experience in private equity and previously worked as an investment manager at the Business Growth Fund and LMS Capital.

### ***Matt Mead***

Matt joined Mobeus in 2019 as a venture partner working across VCT investment. Matt has over 20 years' experience in early stage and scale-up technology investing. Previously, he was chief investment officer at Mercia Technologies PLC and NESTA.

### ***Bob Henry***

Bob is a founder partner of Mobeus. He entered the private equity industry with County Bank in 1979. He established and was head of HSBC Ventures, the UK bank's captive smaller venture capital firm, from 1992, leaving to join Mobeus in 1998. He has over 30 years' experience in private equity investment.

### ***Greg Blin***

Greg joined Mobeus in 2013 and is an investment director at Mobeus responsible for sourcing investment opportunities across the UK. Greg has particular experience investing in the consumer sector. Previously, he was a manager at PricewaterhouseCoopers where he provided corporate finance advice on a variety of buy-side and sell-side transactions.

### ***Jane Reoch***

Jane joined Mobeus as investment director in 2017. Her focus is to source and execute investments into fast-growing businesses. Previously, she was an investment director at Panoramic Growth Equity responsible for origination, execution and management of investments.

### ***Ed Wass***

Ed joined in 2017 as a portfolio director and manages the Mobeus VCTs' portfolios. He works with management teams to help them achieve their ambitions for growth. Previously, he was chief investment officer at Catapult Ventures.

### ***Rowan Grobler***

Rowan joined the growth team as an investment manager in 2018, originating and executing new deals, as well as working with portfolio companies. Previously, he was the finance director at Nando's and at Crussh.

### ***Joshua Henshaw***

Joshua is an investment executive at Mobeus and joined in 2016. He is responsible for sourcing new investments as well as assisting the deal team with transactions.

### ***Amaad Mahmood***

Amaad joined the growth team as an investment executive in 2019. His key responsibilities include sourcing and executing new investment opportunities. Previously, Amaad worked at Partners Capital and Lazard.

### ***Katia Mendonça***

Katia joined the growth team in 2019 as an investment analyst. Her key responsibilities include sourcing new investment opportunities and assisting the deal team with investment transactions.

## **Executive Team**

### ***Mark Wignall***

Mark is the managing partner of Mobeus and a founder partner. He entered the UK venture capital industry in 1987 on joining GLE Development Capital (GLE) and became managing director in 1994. He led the team that acquired GLE to form Matrix Equity Partners (Matrix) and then went on to acquire Matrix to form Mobeus.

### ***Jonathan Gregory***

Jonathan is a founder partner of Mobeus. He qualified as a chartered accountant with Baker Tilly and joined the Mobeus team in 1995. He has over 20 years' experience working with unquoted companies and in private equity investment.

### ***Ashley Broomberg***

Ashley is a partner of Mobeus, which he joined in 2001. He is a chartered accountant with a background in corporate finance and strategy, having worked previously with Arthur D. Little and Arthur Andersen. He has over 15 years' experience in private equity investment.

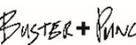
## **New and Follow On Investments**

### **Investments made since the introduction of the new VCT rules**

The Mobeus team has a long track record of making new and follow-on investments. To date, on behalf of the Mobeus VCTs, Mobeus has completed £68.0 million in aggregate of investment transactions in 16 businesses since the introduction of the new VCT rules in November 2015.

Each of these investments is subject to extensive internal review as part of a careful selection process, aimed at achieving good returns for the level of risk inherent in such businesses. Once the investment has been made, extensive monitoring of each is undertaken by Mobeus and appropriate actions implemented where required.

The amounts invested in aggregate by the Mobeus VCTs are shown below.

Growth Capital Investment	Date of Investment	Initial Investment (£ million)	Follow On Investment (£ million)	Total Investment (£ million)
 <b>Parsley Box Limited</b> Home delivered ambient ready meals for the elderly	May 2019	3.0	0.0	3.0
 <b>Arkk Consulting Limited</b> Regulatory and reporting requirement service provider	May 2019	5.0	0.0	5.0
 <b>Kudos Innovations Limited</b> Online platform that provides and promotes academic research dissemination	November 2018	1.5	0.0	1.5
 <b>RotaGeek Limited</b> Workforce management software	August 2018	2.0	0.0	2.0
<b>HEMMELS</b> <b>Hemmels Limited</b> Company specialising in sourcing, selling and servicing of high price classic cars	March 2018	2.2	0.0	2.2
 <b>SuperCarers Limited</b> Online platform that connects people seeking home care from experienced independent carers	March 2018	2.1	0.0	2.1
 <b>Proactive Group Holdings Inc.</b> Provider of media services and investor conferences for companies primarily listed on secondary public markets	January 2018, June 2018 and October 2018	1.5	1.8	3.3
 <b>Manufacturing Services Investment Limited (trading as Wetsuit Outlet)</b> Online retailer in the water sports market	July 2017	10.0	0.0	10.0
 <b>MyTutorweb Limited</b> One to one tutor digital market place	May 2017 and May 2018	2.0	3.6	5.6
 <b>Buster + Punch Holdings Limited</b> Industrial inspired lighting and interiors retailer	March 2017	2.4	0.0	2.4
 <b>Ibericos Etc. Limited (trading as Tapas Revolution)</b> Spanish restaurant chain	January 2017 and March 2018	2.5	2.0	4.5
 <b>Preservica Limited</b> Seller of proprietary digital archiving software	December 2016 and September 2018	3.0	4.0	7.0
 <b>Pattern Analytics Limited (trading as Biosite)</b> Workforce management and security services for the construction industry	November 2016 and October 2018	2.8	3.0	5.8
 <b>BookingTek Limited</b> Direct booking software for hotels	October 2016, March 2017 and November 2017	2.2	0.6	2.8
 <b>MPB Group Limited</b> Online marketplace for used photographic and video equipment	June 2016, September 2017, December 2017, February 2018, October 2018, December 2018 and July 2019	2.1	5.0	7.1
 <b>Redline Worldwide Limited</b> Provider of security services to the aviation industry and other sectors	February 2016	3.7	0.0	3.7
<b>Total</b>		<b>48.0</b>	<b>20.0</b>	<b>68.0</b>

## Realisations

### Five Year Track Record of Realisations

Mobeus has a strong record of realising VCT investments profitably. By way of illustration, all full and all significant partial realisations by the Mobeus VCTs since 1 January 2014 to date are set out below. Total cash proceeds of £213.7 million over an original cost of £79.3 million has realised cumulative cash gains of £134.4 million from 17 realisations. Opportunities to realise investments are often unpredictable and can depend on the economic cycle. Investments made since the VCT rule changes in November 2015 are likely to take longer to realise, being investments in earlier stage companies.

Investment	Name Description	Date Sold	Money Multiple <sup>1</sup>	Cost (£m)	Cash Gain (£m) <sup>2</sup>	Total Cash Proceeds (£m)
	<b>ASL</b> Independent supplier of printer and copier services	June 2019	2.2x	9.7	11.5	21.2
	<b>Plastic Surgeon</b> Surface repair and restoration specialist	May 2019	5.6x	2.0	9.2	11.2
	<b>Lightworks</b> Provider of photo realistic rendering and collaborative virtual reality design review software	September 2018	21.7x	0.1	2.1	2.2
	<b>Hemmels</b> A restorer of high value Mercedes classic cars	September 2018	0.5x	2.2	(1.1)	1.1
	<b>Motorclean</b> An automotive valeting business	August 2018	1.2x	9.2	1.8	11.0
	<b>The Gro Company</b> A baby safe sleep products brand	December 2017	2.3x	7.1	8.9	16.0
	<b>Entanet Holdings</b> A wholesale communication infrastructure provider	August 2017	2.8x	9.5	16.9	26.4
	<b>Westway Services<sup>3</sup></b> A heating, ventilation and air conditioning services company	December 2015	6.9x	1.5	8.8	10.3
	<b>Tessella Holdings</b> A science powered technology and consulting services company	December 2015	2.9x	5.6	10.4	16.0
	<b>Higher Nature<sup>4</sup></b> A mail order distributor of vitamins and natural medicines	June 2015	1.1x	1.1	0.1	1.2
	<b>Ingleby (1879) (trading as EMaC)</b> An outsourced provider and administrator of service plans to the motor trade	December 2014	3.1x	6.0	12.5	18.5
	<b>Youngman Group</b> A provider of ladders and access towers	October 2014	2.5x	3.5	5.4	8.9
	<b>Focus Pharma Holdings</b> A licensor and distributor of generic pharmaceuticals	October 2014	4.5x	3.2	11.1	14.3
	<b>DiGiCo Global</b> Manufacturer of digital sound mixing consoles	July 2014	5.5x	4.6	20.7	25.3
	<b>Monsal Holdings</b> Supplier of engineering services to the water and waste sectors	June 2014	2.0x	3.6	3.5	7.1

Investment	Name Description	Date Sold	Money Multiple <sup>1</sup>	Cost (£m)	Cash Gain (£m) <sup>2</sup>	Total Cash Proceeds (£m)
 <b>atg</b> AUCTION TECHNOLOGY GROUP	<b>ATG Media Holdings (partial realisation)</b> A publisher and online auction platform operator	June 2014	1.9x	9.0	7.9	16.9
 <b>MachineWorks</b> CNC Simulation & Verification Software	<b>MachineWorks Software</b> Software products simulate real life manufacturing situations	April 2014	4.2x	1.4	4.7	6.1
<b>Total</b>				<b>79.3</b>	<b>134.4</b>	<b>213.7</b>

- (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.
- (4) Only MIG 4 invested in this company.
- Note: \* in addition to these realisations, returns totalling £19.4 million have been received principally from loan repayments of £15.7 million, £2.0 million of deferred consideration and other sundry proceeds of £1.7 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 investments there have also been realised losses and permanent impairments totalling £(2.59) million over the same period. Investors should also note that the past performance information also materially relates to investments made under the previous investment strategy of MBO investments prior to the change in the VCT rules requiring investments to be made in earlier stage businesses.  
\*\*\* all of the financial data above is unaudited.

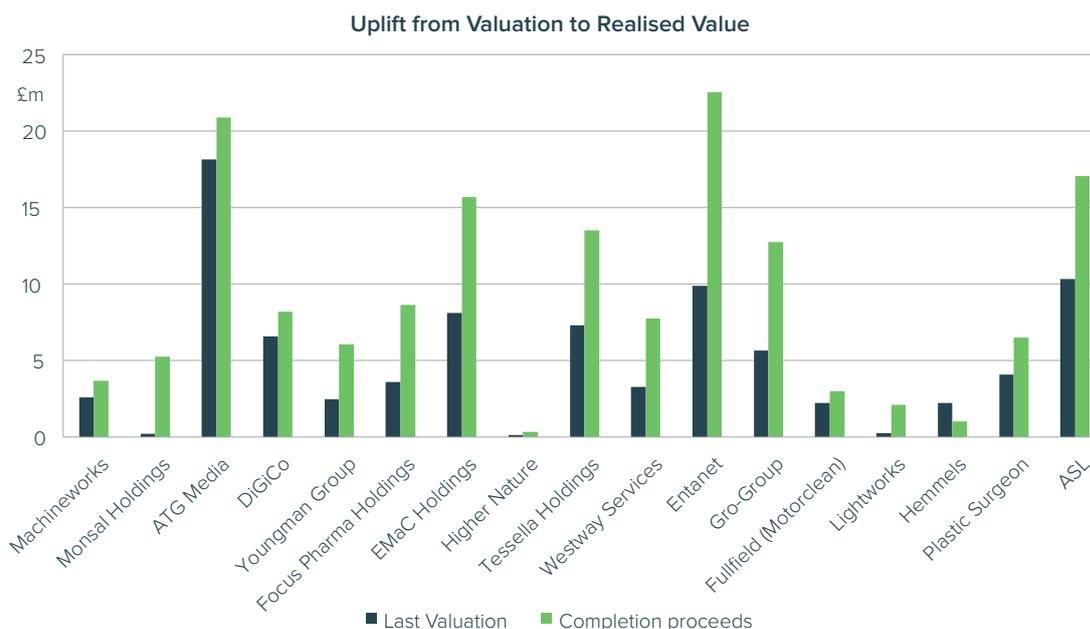
## Five Year Track Record of Realisations above Fair Value

Mobeus also has a strong record of realising VCT investments at a strategic premium to fair market value.

The Mobeus VCTs' valuation policy in respect of investments is in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

In practice, over the past five years, Mobeus has often achieved a further (often significant) uplift in proceeds when investments are sold compared with the most recent prior valuations. This is because Mobeus has frequently been able to engineer the sale of the investee company at a strategic premium.

The chart below shows all 17 investments that have been realised since 2014 and indicates a 78.0% average uplift on the realised value of investments when compared with unrealised fair market valuation six months prior to exit:



Note: The above information is unaudited and has been compiled from the Companies' internal records using the last aggregate quarterly valuation of the investments held by the relevant Companies that is available six months prior to final exit and comparing this with the aggregate net proceeds, loan repayments and any other capital proceeds received on the investments held by the relevant Companies in the six months prior to and on final exit.

## Part Two – The Mobeus VCTs' Investments

### Ten Largest Investments

The investments set out below represent the Mobeus VCTs' ten largest investments, comprising approximately 40.0% of the aggregate investment portfolios (investments, plus cash and liquidity funds) of the Mobeus VCTs by value. Total liquidity funds and cash balances are shown in the table on page 23.



#### Tovey Management Limited (trading as Access IS)

Original MBO investment in October 2015

Total cost: £11.0 million

Total valuation: £13.3 million

	MIG	MIG 2	MIG 4	I&G	Year ended 31 December 2018 <sup>1</sup> (£ million)	
Current cost (£ million)	3.3	1.9	2.5	3.3	Sales	16.6
Valuation (£ million)	3.9	2.4	3.0	4.0	EBITA	0.7
Valuation methodology	Earnings multiple				Profit/(loss) before tax	(0.8)
Equity/voting rights	12.9%	7.7%	9.7%	13.1%	Retained profit/(loss)	(0.3)
Percentage of investment portfolio by value	5.4%	5.4%	5.9%	5.1%	Net assets	(0.7)

Activity: Provider of data capture and scanning hardware

Location: Reading

The information on sales, profits, losses and net assets shown in the table above has been sourced from the latest audited financial year end accounts published by Tovey Management Limited



#### MPB Group Limited

Original Growth Capital investment in June 2016

Total cost: £6.6 million

Total valuation: £12.2 million

	MIG	MIG 2	MIG 4	I&G	Year ended 31 March 2019 <sup>1</sup> (£ million)	
Current cost (£ million)	1.9	1.2	1.5	2.0	Sales	31.9
Valuation (£ million)	3.5	2.2	2.7	3.8	EBITA	(1.7)
Valuation methodology	Revenue multiple				Profit/(loss) before tax	(2.4)
Equity/voting rights	6.8%	4.2%	5.3%	7.3%	Retained profit/(loss)	(2.3)
Percentage of investment portfolio by value	4.8%	5.0%	5.4%	4.9%	Net assets	2.5

Activity: Online marketplace for used photographic and video equipment.

Location: Brighton

The information on sales, profits, losses and net assets shown in the table above has been sourced from the latest audited financial year end accounts published by MPB Group Limited

**Total cost: £6.9 million**

**Total valuation: £10.5 million**

	MIG	MIG 2	MIG 4	I&G	Year ended 30 September 2018 <sup>1</sup> (£ million)	
<b>Current cost (£ million)</b>	2.5	1.4	1.5	1.5	<b>Sales</b>	22.2
<b>Valuation (£ million)</b>	3.9	2.0	2.3	2.3	<b>EBITA</b>	3.7
<b>Valuation methodology</b>	Earnings multiple				<b>Profit/(loss) before tax</b>	(7.2)
<b>Equity/voting rights</b>	6.2%	3.3%	3.8%	3.8%	<b>Retained profit/(loss)</b>	(7.6)
<b>Percentage of investment portfolio by value</b>	5.2%	4.6%	4.6%	3.0%	<b>Net assets</b>	(33.1)

Activity: SaaS based online auction marketplace platform

Location: London

The information on sales, profits, losses and net assets shown in the table above has been sourced from the latest audited financial year end accounts published by Turner Topco Limited

**Total cost: £7.0 million**

**Total valuation: £10.4 million**

	MIG	MIG 2	MIG 4	I&G	Year ended 31 March 2019 <sup>1</sup> (£ million)	
<b>Current cost (£ million)</b>	2.1	1.1	1.6	2.2	<b>Sales</b>	3.6
<b>Valuation (£ million)</b>	3.1	1.7	2.4	3.2	<b>EBITA</b>	(2.2)
<b>Valuation methodology</b>	Revenue multiple				<b>Profit/(loss) before tax</b>	(2.3)
<b>Equity/voting rights</b>	14.5%	7.8%	11.0%	15.1%	<b>Retained profit/(loss)</b>	(1.9)
<b>Percentage of investment portfolio by value</b>	4.3%	3.8%	4.7%	4.2%	<b>Net assets</b>	1.0

Activity: Seller of proprietary digital archiving software.

Location: Abingdon, Oxfordshire.

The information on sales, profits, losses and net assets shown in the table above has been sourced from the latest audited financial year end accounts published by Preservica Limited



**Virgin Wines Holding Company Limited**  
Original MBO investment in November 2013

**Total cost: £8.4 million**  
**Total valuation: £9.6 million**

	MIG	MIG 2	MIG 4	I&G		Year ended 30 June 2018 <sup>1</sup> (£ million)
<b>Current cost (£ million)</b>	2.4	1.3	1.9	2.8	<b>Sales</b>	39.9
<b>Valuation (£ million)</b>	2.8	1.5	2.2	3.1	<b>EBITA</b>	1.3
<b>Valuation methodology</b>	Earnings multiple				<b>Profit/(loss) before tax</b>	(0.6)
<b>Equity/voting rights</b>	12.2%	6.4%	9.7%	13.7%	<b>Retained profit/(loss)</b>	(0.6)
<b>Percentage of investment portfolio by value</b>	3.8%	3.3%	4.4%	4.0%	<b>Net assets</b>	2.6

Activity: Online wine retailer.

Location: Norwich.

The information on sales, profits, losses and net assets shown in the table above has been sourced from the latest audited financial year end accounts published by Virgin Wines Holding Company Limited



OUTDOOR TECHNOLOGIES UK LTD

**EOTH Limited**  
Original MBO investment in October 2011

**Total cost: £4.5 million**  
**Total valuation: £9.6 million**

	MIG	MIG 2	MIG 4	I&G		Year ended 31 January 2019 <sup>1</sup> (£ million)
<b>Current cost (£ million)</b>	1.3	0.8	1.0	1.4	<b>Sales</b>	60.6
<b>Valuation (£ million)</b>	2.8	1.8	2.0	3.0	<b>EBITA</b>	14.1
<b>Valuation methodology</b>	Earnings multiple				<b>Profit/(loss) before tax</b>	12.7
<b>Equity/voting rights</b>	2.3%	1.5%	1.7%	2.5%	<b>Retained profit/(loss)</b>	10.1
<b>Percentage of investment portfolio by value</b>	3.8%	4.0%	4.0%	3.8%	<b>Net assets</b>	26.3

Activity: Distributor of branded outdoor equipment and clothing (Rab and Lowe Alpine).

Location: Alfreton, Derbyshire.

The information on sales, profits, losses and net assets shown in the table above has been sourced from the latest audited financial year end accounts published by EOTH Limited



**Pattern Analytics Limited (trading as Biosite)**  
Original Growth Capital investment in November 2016

**Total cost: £5.8 million**  
**Total valuation: £8.8 million**

	MIG	MIG 2	MIG 4	I&G		Year ended 31 July 2018' (£ million)
<b>Current cost (£ million)</b>	1.6	1.1	1.3	1.8	<b>Sales</b>	9.8
<b>Valuation (£ million)</b>	2.4	1.6	2.0	2.8	<b>EBITA</b>	(0.6)
<b>Valuation methodology</b>	Gross profit multiple				<b>Profit/(loss) before tax</b>	(0.7)
<b>Equity/voting rights</b>	6.6%	4.3%	5.6%	7.4%	<b>Retained profit/(loss)</b>	(0.5)
<b>Percentage of investment portfolio by value</b>	3.3%	3.6%	4.1%	3.5%	<b>Net assets</b>	1.8

*Activity: Workforce management and security services for the construction industry.*

*Location: Solihull.*

*The information on sales, profits, losses and net assets shown in the table above has been sourced from the latest audited financial year end accounts published by Pattern Analytics Limited*



**Media Business Insight Holdings Limited**  
Original MBO investment in January 2015

**Total cost: £11.7 million**  
**Total valuation: £8.6 million**

	MIG	MIG 2	MIG 4	I&G		Year ended 31 December 2018' (£ million)
<b>Current cost (£ million)</b>	3.3	2.0	2.7	3.7	<b>Sales</b>	11.4
<b>Valuation (£ million)</b>	2.4	1.5	2.0	2.7	<b>EBITA</b>	1.5
<b>Valuation methodology</b>	Earnings multiple				<b>Profit/(loss) before tax</b>	(0.8)
<b>Equity/voting rights</b>	19.0%	11.6%	15.7%	21.2%	<b>Retained profit/(loss)</b>	(0.7)
<b>Percentage of investment portfolio by value</b>	3.3%	3.4%	3.9%	3.5%	<b>Net assets</b>	(0.9)

*Activity: A publishing and events business focused on the creative production industries.*

*Location: London.*

*The information on sales, profits, losses and net assets shown in the table above has been sourced from the latest audited financial year end accounts published by Media Business Insight Holdings Limited*



**Proactive Group Holdings Inc**  
Original Growth Capital investment in January 2018

**Total cost: £3.3 million**  
**Total valuation: £8.3 million**

	MIG	MIG 2	MIG 4	I&G		Year ended 30 June 2018 <sup>1</sup> (£ million)
<b>Current cost (£ million)</b>	0.9	0.6	0.8	1.0	<b>Sales</b>	4.8
<b>Valuation (£ million)</b>	2.3	1.6	1.9	2.5	<b>EBITA</b>	(0.3)
<b>Valuation methodology</b>	Revenue multiple				<b>Profit/(loss) before tax</b>	(0.7)
<b>Equity/voting rights</b>	3.2%	2.2%	2.6%	3.4%	<b>Retained profit/(loss)</b>	(0.7)
<b>Percentage of investment portfolio by value</b>	3.2%	3.6%	3.7%	3.2%	<b>Net assets</b>	(1.4)

Activity: Provider of media services and investor conferences for companies primarily listed on secondary public markets.

Location: London (trading subsidiary).

The information on sales, profits, losses and net assets shown in the table above has been sourced from the latest consolidated unaudited figures provided by Proactive Group Holdings Inc.



**Vian Marketing Limited (trading as Red Paddle Co)**  
Original MBO investment in July 2015

**Total cost: £4.0 million**  
**Total valuation: £6.7 million**

	MIG	MIG 2	MIG 4	I&G		Year ended 28 February 2018 <sup>1</sup> (£ million)
<b>Current cost (£ million)</b>	1.2	0.7	0.9	1.2	<b>Sales</b>	13.6
<b>Valuation (£ million)</b>	2.0	1.2	1.5	2.0	<b>EBITA</b>	1.6
<b>Valuation methodology</b>	Earnings multiple				<b>Profit/(loss) before tax</b>	0.6
<b>Equity/voting rights</b>	9.3%	5.6%	7.1%	9.5%	<b>Retained profit/(loss)</b>	0.4
<b>Percentage of investment portfolio by value</b>	2.7%	2.7%	3.0%	2.6%	<b>Net assets</b>	2.7

Activity: Design, manufacture and sale of stand-up paddleboards and windsurfing sails.

Location: Totnes, Devon.

The information on sales, profits, losses and net assets shown in the table above has been sourced from the latest audited financial year end accounts published by Vian Marketing Limited

<sup>1</sup> The information on investee companies' sales, profits and losses and net assets shown in the tables above has been sourced from the latest financial year end accounts published (unless stated otherwise) by those investee companies, not all of which is audited (Third Party Information). The Third Party Information has been accurately reproduced and, as far as the Companies are aware and are able to ascertain from information published by the investee companies, no facts have been omitted which would render the reproduced information inaccurate or misleading. The 'Retained profit/(loss)' figures are in respect of the stated financial year for the relevant investee company as opposed to a cumulative amount (that would have included profits or losses carried forward from previous financial years).

## Full Investment Portfolio

The following is a summary of the Companies' full investment portfolios:

	MIG Valuation £m	MIG 2 Valuation £m	MIG 4 Valuation £m	I&G Valuation £m	Total Valuation £m	Total Investment Portfolios %
<b>Total of ten largest investments in the portfolio set out above</b>	<b>29.1</b>	<b>17.5</b>	<b>22.0</b>	<b>29.4</b>	<b>98.0</b>	<b>40.0</b>
<b>Other investments in the portfolio:</b>						
CGI Creative Graphics International Limited	1.8	1.1	1.4	1.9	<b>6.2</b>	<b>2.5</b>
Master Removers Group 2019 Limited (trading as Ward Thomas)	1.6	0.9	1.3	1.8	<b>5.6</b>	<b>2.3</b>
My Tutorweb Limited	1.5	1.0	1.3	1.8	<b>5.6</b>	<b>2.3</b>
Manufacturing Services Investment Limited (trading as Wetsuit Outlet)	1.5	0.9	1.3	1.8	<b>5.5</b>	<b>2.2</b>
Tharstern Group Limited	1.5	0.8	1.2	1.5	<b>5.0</b>	<b>2.0</b>
Arkk Consulting Limited	1.5	0.9	1.1	1.5	<b>5.0</b>	<b>2.0</b>
Vectair Holdings Limited	2.4	1.0	0.4	0.9	<b>4.7</b>	<b>1.9</b>
Ibericos Etc. Limited (trading as Tapas Revolution)	1.2	0.8	1.0	1.3	<b>4.3</b>	<b>1.8</b>
Buster and Punch Holdings Limited	1.1	0.6	0.9	1.2	<b>3.8</b>	<b>1.5</b>
RotaGeek Limited	0.9	0.6	0.7	1.0	<b>3.2</b>	<b>1.3</b>
Kudos Innovations Limited	0.8	0.6	0.7	0.9	<b>3.0</b>	<b>1.2</b>
Parsley Box Limited	0.9	0.5	0.7	0.9	<b>3.0</b>	<b>1.2</b>
RDL Corporation Limited	0.9	0.6	0.6	0.8	<b>2.9</b>	<b>1.2</b>
Blaze Signs Holdings Limited	1.0	0.7	0.3	0.6	<b>2.6</b>	<b>1.1</b>
Redline Worldwide Limited	0.5	0.3	0.4	0.6	<b>1.8</b>	<b>0.7</b>
IDOX plc - AIM quoted	n/a	n/a	n/a	1.4	<b>1.4</b>	<b>0.6</b>
Bourn Bioscience Limited	n/a	0.1	0.3	0.4	<b>0.8</b>	<b>0.4</b>
BookingTek Limited	0.2	0.1	0.2	0.2	<b>0.7</b>	<b>0.3</b>
Veritek Global Holdings Limited	0.2	0.1	0.1	0.2	<b>0.6</b>	<b>0.2</b>
Jablite Holdings Limited	0.1	0.1	0.1	0.2	<b>0.5</b>	<b>0.2</b>
Super Carers Limited	0.1	0.1	0.1	0.2	<b>0.5</b>	<b>0.2</b>
Omega Diagnostics Group plc - AIM quoted	n/a	n/a	0.2	0.2	<b>0.4</b>	<b>0.2</b>
Aquasium Technology Limited	n/a	n/a	n/a	0.3	<b>0.3</b>	<b>0.1</b>
Cashfac Limited	n/a	n/a	0.2	n/a	<b>0.2</b>	<b>0.1</b>
<b>Total of other investments in the portfolio</b>	<b>19.7</b>	<b>11.8</b>	<b>14.5</b>	<b>21.6</b>	<b>67.6</b>	<b>27.5</b>
<b>Total Investments</b>	<b>48.8</b>	<b>29.3</b>	<b>36.5</b>	<b>51.0</b>	<b>165.6</b>	<b>67.5</b>
Liquidity funds/cash balances	24.0	14.7	14.2	26.7	<b>79.6</b>	<b>32.5</b>
<b>Total Investment Portfolios</b>	<b>72.8</b>	<b>44.0</b>	<b>50.7</b>	<b>77.7</b>	<b>245.2</b>	<b>100.0</b>

See notes to this table opposite.

## Notes

Investment and portfolio information contained in this Part Two has been extracted from the Companies' accounting records (taken from the MIG Half-Year Report and MIG 4 Half-Year Report (in each case to 30 June 2019, unaudited) and from the unaudited management accounts to 30 June 2019 for MIG 2 and I&G), save for the following adjustments:

- (i) The following movements have occurred since 1 July 2019 across the Companies:
  - a) Further investments by the Companies in MPB Group Limited totalling £2.0 million (MIG: £576,000, MIG 2: £356,000, MIG 4: £449,000, I&G: £619,000).
  - b) Deferred consideration received by the Companies from Entanet Holdings Limited totalling £1.1 million (MIG: £314,000, MIG 2: £167,000, MIG 4: £251,000, I&G: £368,000).
  - c) Deferred consideration received by the Companies from Master Removers Group Limited totalling £226,000 (MIG: £64,000, MIG 2: £38,000, MIG 4: £53,000, I&G: £71,000).
  - d) The following investee companies have been voluntarily struck off: Backhouse Management Limited, Barham Consulting Limited, Creasy Marketing Services Limited, Hollydale Management Limited and McGrigor Management Limited (which had no effect on the net assets of the Companies).
- (ii) Balances in cash and liquidity funds are as at 30 June 2019, as adjusted for the transactions above, as well as dividends paid after 30 June 2019, namely MIG (4.0p per MIG Share), MIG 2 (15.0p per MIG 2 Share), MIG 4 (13.0p per MIG 4 Share) and I&G (6.0p per I&G Share), and the buyback of Shares by each Company on 26 September 2019, namely MIG (742,956 MIG Shares at 64.54p per MIG Share), MIG 2 (181,671 MIG 2 Shares at 84.55p per MIG 2 Share), MIG 4 (526,933 MIG 4 Shares at 70.11p per MIG 4 Share) and I&G (524,523 I&G Shares at 70.08p per I&G Share). The estimated percentage of total investment portfolios (investments, cash and liquidity funds) held in cash and liquidity funds, adjusting for the cash transactions above, are MIG: 33.0%, MIG 2: 33.4%, MIG 4: 28.0% and I&G: 34.3%.

As at the date of this document, save as set out above, there has been no material change in the valuations of investments set out in this Part Two since 30 June 2019 in respect of all four Companies.

## Part Three – Details of the Offers

### The Offers

The Mobeus VCTs are seeking to raise, in aggregate, up to £38 million (with over-allotment facilities to raise, in aggregate, up to a further £20 million) through the issue of Offer Shares pursuant to the Offers.

The amount each Company is seeking to raise, and the maximum number of Offer Shares it will issue, is set out below.

Company:	MIG	MIG 2	MIG 4	I&G
<b>Maximum amount to be raised (excluding the over-allotment facility)</b>	£10 million	£15 million	£8 million	£5 million
<b>Maximum amount to be raised (including the over-allotment facility)</b>	£15 million	£20 million	£13 million	£10 million
<b>Maximum number of Offer Shares to be issued</b>	28 million	30 million	22 million	16 million

Each Offer opens on 25 October 2019 and will close (unless fully subscribed earlier or otherwise at the discretion of the relevant Board) at 12.00 midnight on 31 March 2020.

If a Board decides (in consultation with Mobeus) to utilise the over-allotment facility under its Company's Offer this will be advised through a RIS Announcement.

There are no minimum aggregate subscription levels on which any of the Offers are conditional and the Offers are not underwritten.

The full terms and conditions of the Offers can be found at the end of this Securities Note.

### Application Selection Procedures

An Applicant may apply to invest equally in each of the Offers or apply to invest specific amounts under one or more of the Offers, subject to the relevant Offer (including the over-allotment facility, if utilised) being open at the time his or her Application Form is processed (and subject to the minimum subscription levels referred to below).

If an Offer is able to accommodate an Applicant's amount in part before reaching full subscription, that partial sum will be utilised before that Applicant's next option is processed. **Please note that there is one combined Application Form for the Offers and Applicants should complete this as set out in the Application Procedures on pages 68 to 74.**

An Applicant must apply for a minimum, in aggregate, of £6,000 in one or more of the Offers, irrespective of how many Offers are applied for. In addition to the requirement to apply for a minimum aggregate amount of £6,000 across the Offers, an Applicant must also apply for a minimum of £1,500 per Offer applied for (thereafter in multiples of £500 per Offer).

Applications under an Offer will normally be accepted on a first-come first-served basis, subject always to the discretion of the relevant Board. Applicants are encouraged to submit their Application Form early in order to increase the probability that their Application will be successful and their selection of Offers satisfied.

Applicants submitting Applications with a cheque should allow for seven working days for their funds to clear. For the avoidance of doubt, priority will be given to those Applicants from whom cleared funds have been received if the Offers are over-subscribed.

**Where an Applicant has chosen to apply equally to each of the Offers, as far as practically possible, the following will apply at the time his or her Application Form is processed:**

- > If all of the Offers remain open, the Application will be allocated equally to each of the Offers.
- > If one or more, but not all, of the Offers have closed, the Application will be allocated equally to each of the other Offers which remain open.
- > If all of the Offers have closed, the total amount will be returned.

**Applicants should note that, due to the differing Offer sizes, it is likely that, as with the last offers for subscription, the Offers will become fully subscribed at different times. For those Applicants who intend to apply to invest equally across the four Offers, early application is advised.**

**Where an Applicant has chosen to apply for specific amounts under one or more of the Offers, as far as practically possible, the following will apply at the time his or her Application Form is processed:**

- > If all of the chosen Offers remain open, the Application will be allocated as indicated on the Application Form.
- > If one or more, but not all, of the chosen Offers has/have closed, an Applicant may elect to have his or her Application, **in respect of the closed Offer(s)**, either:
  - (1) re-allocated equally to the **other Offers that he or she has applied for** that remain open; or
  - (2) re-allocated equally **to the other Offers that remain open**, irrespective of whether or not he or she had originally applied for them; or
  - (3) returned to the Applicant.
- > If all of the chosen Offers have closed, the total amount will be returned.

The Terms and Conditions of Application for the Offer Shares under each Offer are set out on pages 61 to 67 of this document. By signing the Application Form, an Applicant will be declaring that he or she has read the Terms and Conditions of Application and agrees to be bound by them.

Applicants are advised to read the notes within Application Procedures on pages 68 to 74 of this document, in particular in respect of how to make elections as to investing in all or specific Offers and the consequences of one or more of the Offers already being fully subscribed or deemed to have closed by the time the Application Form is processed.

### **Maximum Initial Charges**

The alternative methods by which an investor can subscribe for Offer Shares are set out below. **Except where an investor has agreed to pay a financial adviser a charge for advice regarding the suitability of the investment**, the maximum initial costs an investor will effectively pay will be 3.00% of the Investment Amount. The maximum initial costs effectively borne by an advised investor will be 7.50% of the Investment Amount, unless additional adviser charges to be paid directly by the investor are agreed over the amount to be facilitated. An investor may bear less than this, depending on the terms offered by the financial adviser, intermediary and/or Mobeus.

### **The Allotment Formula**

The Allotment Formula determines the number of Offer Shares to be allotted to an Applicant in the relevant Company. It is used for two reasons. First, it creates a structure which enables Qualifying Investors to receive upfront VCT income tax relief on the Investment Amount. Second, it means that each investor effectively pays his/her own specific costs which results in his/her own bespoke Offer Price per Offer Share in each Company. This bespoke price is derived from the number of Offer Shares in the relevant Company allotted to the investor. The Boards believe that this results in a fair outcome for all investors and Shareholders.

The Allotment Formula to determine the number of Offer Shares in each Company to be allotted to an investor is as follows:

$$\text{Number of Offer Shares} = \frac{A - B - C}{\text{NAV}}$$

**Where:**

- A** is the Investment Amount;
- B** is the amount of Offer Costs;
- C** is any amount of initial adviser charges to be facilitated; and
- NAV** is the most recently published NAV per share in that Company on the day of allotment, adjusted for dividends declared and for which the record date for payment has passed at the time of allotment.

The number of Offer Shares to be allotted will be rounded down to the nearest number of whole Offer Shares in the relevant Company (i.e. fractions of Offer Shares will not be allotted).

Further information in relation to the constituent parts of the Allotment Formula is outlined below.

**(i) Investment Amount**

The Investment Amount is the monetary amount of the investor's Application accepted in respect of a Company.

**(ii) Offer Costs**

Mobeus, as promoter to the Offer, will receive a fee equal to 3.00% of the Investment Amount in respect of each Application accepted. Mobeus has agreed to reduce its fee by an amount equal to:

- > 'execution only' initial commission of 0.50% of the Investment Amount offered by Mobeus and waived by the 'execution only' intermediary in favour of the investor; and
- > 0.50% of the Investment Amount in respect of investors who receive advice from a financial adviser (and the Application Form is completed by the financial adviser on this basis).

Mobeus may also agree to reduce its fees further (in whole or part) in respect of any specific investors or group of investors.

The net fee payable to Mobeus after these reductions will be the relevant amount of Offer Costs applied through the Allotment Formula in determining the number of Offer Shares to be allotted (and is, therefore, effectively borne by the investor). Any reduction in Offer costs borne by an investor will increase the number of Offer Shares allotted to that investor. Mobeus will not reduce its fee to the extent that, together with the initial 'execution only' intermediary commission, the aggregate reduction would be more than 3.00% of the Investment Amount of any Application.

Further details on the Offer Costs and 'execution only' intermediary commission are set out below.

**(iii) Facilitation of initial financial adviser charges**

Investors who agree to pay an initial financial adviser charge for advice in respect of an investment under the Offer can have this charge 'facilitated' on their behalf as explained in part (a) of the section entitled 'Financial Adviser Charges and Intermediary Commissions' on pages 29 to 31.

Any amount agreed to be facilitated (to be no more than 4.50% of the Investment Amount) will be applied through the Allotment Formula in determining the number of Offer Shares to be allotted (and is, therefore, effectively borne by the investor in addition to Offer Costs of up to 3.00% of the Investment Amount).

#### (iv) NAV per Share

Each Company publishes NAVs on a quarterly basis. These will be used to calculate the number of Offer Shares to be allotted to an investor through the Allotment Formula. Should there be a movement in the NAV between the normal quarterly dates that a Board of a Company believe to be significant, the relevant Company will publish an updated unaudited NAV, which will be used to calculate the number of Offer Shares allotted after that date. NAVs will be adjusted for dividends declared and for which the record date for payment has passed at the time of allotment.

Calculating the number of Offer Shares to be issued in each Company by reference to the then existing NAV per Share, plus costs, avoids dilution of the NAV of the existing Shares (ignoring the dilution caused by any permissible annual trail commission payments by each Company, which is not expected to be material).

#### Offer Price

The Offer Price is determined by dividing the Investment Amount in the relevant Company by the number of Offer Shares issued by that Company to that investor. After each allotment, the results of each allotment (including details of the Offer Shares allotted and issued and the range of Offer Prices) will be announced through RIS Announcements.

#### Allotment Formula Examples

Below are **examples** of how the Allotment Formula works for each of an advised investor, an ‘execution only’ investor and a direct investor. They are all based on an **illustrative** Investment Amount of £10,000 for a Company and an **illustrative** NAV of £0.90 per Share.

In respect of the advised investor, example 1 assumes that a financial adviser initial charge equal to 1.00% (£100) of the Investment Amount is to be facilitated and that the 0.50% Offer Costs waiver by Mobeus applies.

In respect of the ‘execution only’ investor, example 2 assumes that the initial commission of 0.50% (£50) of the Investment Amount has been waived by the ‘execution only’ intermediary (which reduces the Offer Costs).

In respect of the direct investor, example 3 has no adviser charge or ‘execution only’ intermediary commission.

Example	Investment Amount (A) (£)	Offer Costs (3.00% less reductions) (B) (£)	Initial adviser charge to be facilitated (C) (£)	NAV per Share (D) (£)	Number of Offer Shares $\left(\frac{A - B - C}{D}\right)$
1. <b>Advised investor</b>	10,000	(250)	(100)	0.90	10,722
2. <b>‘Execution only’ investor (initial commission waived)</b>	10,000	(250)	-	0.90	10,833
3. <b>Direct investor</b>	10,000	(300)	-	0.90	10,777

#### Offer Costs

Each Company will pay Mobeus, as promoter to its Offer, a fee equal to 3.00% of the Investment Amount in respect of each successful Application (which is effectively borne by the investor through the application of the Allotment Formula). In consideration, Mobeus will meet all the costs and expenses of each Offer,

including:

- > permissible initial commissions to ‘execution only’ intermediaries (see part (b) of the section ‘Financial Adviser Charges and Intermediary Commissions’ overleaf),

but not including the following:

- > any amounts due from a Company to the investor in connection with the facilitation of initial adviser charges (see part (a) of the section 'Financial Adviser Charges and Intermediary Commissions' overleaf) – such amounts being paid by the Company but borne by the relevant investor through the Allotment Formula; and
- > permissible annual trail commission (see part (b) of the section 'Financial Adviser Charges and Intermediary Commissions' below) – such commission being paid by the relevant Company.

Reductions in Offer Costs:

Mobeus has agreed to reduce its fee in respect of a successful Application by an amount equal to the 'execution only' initial commission offered by Mobeus, but waived by the 'execution only' intermediary in favour of the investor, and 0.50% of the Investment Amount in respect of investors who receive advice from a financial adviser (and the Application Form is completed by the financial adviser on this basis).

Mobeus may also agree (at its discretion) to reduce its fee further (in whole or part) in respect of any specific investor or group of investors for the benefit of such investors.

The benefit of these reductions will be applied through the Allotment Formula by reducing the Offer Costs for those investors, thereby increasing the number of Offer Shares to such investors.

Mobeus will not offer any further reduction in its fee which would, together with the initial 'execution only' intermediary commission, result in an aggregate reduction to its fee of more than 3.00% of the Investment Amount of any Application.

If a Board decides to utilise its Company's over-allotment facility under its Offer, Mobeus has further agreed to cap its overall fees payable by that Company to 2.50% of the gross amount raised under its Offer (and rebate any amounts paid in excess of this amount to the relevant Company). This cap benefits the relevant Company and is not taken into account in the Allotment formula.

Assuming that the Offers are fully subscribed (and that the over-allotment facilities are fully utilised and the cap on the Mobeus fee referred to above applies), the maximum Offer Costs payable by each Company and the minimum net proceeds (excluding any annual trail commission and any amounts due to an investor from a Company to be used for the purposes of facilitation of initial adviser charges) will be:

Company:	MIG	MIG 2	MIG 4	I&G
<b>Offer Costs</b>	£375,000	£500,000	£325,000	£250,000
<b>Net Proceeds</b>	£14,625,000	£19,500,000	£12,675,000	£9,750,000

## Financial Adviser Charges and Intermediary Commissions

The FCA has introduced regulations in respect of charges and commissions payable to financial advisers in consideration of advice being provided to their clients. These regulations took effect on 31 December 2012. This section details how financial adviser charges and intermediary commissions affect investors who invest through one of the three methods overleaf:

**(a) Investors who receive advice from their financial adviser**

In accordance with the regulations, initial commission and trail commission are not permitted to be paid to financial advisers that have provided advice after 30 December 2012. However, an investor can agree to pay an initial charge to their financial adviser for advice received in relation to an investment in the Companies.

An initial adviser charge:

- > Can be paid directly by the investor to the financial adviser.

**OR**

- > Can, at the request of the investor, be facilitated by the Companies in whole or part (the amount which the Companies may agree to facilitate will be no more than 4.50% of the Investment Amount). If the initial adviser charge agreed with the financial adviser is greater than this maximum amount, the investor will need to make additional payments direct to the financial adviser.

It should be noted that the maximum amount of initial charges which may be facilitated on behalf of advised investors as outlined above should not be considered as a recommendation as to the appropriate levels of a financial adviser charge. This is for the investor and the financial adviser to agree depending on the advice and service being provided.

If the investor requests that an initial adviser charge be facilitated, this will be paid on behalf of the investor from an equivalent amount due to the investor from the Companies. The amount of any adviser charge facilitated will be taken into account in the Allotment Formula (and is, therefore, effectively borne by the investor) and the investor will receive fewer Offer Shares (equivalent to the value of the initial adviser charge). This will not, however, affect the availability of upfront VCT income tax relief on the Investment Amount.

**(b) Investors who do not receive advice and submit their Application through an 'execution only' intermediary**

Intermediaries who provide 'execution only' services, to the extent permitted under legislation and regulations:

- > Will receive initial commission\* of an amount equal to 0.50% of their client's Investment Amount under the Offers,

**AND**

- > Will be paid annual trail commission of 0.375% of the net asset value at the end of each financial year of the Offer Shares issued to their client under the Offers. This is subject to a cumulative trail commission cap of 2.25% of the Offer Price, their client continuing to hold their Offer Shares and the client not subsequently receiving advice from the intermediary. This trail commission is paid by each Company. As trail commission only applies to Applications through 'execution only' intermediaries, and is capped at an amount equal to 2.25% of the Offer Price, the dilution from these payments across a Company's total funds is considered to be small.

\* 'Execution only' intermediaries may agree to waive all of the initial commission offered by Mobeus in respect of their client's Application. Mobeus has agreed to reduce its fee by an amount equal to the initial commission if it is waived, resulting in a lower amount of Offer Costs being applied through the Allotment Formula as set out above.

Investors and 'execution only' intermediaries should note that trail commission is not payable if the intermediary subsequently then gives advice in respect of a holding. It is the responsibility of the investor and the 'execution only' intermediary to notify the relevant Company as soon as possible if advice is given and payments for this (or for any other reason) must cease (though each Company also reserves the right to cease payments if it believes advice may have been given or for any other reason in its absolute discretion).

**(c) Commission Arrangements on existing shareholdings**

For existing Shareholders, in respect of existing trail commission arrangements to intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if subsequent financial advice in respect of the holding is given. As a result, should a Shareholder decide to seek financial advice from their existing execution only intermediary in respect of participating in that Company's Offer, any trail commission which is currently being paid to that intermediary pursuant to an existing holding in that Company must cease and Mobeus and/or the Company should be notified accordingly.

**Direct Investors**

Investors who have not invested their money through a financial adviser or intermediary and have submitted their Applications directly will bear the Offer Costs of an amount equal to 3.00% of their Investment Amount (through the Allotment Formula above).

**Use of funds**

It is intended that the proceeds of each Offer will be used by the relevant Company in accordance with its investment policy, a summary of which is set out in Part Five of this document. In particular, monies raised will be used to fund investment opportunities, as well as being used to fund dividends, buybacks and normal annual running costs.

**Results of the Offers**

The following will be announced through RIS Announcements:

- > after each allotment, the results of each allotment (including details of the Offer Shares allotted and issued and the range of Offer Prices); and
- > following the close of an Offer, the final results of that Offer.

## Part Four – The Boards

**As required by the Listing Rules, the Board of each Company is independent of Mobeus. All Directors are non-executive and, except for Helen Sinclair, independent of Mobeus. Helen is a director of both I&G and MIG 4 and, as both are advised by Mobeus, is deemed not to be an independent director under the Listing Rules.**

Each Board has substantial experience of venture capital businesses and has overall responsibility for its Company's affairs, including determining the investment policy of the relevant Company (subject to approval by its Shareholders where required), and making investment decisions on the advice of Mobeus. Each Board also retains responsibility for approving both the valuations of its portfolio and the net assets of its Company (on the advice of Mobeus).

Each Board considers its constitution, tenure and experience and keeps this under regular review. The MIG 4 Board and the I&G Board are progressing succession planning and, in particular, I&G has engaged in a recruitment process to appoint additional independent non-executive directors to its Board.

### **Mobeus Income & Growth VCT plc**

#### ***Clive Boothman – (independent chairman)***

Clive has over 35 years' experience in the financial services industry, initially qualifying as a chartered accountant. He was with Schroders from 1983 for seventeen years during which time he was variously managing director of Schroder Unit Trusts Limited for ten years and managing director of their international Private Client Group for the final two years. Since leaving Schroders, he has been chief executive of the stockbroker Gerrard Limited (2000 – 2001) and the fund platform Cofunds Limited (2002 – 2003).

From 2004 - 2014 he helped establish and was non-executive chairman of Investment Funds Direct Limited, an investment platform. Since July 2014, he has been non-executive chairman of Platform One, another UK and international wrap platform. In July 2016 he joined the board of Professional Partners Administration Limited (PPAL), becoming non-executive chairman of this and its sister company, WAY Group, in 2017. WAY and PPAL are Dorset based companies providing a range of financial services. He is currently also treasurer of the Veteran Car Club of Great Britain.

#### ***Bridget Guérin – (independent director)***

Bridget has over 30 years' experience in the financial services industry. She was managing director of Matrix Money Management Limited between June 1999 and March 2011 and sat on the Matrix Group board between 2000 and 2009.

Prior to joining Matrix, Bridget gained 14 years of retail investment fund experience at Schroder Unit Trusts Limited, Ivory & Sime and County NatWest. Bridget is currently a non-executive director of CCP Quantitative Fund, CCP Core Macro Fund, GAM Systematic Discovery Fund and the GAM Systemic Global Equities Fund, all of which are Cayman Funds, Schroder Income Growth Fund plc and Invesco Perpetual UK Smaller Companies Investment Trust, both of which are London listed investment trusts, and Charles Stanley Group plc. She is a director of York and Beverley Racecourses and is a trustee of the York Racecourse Pension Fund. Bridget was a director of MIG 3, which merged into MIG in May 2010.

#### ***Catherine Wall (independent director)***

Catherine has 30 years' experience in the private equity industry, having worked for Barclays Private Equity (now called Equistone Partners Europe) from 1984 to 1989 and also from 1994 to 2013, and for 3i plc from 1989 to 1993. As a director of Barclays Private Equity she led and managed numerous investments in management buy-outs. She later became UK portfolio director of Equistone Partners Europe, supervising the management of all the firm's UK investments.

She held over 20 roles as non-executive director, non-executive chairman or shareholder representative on the boards of investee companies in which Barclays Private Equity/Equistone Partners Europe were invested; additionally, she was a non-executive director of Indigo Holdings Limited from August 2010 to December 2012 and served on the investment panel of the British Red Cross from 2004 to July 2014. From 2015 to July 2019, she was chairman of Signum Technology Limited, a private equity owned valve manufacturer, and is currently a non-executive director of Greenwood & Coope Limited and chairman of WHC03 Limited (the holding company for the Kite Factory Limited, a media planning and buying agency). She is also a member of the investment panel for Westminster Abbey.

## **Mobeus Income & Growth 2 VCT plc**

### ***Ian Blackburn (independent chairman)***

Ian is a FCA who specialised in corporate finance at KPMG before building and selling two listed food groups. He has extensive UK and European strategic, operations and finance experience as chief executive officer and finance director of Perkins Foods plc and Zetar plc. Currently he is an active investor in a number of SMEs and is chairman of Mood Foods (manufacture of Ombar raw cocoa chocolate bars), Kinteract (education sector App), and Slimline Wine (SL'M sugar free wines). He is also a trustee and director of The Rutland Learning Trust.

### ***Sally Duckworth (independent director)***

Sally has worked in the financial services sector since 1990 and in the private equity industry since 2000. A qualified accountant (Price Waterhouse), former investment banker (J.P.Morgan) and early stage venture capitalist (Quester Capital Management, which ran several VCTs) she understands the investment process and reporting requirements of a VCT. She has been an active angel investor and has held various Board and C-suite roles. This has included chairing several start-ups and running SaaS businesses as chief operating and financial officer and chief executive officer so she understands the strategic and operational challenges of running early stage businesses. She is also chairman of Stormagic Limited, which enables hyper converged software and is advising a clean tech start up on all of its operations and finance.

### ***Adam Kingdon (independent director)***

Adam is the founder and chief executive officer of Utonomy Ltd, a supplier of smart grid technology for gas networks. Prior to that he was the founder and chief executive officer of i2O Water Ltd, a supplier of intelligent control for water networks. He also has more than 20 years' experience as a turnaround specialist, restoring companies to profitability. He has turned around more than ten loss-making engineering and technology companies in the UK, France, Germany, Holland and Belgium.

## **Mobeus Income & Growth 4 VCT plc**

### ***Christopher Moore (independent chairman)***

Christopher has considerable experience of the venture capital industry. After completing a law degree and qualifying as a chartered accountant with Price Waterhouse, he worked for Robert Fleming Inc., Lazards, Jardine Fleming and then Robert Fleming, latterly as a main board director from 1986 to 1995. During this period he was involved in various unquoted and venture capital investments and remained chairman of Fleming Ventures Limited, an international venture capital fund, until the fund's final distribution in 2003. His roles have included acting as senior adviser to the chairman of Lloyds and chairing the successful turnaround of a public industrial group. Until May 2010, he was a director of MIG and until September 2010 he was a director of I&G. He was also a director of MIG 3 until it merged with MIG in 2010.

### ***Graham Paterson (independent director)***

Graham is an investment and financial services professional with over 20 years' experience in the private equity industry. A chartered accountant, Graham was one of the founding partners of SL Capital Partners LLP, (formerly Standard Life Investments (Private Equity) Limited) where he was a partner and board member until 2010. During his 13 years at SL Capital, he was one of the managers of Standard Life Private Equity Trust plc and was a member of the advisory boards to a number of leading private equity fund managers.

In 2013, Graham co-founded TopQ Software Limited, a technology company which develops software for the private equity industry. TopQ Software was acquired by eVestment Inc (now part of NASDAQ Inc) in 2015, where until early 2018, Graham was a director of their private markets data and analytics business.

Graham is currently a non-executive director and chairman of the audit committee of Baillie Gifford US Growth Trust plc, chairman of Datactics Limited and a non-executive director of Invesco Perpetual UK Smaller Companies Trust plc.

***Helen Sinclair (non-independent director)***

Helen has extensive experience of investing in a wide range of small and medium sized businesses. She graduated in economics from Cambridge University and began her career in banking. After an MBA at INSEAD business school, Helen worked from 1991 to 1998 at 3i plc, based in their London office. She was a founding director of Matrix Private Equity Limited when it was established in early 2000 and helped raise the initial funds for Mobeus Income & Growth 2 VCT plc (formerly Matrix e-Ventures VCT plc). She is a non-executive director of Gresham House Strategic plc and is chairman of British Smaller Companies VCT plc. Helen is a director of both I&G and MIG 4 and, as both are advised by Mobeus, is deemed not to be an independent director under the Listing Rules.

**The Income & Growth VCT plc**

***Jonathan Cartwright (independent chairman)***

Jonathan is a qualified chartered accountant. He has significant experience of the investment trust sector and of serving on the boards of both public and private companies in executive and non-executive roles. Jonathan joined Caledonia Investments plc in 1989, serving as finance director from 1991 to December 2009. Prior to this he was group financial controller at Hanson plc from 1984 to 1989. He was a non-executive director of Bristow Group Inc. (from 1996 to 2009) and of Serica Energy plc (from 2008 to 2012). He is non-executive chairman of BlackRock Income & Growth Investment Trust plc and a non-executive director of Tennants Consolidated Limited and British Smaller Companies VCT plc.

***Helen Sinclair (non-independent director)***

Please see above for MIG 4.

## Part Five – Objectives and Policies

The objectives and investment policies for the Companies are similar in all material respects. A summary of the Companies' objectives and investment policies is set out below. The full objectives and investment policies for each Company are set out in the Registration Document which is available on the Mobeus website.

### **Summary of the Companies' Objectives**

The objective of each Company is to provide investors with a regular income stream, arising both from the income generated by companies selected for the portfolio and from realising any growth in capital, while continuing at all times to qualify as a VCT.

### **Summary of the Companies' investment policies**

The investment policy of each Company is designed to meet its objective and to ensure that it continues to qualify and is approved as a VCT by HMRC.

Each Company's policy is to invest primarily in a diverse portfolio of UK unquoted companies.

Investments are made selectively across a number of sectors, principally in established companies. Investments are generally structured as part loan stock and part equity in order to produce regular income and to generate capital gains from realisations.

There are a number of conditions within the VCT legislation which need to be met by each Company and which may change from time to time.

Asset allocation and risk diversification policies, including the size and type of investments each Company makes, are determined in part by the requirements of prevailing VCT legislation. No single investment may represent more than 15% (by VCT tax value) of the relevant Company's total investments at the date of investment.

### ***Liquidity***

Each Company's cash and liquid funds are held in a portfolio of readily realisable interest bearing investments, deposit and current accounts, of varying maturities, subject to the overriding criterion that the risk of loss of capital be minimised.

### ***Borrowing***

Each Company's articles of association permit borrowing of up to 10% of the adjusted capital and reserves (as defined therein). However, none of the Companies have ever borrowed and each Board would only consider doing so in exceptional circumstances.

### **Liquid investments**

Each Company's liquid investments are held in Money Market Funds and bank deposits which since 5 April 2016 must not exceed seven days' notice, with the objective of generating income whilst maintaining that Company's capital, pending investment in UK unquoted companies. Money Market Funds invest their assets in money market instruments (i.e. cash and near cash, such as bank deposits, very short term fixed interest securities or floating rate notes).

The main objective for existing funds held in Money Market Funds and funds held in bank deposits, now and in the future, will be the protection of capital. Priority is, and will be, given to the credit rating of the funds or banks used rather than the rates of interest offered, which are currently at historically low levels.

### **Valuation policies**

Unquoted investments will be valued at fair value in accordance with IPEVC Valuation Guidelines. Investments in AIM traded companies will be valued at the prevailing bid price.

## Dividend policies

The Companies normally pay income dividends each year. Subject to fulfilling certain regulatory requirements, the Companies also seek to pay capital dividends following portfolio realisations. The ability to pay a dividend is considered at each quarterly meeting.

**MIG and MIG 4** have a current annual target dividend of **4p per share**. **I&G's** current annual target dividend is **6p per share**, while **MIG 2** has a current annual target dividend of no less than **5p per share**. Each Board intends to continue with a policy of maximising the stream of dividend distributions to Shareholders, from the income and capital gains generated by their respective portfolios, or from other distributable reserves. There is, however, no guarantee that dividends will continue to be paid by the Companies or that the dividend targets stated will be met and no forecast or estimate is implied or inferred. Each Board keeps its Company's target dividend under review.

In respect of each of the Company's current financial years, each Company has paid or has declared the following interim dividends:

### **MIG**

4.0p per MIG Share paid on 20 September 2019 to MIG Shareholders on the register on 23 August 2019.

### **MIG 2**

15.0p per MIG 2 Share paid on 20 September 2019 to MIG 2 Shareholders on the register on 23 August 2019.

### **MIG 4**

13.0p per MIG 4 Share paid on 20 September 2019 to MIG 4 Shareholders on the register on 23 August 2019.

### **I&G**

1.5p per I&G Share paid on 12 July 2019 to I&G Shareholders on the register on 14 June 2019 and 4.5p per I&G Share paid on 18 October 2019 to I&G Shareholders on the register on 27 September 2019.

Further current year dividend payments, if any, will be announced within the period of each Company's normal financial reporting cycle and made by the dates shown below. Each Company may pay dividends by an earlier date, should the relevant Board think fit and subject to the performance of that Company.

Company	In respect of year to	Dividend payment date
<b>MIG</b>	31 December 2019	by May 2020
<b>MIG 2</b>	31 March 2020	by September 2020
<b>MIG 4</b>	31 December 2019	by May 2020
<b>I&amp;G</b>	30 September 2019	by February 2020

## Dividend investment schemes

Both MIG 4 and I&G have historically operated a dividend investment scheme whereby their Shareholders could elect to have their dividends reinvested in further Shares in the relevant Company. The schemes are currently suspended. Each of the MIG 4 Board and the I&G Board will continue to keep the operation, and the terms, of the scheme under review. The MIG 4 Board has stated an intention to announce a decision in respect of MIG 4's dividend investment scheme by the time of its next annual general meeting in May 2020.

Under the current terms of both schemes, dividends are reinvested at the higher of firstly, 70% of the last published NAV per Share in the relevant Company prior to allotment and the average of the middle market price for Shares in the relevant Company from the London Stock Exchange Daily Official List for the five business days immediately preceding the payment date of the dividend.

Should the MIG 4 Board and/or I&G Board decide to reinstate their Company's scheme, Shareholders of the relevant Company will be notified of the re-commencement of the scheme and will be given an opportunity to participate. Previous participants will be notified of the re-commencement of the scheme and any changes to the scheme terms and given the opportunity to amend their participation.

MIG 4 and I&G Shareholders (including new investors) can continue to join the Scheme whilst under suspension or following reinstatement of the relevant Company's Scheme and further details on how to elect to join a scheme can be found on the Mobeus website:

For MIG 4 – <http://www.mobeus.co.uk/investor-area/mobeus-income-and-growth-4-vct/dividends>

For I&G – <http://www.mobeus.co.uk/investor-area/the-income-and-growth-vct/dividends>

### **Buyback policies**

The Boards are aware that, due to limited secondary market liquidity, investors may not be able to sell VCT shares in the market at or close to net asset value. Each Board aims to provide Shareholders who wish to sell their Shares with an opportunity to do so by operating an active policy of buying back Shares through the Companies' broker, thereby seeking, inter alia, to manage the level of discount to net asset value at which Shares may trade in the market. Each Company is currently operating its buyback policy with the objective of maintaining the discount to NAV at which the Shares trade at approximately 5% (10% prior to 1 August 2019) or less. The Shares are currently trading, on a mid-market basis, at discounts to the latest published unaudited NAVs as at 30 June 2019, adjusted for dividends paid/payable after 30 June 2019, of approximately 5%.

The target discount will generally be against the Company's latest published NAV, adjusted for the right to any dividends. However, if a Board, in consultation with Mobeus, considers that there has been a material movement in the Company's NAV from the latest announced figure, that Board will apply this target discount to its best estimate of the current NAV and announce this NAV before such buybacks are undertaken.

In pursuing this policy, each Board's priority will be to ensure that it is acting prudently and in the interests of remaining Shareholders of the relevant Company. Share buybacks will be entirely at each Board's discretion and will be subject to the relevant Company having both sufficient funds and distributable reserves available for such a purpose. Shareholders of each Company have authorised the Company of which they are Shareholders to buy back Shares as set out in Part Seven of this document. Share buybacks will also be subject to the Listing Rules, market conditions and any applicable law and regulatory restrictions at the relevant time. Shares bought back in the market will ordinarily be cancelled.

### **Co-investment policy**

Subject to the requirements of their respective investment policies, the Companies aim to invest in relatively larger unquoted companies through investing alongside each other compared to what might otherwise be the case individually. The Companies may co-invest in combined investments advised by Mobeus of up to £5 million, as long as that business has not received funds from any state-aided risk capital schemes in the 12 months prior to the date of investment.

Where more than one of the Companies wishes to participate in an investment opportunity, allocations will generally be made in proportion to the latest published net asset value (adjusted for any subsequent dividends, buybacks and share allotments) of each Company at the date each investment proposal is forwarded to each Board. The general exception to this is where investments are proposed to be made in an investee company where a Company has a pre-existing investment. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations such as sector exposure and the VCT requirement to achieve or maintain the required level of VCT qualifying holdings in respect of a particular Company's portfolio. This may mean that a Company may receive a greater or lesser allocation than would otherwise be the case under the normal co-investment policy.

Any variation from this co-investment policy insofar as it affects a Company may only be made with the prior approval of the relevant Board.

# Part Six – Management Expenses and Administration

## Annual expenses cap

The normal annual expenses of the Companies (which include the management fees below) are capped, based on the closing net asset value of each Company, as follows:

Company	Annual expenses cap*	Expenses excluded from the annual expenses cap	Ongoing charges ratio **
<b>MIG</b>	3.60%	irrecoverable VAT, exceptional items and performance incentive fees	2.5%
<b>MIG 2</b>	3.60%	irrecoverable VAT, exceptional items and performance incentive fees	2.8%
<b>MIG 4</b>	3.40%	irrecoverable VAT, exceptional items and performance incentive fees	2.7%
<b>I&amp;G</b>	3.25%	exceptional items, performance incentive fees and trail commission	2.6%

\* Any excess over these caps will be rebated by Mobeus.

\*\* As disclosed in the last audited accounts for each Company. 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. It includes normal annual recurring expenses including VAT, but excludes performance incentive fees, annual trail commission and, for the avoidance of doubt, exceptional or non-recurring items. The calculation of the ongoing charges ratio, therefore, differs slightly from the calculation of the annual expenses cap.

## Management fees

Mobeus acts as the investment adviser, company secretary and administrator to the Companies and is entitled to annual fees, based on the net asset value of the relevant Company, as follows:

### **MIG**

An amount equal to 2.0%<sup>1</sup> per annum of MIG's net assets, plus an annual fixed fee of £120,000 which is subject to annual RPI increases<sup>2</sup> (currently £134,168).

### **MIG 2**

An amount equal to 2.0%<sup>1</sup> per annum of MIG 2's net assets, plus an annual fixed fee of £104,432 which is subject to annual RPI increases<sup>2</sup> (currently £113,589).

### **MIG 4**

An amount equal to 2.0%<sup>1</sup> per annum of MIG 4's net assets plus an annual fixed fee of £107,827 which is subject to annual RPI increases<sup>2</sup> (currently £115,440).

### **I&G**

An amount equal to 2.4%<sup>1</sup> per annum of I&G's net assets, 0.4% of such fee being subject to an annual minimum and maximum payment of £150,000 and £170,000 respectively.

<sup>1</sup> In the event that a Company utilises its over-allotment facility, Mobeus has agreed to waive its management fees for the relevant Company for the 12 month period commencing on the start of the first calendar quarter following the close of the Company's Offer by an amount equal to 1.0% of any net funds raised by that Company under its over-allotment facility.

<sup>2</sup> Where the above fees are subject to annual RPI increases, Mobeus agreed in 2013 to waive such further increases until otherwise agreed with the relevant Board.

## Performance incentive fees

As is customary in the private equity industry, Mobeus is also entitled to receive annual performance incentive fees as set out below.

### **MIG**

Mobeus is entitled to receive an annual performance-related incentive fee of 20% of the dividends paid in a year in excess of a Target Rate (as defined below), subject to the following conditions:

- (i) the total dividends paid in a year must exceed an annual dividend target (Target Rate) which started at 6p per share on launch and is indexed each year for RPI;
- (ii) cumulative dividends paid to date must exceed the cumulative annual dividend target. Any year where dividends paid exceed the annual target whether an incentive fee is paid for that year or not, the surplus is not carried forward. Conversely, any shortfall in annual dividends paid compared to the annual dividend target in a year must be made up in future years; and
- (iii) the daily weighted average NAV per MIG Share for the year should equal or exceed the daily weighted average base NAV per MIG Share for the same year.

At the start of the year ending 31 December 2019, the annual dividend target was 7.84p per MIG Share (and is subject to any RPI increase for the current year) and there is an opening shortfall in the cumulative annual dividends target of 2.84p. As at 30 June 2019, the daily weighted average base NAV per MIG Share figure stands at 92.03p, compared to the current daily weighted average NAV per MIG Share of 70.59p, the annual dividend target is 7.95p per MIG Share (subject to further RPI increases for the current year) and the cumulative shortfall is 5.79p per MIG Share. These figures for the cumulative shortfall and the average NAV are stated before taking account of the 4.0p interim dividend per MIG Share paid on 20 September 2019.

It is the view of the MIG Board and Mobeus that a payment of a performance incentive fee is highly unlikely in the future. This is principally because the current daily weighted average NAV per MIG Share is significantly below the current weighted average base NAV per MIG Share (by 21.44p per MIG Share as at 30 June 2019). This means that condition (iii) above is highly unlikely to be met.

### **MIG 2**

Mobeus is entitled to receive an annual performance-related incentive fee of 20% of the dividends paid in a year in excess of a Target Rate, subject to the following conditions:

- (i) the total dividends paid in a year must exceed an annual dividend target (Target Rate) which started at 6p per share on launch of the former C share fund and is indexed each year for RPI;
- (ii) cumulative dividends paid to date must exceed the cumulative annual dividend target. Any year where dividends paid exceed the annual target, whether an incentive fee is paid for that year or not, the surplus is not carried forward. Conversely, any shortfall in annual dividends paid compared to the annual dividend target in a year must be made up in future years; and
- (iii) the daily weighted average NAV per MIG 2 Share for the year should equal or exceed the daily weighted average base NAV per MIG 2 Share for the same year.

Base NAV commenced at 100p per MIG 2 Share when the C ordinary shares (C Shares), which are now constituted within the MIG 2 Shares class, were first issued in 2005. The opening figure has been adjusted for both share buybacks and subsequent share issues at then prevailing offer prices of MIG 2 Shares.

Any performance fee payable will be reduced to the proportion which the number of Incentive Fee Shares represent of the total number of MIG 2 Shares in issue at any calculation date. The Incentive Fee Shares are the total of all C Shares in issue at the merger date of the two former share classes on 10 September 2010 (the merged share class was then subsequently re-designated as the current class of MIG 2 Shares) plus MIG 2 Shares issued under fundraisings undertaken since the merger. This total is then reduced by an estimated proportion of the MIG 2 Shares bought back by MIG 2 since the merger that are attributable to the Incentive Fee Shares. Incentive Fee Shares are the only MIG 2 Shares upon which an incentive fee is payable.

At the start of the year ending 31 March 2020, the annual dividend target was 7.99p per MIG 2 Share (and is subject to any RPI increase for the current year). There was an opening shortfall of 3.10p per MIG 2 Share. As at 30 June 2019, the annual dividend hurdle is currently 8.12p per MIG 2 Share (subject to further RPI

increases for the current year) and the cumulative shortfall is 11.19p per MIG 2 Share. The daily weighted average base NAV is 106.73p per MIG 2 Share compared to a daily weighted average NAV per MIG 2 Share of 99.60p. These figures for the cumulative shortfall and the daily weighted average NAV are stated before taking account of the 15.0p per MIG 2 Share interim dividend paid on 20 September 2019.

It is the view of the MIG 2 Board and Mobeus that a payment of a performance incentive fee is highly unlikely in the future. This is principally because the daily weighted average NAV per MIG 2 Share is below the daily weighted average base NAV per share (by 7.13p per MIG 2 Share as at 30 June 2019). This means condition (iii) above is highly unlikely to be met.

#### **MIG 4**

Mobeus is entitled to receive an annual performance-related incentive fee of 20% of the dividends paid in a year in excess of a Target Rate, subject to the following conditions:

- (i) the total dividends paid in a year must exceed an annual dividend target (Target Rate) which is 6% of the net asset value at 5 April 2007 of 114.51p per MIG 4 Share and is indexed each year for RPI;
- (ii) cumulative dividends paid to date must exceed the cumulative annual dividend target. For any year where dividends paid exceed the annual target, whether an incentive fee is paid for that year or not, the surplus is not carried forward. Conversely, any shortfall of annual dividends paid compared to the annual dividend target in a year must be made up in future years; and
- (iii) the daily weighted average NAV per MIG 4 Share for the year should equal or exceed the daily weighted average base NAV per MIG 4 Share for the same year.

At the start of the year ending 31 December 2019, the annual dividend target was 8.84p per MIG 4 Share (and is subject to any RPI increases for the current year), and there is an opening shortfall in the cumulative annual dividends target of 4.84p.

As at 30 June 2019, the daily weighted average base NAV per MIG 4 Share figure stands at 111.07p, compared to the current daily weighted average NAV per MIG 4 Share of 86.75p, the annual dividend target is 8.95p per MIG 4 Share (subject to further RPI increases for the current year) and the cumulative shortfall is 9.79p per MIG 4 Share. These figures for the cumulative shortfall and the daily weighted average NAV are stated before taking account of the 13.0p per MIG 4 Share interim dividend paid on 20 September 2019.

It is the view of the MIG 4 Board and Mobeus that a payment of a performance incentive fee is highly unlikely in the future. This is principally because the current daily weighted average NAV per share is significantly below the current weighted average base NAV per MIG 4 Share (by 24.33p per MIG 4 Share as at 30 June 2019). This means condition (iii) above is highly unlikely to be met.

#### **I&G**

Mobeus is entitled to receive an annual performance incentive fee payment equal to 15% of net realised gains for each year, payable in cash. It is payable only if cumulative NAV total return per I&G Share (this being the closing NAV per I&G Share as at a year end plus cumulative dividends paid per I&G Share to that year end, since 1 October 2013) exceeds a Target Return. The Target Return is the greater of either:

- (i) compound growth of 6% per annum (but 5% per annum for the year ended 30 September 2014 only), before deducting any incentive fee payable for the year of calculation only, in cumulative NAV total return per I&G Share; or
- (ii) the cumulative percentage change in the Consumer Prices Index since 1 October 2013 to the relevant financial year end, the resultant figure then being multiplied by  $(100+A)/100$ , where A is the number of full 12 month periods (or part thereof) that have passed between 1 October 2013 and the relevant financial year end (the result being that the cumulative increase in inflation is further uplifted to include a 1% above inflation increase per annum in the Target Return).

Both measures of Target Return are applied to the same opening base, being NAV per I&G Share as at 30 September 2013 of 113.90p. The first measure has been the relevant one so far, since this agreement was implemented on 1 October 2013. Once a payment has been made, cumulative NAV total return is calculated after deducting past years' incentive fees paid and payable.

Under this agreement, any fee payments to Mobeus are subject to an annual cap of an amount equal to 2% of the net assets of I&G as at the immediately preceding year end. Any excess over 2% remains payable to Mobeus in the following year(s), subject again to the 2% annual cap in each subsequent year and after any payment in respect of such subsequent year(s).

There was no incentive fee payable to Mobeus for the year ended 30 September 2018. For the year ending 30 September 2019, the Target Return is 160.05p per I&G Share. As at 30 June 2019, the cumulative NAV total return is 152.11p per I&G Share, so the Target Return for the current financial year has not currently been met and so no fee has been accrued.

It is the view of the I&G Board and Mobeus that a payment of a performance incentive fee is considerably less likely in the future. This is principally because the shortfall between the cumulative NAV total return is significantly below the Target Return (currently by 7.94p per I&G Share).

## **VAT**

The Companies currently do not pay VAT on the management fees or performance incentive fees above. Future legislation or interpretation could change each Company's position in respect of VAT.

## **VCT status monitoring**

Philip Hare & Associates LLP receives an annual fee of £7,500 (plus VAT) from MIG, £7,000 (plus VAT) from MIG 2, £8,000 (plus VAT) from MIG 4 and £9,000 (plus VAT) from I&G for providing advice and assistance in relation to the maintenance of the VCT status of that Company and receives usual hourly rates in connection with all other VCT tax advice and assistance. Shakespeare Martineau LLP has advised the Companies in relation to the VCT tax implications of the Offers.

## Part Seven – Other Information

### History of the Companies

#### **MIG**

MIG was launched in July 2004 raising net funds of £20.9 million, and has been advised solely by Mobeus since launch. In May 2010, MIG completed a merger with MIG 3 which was also solely advised by Mobeus since launch. Since the merger with MIG 3, £65.5 million of net funds have been raised.

As at 30 June 2019, MIG had unaudited net assets of £77.1 million (73.0p per MIG Share), £48.2 million of which was invested in 37 companies with the balance of approximately £29.0 million substantially invested in Money Market Funds or held in bank deposits and cash, less other net current liabilities of £0.1 million.

#### **MIG 2**

MIG 2 was launched in May 2000. In September 2005, MIG 2 changed its investment strategy and launched a new C ordinary share fund. The ordinary shares and C ordinary shares were merged in September 2010 on a relative net asset basis creating one enlarged share class. £46.5 million of net funds has been raised in aggregate under share offers launched since 2005.

As at 30 June 2019, MIG 2 had (unaudited) net assets of £51.0 million (105.2p per MIG 2 Share), £29.0 million of which was invested in 39 companies, with the balance of approximately £22.2 million substantially invested in Money Market Funds or held in bank deposits and cash, less other net current liabilities of £0.2 million.

#### **MIG 4**

MIG 4 was launched as TriVen VCT plc in January 1999 (raising net funds of £18.2 million) and was originally advised by three VCT investment advisers, Mobeus (originally GLE Development Capital Limited), Elderstreet Private Equity Limited and LICA Development Capital (whose portfolio was subsequently assumed by Nova Capital Management Limited).

The investment mandates for Elderstreet and Nova were terminated in 2006 and Mobeus was awarded the investment mandate as sole investment adviser. At the time, a 2 for 1 share consolidation occurred so that the subscription price for original investors became 200p per share. £63.6 million of net funds has been raised in aggregate under share offers since 2007.

As at 30 June 2019, MIG 4 had (unaudited) net assets of £59.5 million (88.0p per MIG 4 Share), £36.1 million of which was invested in 43 companies, with the balance of approximately £23.5 million substantially invested in Money Market Funds or held in bank deposits and cash, less other current liabilities of £0.1 million.

#### **I&G**

I&G launched as TriVest VCT plc in October 2000 and was advised in respect of the original ordinary share fund by three VCT investment advisers, Mobeus (originally GLE Development Capital Limited), Foresight Group LLP and LICA Development Capital (whose portfolio was subsequently assumed by Nova Capital Management Limited).

In 2007, I&G launched an S ordinary share fund raising £11.2 million, for which Mobeus was the sole investment adviser.

The investment mandates for Nova and Foresight were terminated (in 2007 and 2009 respectively) and Mobeus was awarded the investment mandate as sole adviser in respect of the original ordinary share fund.

In March 2010, the S ordinary shares and the original ordinary shares were merged on a relative NAV basis, creating an enlarged share class. £60.6 million of net funds has been raised by I&G pursuant to share offers since 2011.

As at 30 June 2019, I&G had (unaudited) net assets of £84.2 million (81.1p per I&G Share), £50.6 million of which was invested in 47 companies, with the balance of approximately £33.4 million substantially invested in Money Market Funds or held in cash, plus other net current assets, of £0.2 million.

## Life of the Companies

It is intended that the Companies should have an unlimited life, but also that Shareholders should have the opportunity to review the future of the Companies at appropriate intervals.

In order, therefore, for the future of the Companies to be considered by Shareholders, the Articles of the Companies contain provisions requiring the Directors of the relevant Company at the annual general meeting falling after the fifth anniversary of the last allotment of Shares in their Company (or, if later, the last continuation vote) to invite Shareholders in that Company to consider and debate the future of the relevant Company (including whether the Company should be wound up, sold or unitised).

In the case of each Company, a general meeting of the Company will be called to propose the required resolutions for decision by the Shareholders of that Company.

## Share certificates and CREST

The Offer Shares will be available to be issued in either registered form (i.e. certificated) or electronic form (i.e. via CREST). Investors who wish to have their Offer Shares issued direct to their nominee's CREST account should accordingly complete Section 5 of the Application Form.

## Investor profile

A typical investor will be a retail investor who is a UK taxpayer, aged 18 or over and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies). The investor should be comfortable with the risk factors set out at the beginning of this document, understand the investment strategy (including the recent changes) and be willing to retain the investment for at least five years.

## Capitalisation and indebtedness

### MIG

As at 24 October 2019 (the latest practicable date prior to publication of this document), MIG has no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct, indirect and/or contingent and there is no current intention of incurring any such indebtedness for at least the twelve month period from the date of this document.

The capitalisation of MIG as at 30 June 2019, extracted without material adjustment from the MIG Half-Year Report, is set out below. Save for an interim dividend declared of 4.0p per MIG Share, paid on 20 September 2019, which reduced the net assets by approximately £4.2 million, the cancellation of the share premium account and the redemption reserve, which reduced share premium and the redemption reserve by £43.7 million and £0.04 million respectively and increased the special distributable reserve by corresponding amounts, and share buybacks of 742,956 MIG Shares, which reduced called up share capital by approximately £7,400 and increased the capital redemption reserve by a corresponding amount and reduced the special distributable reserve by £0.5 million, there has been no material change in the capitalisation of MIG between 30 June 2019, the date to which the MIG Half-Year Report was made up to, and 24 October 2019, the latest practicable date prior to publication of this document.

Shareholders' Equity	£
Called-up share capital	1,056,569
Capital redemption reserve	44,644
Share premium account	43,669,335
Revaluation reserve	7,777,490
Special distributable reserve	7,984,414
Profit & loss account	16,596,542
<b>Total</b>	<b>77,128,994</b>

## MIG 2

As at 24 October 2019 (the latest practicable date prior to publication of this document), MIG 2 has no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct, indirect and/or contingent and there is no current intention of incurring any such indebtedness for at least the twelve month period from the date of this document.

The capitalisation of MIG 2 as at 31 March 2019, extracted without material adjustment from the MIG 2 Annual Report, is set out below. Save for an interim dividend declared of 15.0p per MIG 2 Share, paid on 20 September 2019, which reduced the net assets by approximately £7.3 million, and share buybacks of 612,876 MIG 2 Shares, which reduced called up share capital by approximately £6,100 and increased the capital redemption reserve by a corresponding amount and reduced the special distributable reserve by £0.5 million, there has been no material change in the capitalisation of MIG 2 between 31 March 2019, the date to which the MIG 2 Annual Report was made up to, and 24 October 2019, the latest practicable date prior to publication of this document.

Shareholders' Equity	£
Called-up share capital	489,251
Capital redemption reserve	98,089
Share premium account	30,498,349
Revaluation reserve	4,357,307
Special distributable reserve	4,391,645
Profit & loss account	8,895,316
<b>Total</b>	<b>48,729,957</b>

On 11 September 2019, MIG 2 Shareholders approved the cancellation of the amount standing to the credit of the share premium account and the redemption reserve (subject to, and as at the date of, such cancellation being confirmed by the Court). This is expected to be completed in November 2019 and will see the amount standing to the credit of the share premium account and the redemption reserve reduced to nil and the special distributable reserve increased by a corresponding amount.

## MIG 4

As at 24 October 2019 (the latest practicable date prior to publication of this document), MIG 4 has no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct, indirect and/or contingent and there is no current intention of incurring any such indebtedness for at least the twelve month period from the date of this document.

The capitalisation of MIG 4 as at 30 June 2019, extracted without material adjustment from the MIG 4 Half-Year Report, is set out below. Save for an interim dividend declared of 13.0p per MIG 4 Share, paid on 20 September 2019, which reduced the net assets by approximately £8.8 million, the cancellation of the share premium account and the redemption reserve, which reduced share premium and the redemption reserve by £31.5 million and £0.03 million respectively, and increased the special distributable reserve by corresponding amounts, and share buybacks of 526,933 MIG 4 Shares, which reduced called up share capital by approximately £5,300 and increased the capital redemption reserve by a corresponding amount and reduced the special distributable reserve by £0.4 million, there has been no material change in the capitalisation of MIG 4 between 30 June 2019, the date to which the MIG 4 Half-Year Report was made up to, and 24 October 2019, the latest practicable date prior to publication of this document.

Shareholders' Equity	£
Called-up share capital	676,047
Capital redemption reserve	33,040
Share premium account	31,474,977
Revaluation reserve	3,118,129
Special distributable reserve	12,367,414
Profit & loss account	11,832,846
<b>Total</b>	<b>59,502,453</b>

## **I&G**

As at 24 October 2019 (the latest practicable date prior to publication of this document), I&G has no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct, indirect and/or contingent and there is no current intention of incurring any such indebtedness for at least the twelve month period from the date of this document.

The capitalisation of I&G as at 31 March 2019, extracted without material adjustment from the I&G Half-Year Report, is set out below. Save for the dividend of 1.5p per I&G Share paid on 12 July 2019 and the dividend of 4.5p per I&G Share paid on 18 October 2019, which reduced net assets in aggregate by £6.2 million, the cancellation of the share premium account and the redemption reserve, which reduced share premium and the redemption reserve by £46.5 million and £0.04 million respectively, and increased the special distributable reserve by corresponding amounts, and share buybacks of 1,061,008 I&G Shares, which reduced called up share capital by approximately £10,600 and increased the capital redemption reserve by a corresponding amount and reduced the special distributable reserve by £0.7 million, there has been no material change in the capitalisation of I&G between 31 March 2019, the date to which the I&G Half-Year Report was made up to, and 24 October 2019, the latest practicable date prior to publication of this document.

Shareholders' Equity	£
Called-up share capital	1,043,639
Capital redemption reserve	44,235
Share premium account	46,473,760
Revaluation reserve	6,200,237
Special distributable reserve	18,486,621
Profit & loss account	9,189,546
<b>Total</b>	<b>81,438,038</b>

## **Working capital statements**

### **MIG**

MIG is of the opinion that its working capital is sufficient for its present requirements, that is for at least the twelve month period from the date of this document.

### **MIG 2**

MIG 2 is of the opinion that its working capital is sufficient for its present requirements, that is for at least the twelve month period from the date of this document.

### **MIG 4**

MIG 4 is of the opinion that its working capital is sufficient for its present requirements, that is for at least the twelve month period from the date of this document.

### **I&G**

I&G is of the opinion that its working capital is sufficient for its present requirements, that is for at least the twelve month period from the date of this document.

## **Significant change statements**

### **MIG**

There has been no significant change in the financial position, operations and principal activity of MIG since 30 June 2019, the date to which the MIG Half-Year Report was made up to.

### **MIG 2**

Save for the increase in the NAV per MIG 2 Share from 99.6p (audited) as at 31 March 2019 to 105.2p (unaudited) as at 30 June 2019, there has been no significant change in the financial position, operations and principal activity of MIG 2 since 31 March 2019, the date to which the MIG 2 Annual Report was made up to.

## **MIG 4**

There has been no significant change in the financial position, operations and principal activity of MIG 4 since 30 June 2019, the date to which the MIG 4 Half-Year Report was made up to.

## **I&G**

There has been no significant change in the financial position, operations and principal activity of I&G since 31 March 2019, the date to which the I&G Half-Year Report was made up to.

## **Shareholder authorities**

### **MIG**

(i) The following resolutions of MIG were passed at the annual general meeting of MIG held on 8 May 2019:

(a) That, in substitution for any existing authorities, the MIG Directors were generally and unconditionally authorised pursuant to section 551 of CA 2006, to exercise all the powers of MIG to allot MIG Shares and to grant rights to subscribe for, or to convert any security into, MIG Shares up to an aggregate nominal amount of £356,219, provided that this authority shall (unless renewed, varied, or revoked by MIG in a general meeting) expire on the date falling fifteen months after the passing of the resolution, or, if earlier, at the conclusion of the annual general meeting of MIG to be held in 2020, but so that this authority shall allow MIG to make before such expiry of the authority offers or agreements which would or might require MIG Shares to be allotted or rights to be granted after such expiry and the MIG Directors are entitled to allot MIG Shares or grant rights pursuant to any such offers or agreements as if the authority conferred had not expired.

(b) That, in substitution for any existing authorities, MIG Directors were empowered in accordance with sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of CA 2006) for cash, pursuant to the authority given in accordance with section 551 of CA 2006 by paragraph (a) above, or by way of a sale of treasury shares, as if section 561(1) of CA 2006 did not apply to any such sale or allotment, provided that the power conferred shall be limited to the allotment of equity securities:

(i) with an aggregate nominal value of up to but not exceeding £140,000 in connection with offer(s) for subscription;

(ii) otherwise than pursuant to sub-paragraph (i) above of equity securities with an aggregate nominal value of up to, but not exceeding 5% of the issued MIG Share capital from time to time,

in each case where the proceeds of the allotment may be used, in whole or in part, to purchase MIG Shares in the market and provided that this authority shall (unless renewed, varied or revoked by MIG in general meeting) expire on the date falling fifteen months after the passing of the resolution, or, if earlier, at the conclusion of the annual general meeting of MIG to be held in 2020, except that MIG may, before such expiry of the authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the MIG Directors may allot equity securities in pursuance of such offers or agreements as if the authority conferred thereby had not expired.

(ii) The following resolution of MIG was passed at the general meeting of MIG held on 11 October 2019:

That, in addition to existing authorities:

(a) *Authority to allot shares*

the MIG Directors were generally and unconditionally authorised in accordance with section 551 of CA 2006, to exercise all the powers of MIG to allot MIG Shares and to grant rights to subscribe for, or to convert any security into, MIG Shares (Rights) up to an aggregate nominal value of £280,000, provided that this authority shall (unless renewed, revoked or varied by MIG in general meeting) expire on the date falling fifteen months after the passing of this resolution, but so that

12: 4.3

this authority shall allow MIG to make before the expiry of this authority offers or agreements which would or might require MIG Shares to be allotted or Rights to be granted after such expiry and the MIG Directors shall be entitled to allot MIG Shares or grant Rights pursuant to any such offers or agreements as if this authority had not expired; and

(b) *Disapplication of pre-emption rights*

the MIG Directors were empowered pursuant to sections 570 and 573 of CA 2006 to allot or make offers or agreement to allot equity securities (as defined in section 560(1) of CA 2006) for cash, pursuant to the authority conferred by paragraph (i) of this resolution as if section 561(1) of CA 2006 did not apply to any such allotment, provided that the power conferred by this authority shall be limited to the allotment of equity securities with an aggregate nominal value of up to but not exceeding £280,000 in connection with offer(s) for subscription (where the proceeds may be used, in whole or in part, to purchase MIG Shares), such authority to (unless renewed, revoked or varied by MIG in general meeting) expire on the date falling fifteen months after the passing of this resolution, but so that this authority shall allow MIG to make before the expiry of such authority offers or agreements which would or might require equity securities to be allotted after such expiry and the MIG Directors shall be entitled to allot equity securities in pursuance of such offers or agreements as if the authority conferred hereunder had not expired.

## **MIG 2**

(i) The following resolutions of MIG 2 were passed at the annual general meeting of MIG 2 held on 11 September 2019:

- (a) That, in substitution for any existing authorities, the MIG 2 Directors were generally and unconditionally authorised in accordance with section 551 of the CA 2006, to exercise all the powers of MIG 2 to allot MIG 2 Shares and to grant rights to subscribe for, or to convert any security into, MIG 2 Shares (Rights) up to an aggregate nominal value of £146,775, provided that the authority conferred by this resolution shall (unless renewed, varied or revoked by MIG 2 in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of MIG 2 to be held in 2020, but so that this authority shall allow MIG 2 to make offers or agreements before the expiry of such authority which would or might require MIG 2 Shares to be allotted or Rights to be granted after such expiry and the MIG 2 Directors shall be entitled to allot MIG 2 Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.
- (b) That, in substitution for any existing authorities, the MIG 2 Directors were empowered in accordance with sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of CA 2006) for cash, pursuant to the authority conferred by paragraph (a) above, or by way of a sale of treasury shares as if section 561(1) of CA 2006 did not apply to any such sale or allotment, provided that the authority conferred by this resolution shall be limited to the allotment of equity securities:
- (i) with an aggregate nominal value of up to, but not exceeding, 5% of the issued share capital of MIG 2 from time to time in connection with offer(s) for subscription; and
  - (ii) otherwise than pursuant to sub-paragraph (i) above, of equity securities with an aggregate nominal value of up to, but not exceeding, 5% of the issued share capital of MIG 2 from time to time,

in each case where the proceeds of the allotment may be used, in whole or in part, to purchase MIG 2 Shares in the market and provided that this authority shall (unless renewed, varied or revoked by MIG 2 in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of MIG 2 to be held in 2020, except that MIG 2 shall be entitled to make offers or agreements before the expiry of such authority which would or might require equity securities to be allotted after such expiry and the MIG 2 Directors shall be entitled to allot equity securities in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.

- (ii) The following resolution of MIG 2 was passed at the general meeting of MIG 2 held on 11 October 2019:

That, in addition to existing authorities:

(a) *Authority to allot shares*

the MIG 2 Directors were generally and unconditionally authorised in accordance with section 551 of CA 2006, to exercise all the powers of MIG 2 to allot MIG 2 Shares and to grant rights to subscribe for, or to convert any security into, MIG 2 Shares (Rights) up to an aggregate nominal value of £300,000, provided that this authority shall (unless renewed, revoked or varied by MIG 2 in general meeting) expire on the date falling fifteen months after the passing of this resolution, but so that this authority shall allow MIG 2 to make before the expiry of this authority offers or agreements which would or might require MIG 2 Shares to be allotted or Rights to be granted after such expiry and the MIG 2 Directors shall be entitled to allot MIG 2 Shares or grant Rights pursuant to any such offers or agreements as if this authority had not expired; and

(b) *Disapplication of pre-emption rights*

the MIG 2 Directors were empowered pursuant to sections 570 and 573 of CA 2006 to allot or make offers or agreement to allot equity securities (as defined in section 560(1) of CA 2006) for cash, pursuant to the authority conferred by paragraph (i) of this resolution as if section 561(1) of CA 2006 did not apply to any such allotment, provided that the power conferred by this authority shall be limited to the allotment of equity securities with an aggregate nominal value of up to but not exceeding £300,000 in connection with offer(s) for subscription (where the proceeds may be used, in whole or in part, to purchase MIG 2 Shares), such authority to (unless renewed, revoked or varied by MIG 2 in general meeting) expire on the date falling fifteen months after the passing of this resolution, but so that this authority shall allow MIG 2 to make before the expiry of such authority offers or agreements which would or might require equity securities to be allotted after such expiry and the MIG 2 Directors shall be entitled to allot equity securities in pursuance of such offers or agreements as if the authority conferred hereunder had not expired.

#### **MIG 4**

- (i) The following resolutions of MIG 4 were passed at the annual general meeting of MIG 4 held on 10 May 2019:

(a) That, in substitution for any existing authorities, the MIG 4 Directors were generally and unconditionally authorised pursuant to section 551 of CA 2006 to exercise all the powers of MIG 4 to allot MIG 4 Shares and to grant rights to subscribe for, or convert any security into, MIG 4 Shares (Rights) up to an aggregate nominal value of £227,610 provided that the authority conferred by this resolution shall (unless renewed, varied, or revoked by MIG 4 in a general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of MIG 4 to be held in 2020, but so that this authority shall allow MIG 4 to make before the expiry of this authority offers or agreements which would or might require MIG 4 Shares to be allotted or Rights to be granted after such expiry and the MIG 4 Directors be entitled to allot MIG 4 Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.

(b) That, in substitution for any existing authorities, the MIG 4 Directors were empowered in accordance with sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of CA 2006) for cash, pursuant to the authority conferred upon them by the resolution in paragraph (a) above or by way of a sale of treasury shares as if section 561(1) of CA 2006 did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to the allotment of equity securities:

- (i) with an aggregate nominal value of up to, but not exceeding, 5% of the issued MIG 4 Share capital from time to time pursuant to any dividend investment scheme operated by MIG 4 at a subscription price per MIG 4 Share which may be less than the net asset value per MIG 4 Share; and

- (ii) otherwise than pursuant to sub-paragraph (i) above, of equity securities with an aggregate nominal value of up to, but not exceeding, 5% of the issued MIG 4 Share capital from time to time,

in each case where the proceeds of the allotment may be used, in whole or in part, to purchase MIG 4 Shares in the market and provided that such authority shall (unless renewed, varied or revoked by MIG 4 in general meeting) expire on the date falling fifteen months after the passing of this resolution or, if earlier, on the conclusion of the annual general meeting of MIG 4 to be held in 2020, except that MIG 4 may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the MIG 4 Directors may allot equity securities in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.

- (ii) The following resolutions of MIG 4 were passed at the general meeting of MIG 4 held on 11 October 2019:

That, in addition to existing authorities:

- (a) *Authority to allot shares*

the MIG 4 Directors were generally and unconditionally authorised in accordance with section 551 of CA 2006, to exercise all the powers of MIG 4 to allot MIG 4 Shares and to grant rights to subscribe for, or to convert any security into, MIG 4 Shares (Rights) up to an aggregate nominal value of £220,000, provided that this authority shall (unless renewed, revoked or varied by MIG 4 in general meeting) expire on the date falling fifteen months after the passing of this resolution, but so that this authority shall allow MIG 4 to make before the expiry of this authority offers or agreements which would or might require MIG 4 Shares to be allotted or Rights to be granted after such expiry and the MIG 4 Directors shall be entitled to allot MIG 4 Shares or grant Rights pursuant to any such offers or agreements as if this authority had not expired; and

- (b) *Disapplication of pre-emption rights*

the MIG 4 Directors were empowered pursuant to sections 570 and 573 of CA 2006 to allot or make offers or agreement to allot equity securities (as defined in section 560(1) of CA 2006) for cash, pursuant to the authority conferred by paragraph (i) of this resolution as if section 561(1) of CA 2006 did not apply to any such allotment, provided that the power conferred by this authority shall be limited to the allotment of equity securities with an aggregate nominal value of up to but not exceeding £220,000 in connection with offer(s) for subscription (where the proceeds may be used, in whole or in part, to purchase MIG 4 Shares), such authority to (unless renewed, revoked or varied by MIG 4 in general meeting) expire on the date falling fifteen months after the passing of this resolution, but so that this authority shall allow MIG 4 to make before the expiry of such authority offers or agreements which would or might require equity securities to be allotted after such expiry and the MIG 4 Directors shall be entitled to allot equity securities in pursuance of such offers or agreements as if the authority conferred hereunder had not expired.

## **I&G**

- (i) The following resolutions of I&G were passed at the annual general meeting of I&G held on 6 February 2019:

- (a) That, in substitution for any existing authorities, the I&G Directors were generally and unconditionally authorised pursuant to section 551 of CA 2006 to exercise all the powers of I&G to allot I&G Shares and to grant rights to subscribe for, or convert, any security into I&G Shares (Rights) up to an aggregate nominal value of £351,461, provided that the authority conferred by this resolution shall (unless renewed, varied or revoked by I&G in general meeting) expire on the date falling fifteen months after the passing of this resolution, or, if earlier, at the conclusion of the annual general meeting of I&G to be held in 2020 but so that this authority shall allow I&G to make before the expiry of this authority offers or agreements which would or might require I&G Shares to be allotted or Rights to be granted after such expiry and the I&G Directors shall be entitled to allot I&G Shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.

(b) That, in substitution for any existing authorities, the I&G Directors were empowered in accordance with sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of CA 2006) for cash, pursuant to the authority conferred upon them by the resolution set out in paragraph (a) above, or by way of a sale of treasury shares, as if section 561(1) of CA 2006 did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to the allotment of equity securities:

- (i) with an aggregate nominal value of up to, but not exceeding, £165,400 in connection with offer(s) for subscription;
- (ii) with an aggregate nominal value of up to, but not exceeding, 5% of the issued I&G Share capital from time to time pursuant to any dividend investment scheme operated by I&G at a subscription price per I&G Share which is less than the net asset value per I&G Share; and
- (iii) otherwise than pursuant to sub-paragraphs (i) and (ii) above, with an aggregate nominal value of up to, but not exceeding, 5% of the issued I&G Share capital from time to time,

in each case where the proceeds of the allotment may be used in whole or in part, to purchase I&G Shares in the market and provided that this authority shall (unless renewed, varied or revoked by I&G in general meeting) expire on the date falling fifteen months after the passing of this resolution, or, if earlier, on the conclusion of the annual general meeting of I&G to be held in 2020, except that I&G may, before the expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the I&G Directors may allot equity securities in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.

## **Share rights**

The following provisions apply to each of the Companies, mutatis mutandis, unless otherwise stated.

### ***Votes of members***

Subject to the provisions of CA 2006 and to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting every member who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall on a show of hands have one vote and on a poll shall have one vote for each share of which he is the holder.

### ***Variation of class rights***

Subject to the provisions of CA 2006, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in these Articles (but not otherwise).

The foregoing provisions of this article shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied.

### ***Transfer of shares***

Except as provided below, each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect of it.

The Board may, in its absolute discretion, refuse to register a share transfer unless:

- > it is in respect of a share which is fully paid up;
- > is it in respect of one class of share;
- > it is in favour of a single transferee or not more than four joint transferees;
- > it is duly executed by the transferor;
- > it is duly stamped (if so required); and
- > it is delivered for registration at the registered office of the Company, accompanied by the relevant share certificate and such other evidence as the Board may reasonably require to prove the title of the transferor.

### **Dividends**

Subject to the provisions of CA 2006 and of the Articles, the Company may by ordinary resolution declare that, out of profits available for distribution, dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board.

- (a) Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.
- (b) All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.
- (c) The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

### **Distribution of Assets on Liquidation**

On a winding-up, any surplus assets will be divided amongst the holders of each class of shares in the Company according to the respective number of shares held by them, subject to the rights of any shares which may be issued with special rights and privileges, in accordance with the Articles and/or CA 2006.

### **Issued share capital and dilution**

#### **MIG**

The issued share capital of MIG as at the date of this document is 104,913,970 MIG Shares. If the full 28 million MIG Shares are allotted pursuant to the MIG Offer, the existing 104,913,970 MIG Shares would represent 78.9% of the enlarged issued MIG share capital, assuming no participation in the Offer by existing MIG Shareholders.

#### **MIG 2**

The issued share capital of MIG 2 as at the date of this document is 48,312,254 MIG 2 Shares. If the full 30 million MIG 2 Shares are allotted pursuant to the MIG 2 Offer, the existing 48,312,254 MIG 2 Shares would represent 61.7% of the enlarged issued MIG 2 share capital, assuming no participation in the Offer by existing MIG 2 Shareholders.

#### **MIG 4**

The issued share capital of MIG 4 as at the date of this document is 67,077,799 MIG 4 Shares. If the full 22 million MIG 4 Shares are allotted pursuant to the MIG 4 Offer, the existing 67,077,799 MIG 4 Shares would

represent 75.3% of the enlarged issued MIG 4 share capital, assuming no participation in the Offer by existing MIG 4 Shareholders.

## **I&G**

The issued share capital of I&G as at the date of this document is 103,302,857 I&G Shares. If the full 16 million I&G Shares are allotted pursuant to the I&G Offer, the existing 103,302,857 I&G Shares would represent 86.6% of the enlarged issued I&G share capital, assuming no participation in the Offer by existing I&G Shareholders.

Annual trail commission payments are capped at a cumulative 2.25% of the relevant Offer Price, and this only applies to Applications through 'execution only' intermediaries. As a result, the dilution from annual trail commission across each Company's total funds is considered to be small.

The principal legislation under which the Companies operate, and under which the Offer Shares will be created, is CA 2006 and regulations made thereunder. Each Company and its Shareholders are subject to the provisions of the City Code on Takeovers and Mergers and CA 2006 which require shares to be acquired/transferred in certain circumstances.

## **Investor communications**

The Boards recognise the importance of maintaining regular communications with Shareholders. In addition to the announcement and publication of the annual report and accounts and the half-yearly report for the Companies as detailed below, the Companies also publish quarterly statements of net asset value. Each Company has a website on which details of fund performance and dividends, publicly available information on that Company's portfolio and copies of its annual and half-yearly reports are published. Mobeus publishes information on new investments and the progress of companies within the Companies' portfolio on its website [www.mobeus.co.uk](http://www.mobeus.co.uk). In addition, a shareholder event is held annually. These websites do not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

	Website address	Year end	Announcement and publication of annual report	Announcement and publication of half-yearly report
<b>MIG</b>	<a href="http://www.migvct.co.uk">www.migvct.co.uk</a>	31 December	March	August
<b>MIG 2</b>	<a href="http://www.mig2vct.co.uk">www.mig2vct.co.uk</a>	31 March	June	November
<b>MIG 4</b>	<a href="http://www.mig4vct.co.uk">www.mig4vct.co.uk</a>	31 December	March	August
<b>I&amp;G</b>	<a href="http://www.incomeandgrowthvct.co.uk">www.incomeandgrowthvct.co.uk</a>	30 September	December	May

## **Use of the Prospectus**

The Companies and the Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to the subsequent resale or final placement of securities by financial advisers and intermediaries, from the date of the Prospectus until the close of the Offers. Each Offer will close on or before 31 March 2020. There are no conditions attaching to this consent. Financial advisers and intermediaries may use the Prospectus in the UK.

**Information on the terms and conditions of the Offers will be given to investors by financial advisers and intermediaries at the time that the offer is introduced to investors. Any financial adviser or intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent and the conditions attached thereto set out in the above paragraph.**

25 October 2019

# Part Eight - Taxation Considerations

## Tax Position of Investors

### 1. Tax reliefs

The following is only a summary of the law concerning the tax position of individual investors in VCTs and does not constitute legal or tax advice. Potential investors are recommended to consult a professional adviser as to the taxation consequences of an investment in a VCT.

The tax reliefs set out below are those currently available to individuals who are UK tax payers and aged 18 or over who subscribe for Offer Shares under an Offer and will be dependent on personal circumstance. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000 (including shares purchased in the secondary market and through dividend investment schemes). Qualifying Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

The tax legislation of an investor's Member State and the Companies' country of incorporation may have an impact on the income received from the Offer Shares.

#### (a) Income tax

##### (i) *Relief from income tax on investment*

A Qualifying Investor subscribing for Offer Shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 invested in VCTs in any tax year.

The relief is given at the rate of 30% on the amount subscribed for VCT shares regardless of whether the Qualifying Investor is a higher rate, additional rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the Qualifying Investor's income tax liability to nil. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

##### (ii) *Dividend relief*

A Qualifying Investor, who acquires shares in VCTs (including through dividend investment schemes) in any tax year costing up to a maximum of £200,000, will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.

##### (iii) *Purchases in the market*

A Qualifying Investor who purchases existing shares in the market will be entitled to claim dividend relief (as described in paragraph 1(a)(ii) above) but not relief from income tax on investment (as described in paragraph 1(a)(i) above).

##### (iv) *Withdrawal of relief*

Relief from income tax on a subscription for VCT shares will be withdrawn if the VCT shares are disposed of (other than between spouses or on death) within five years of issue or if the VCT loses its approval within this period as detailed below.

Dividend relief ceases to be available if the VCT loses its approval within this period, as detailed below, or if shares are no longer owned by a Qualifying Investor.

#### (b) Capital gains tax

##### (i) *Relief from capital gains tax on the disposal of VCT shares*

A disposal by a Qualifying Investor of VCT shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

**(ii) Purchases in the market**

An individual purchaser of existing VCT shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph b(i) above).

**(iii) Facilitation of adviser charges**

Where investors request an adviser charge to be facilitated, such investors will be due an entitlement from each relevant Company in which Offer Shares are allotted of an amount equal to the amount to be facilitated from which such adviser charge will be paid on behalf of the investor. HMRC's position on rebates out of sums paid by investors on subscribing for their shares for the purposes of facilitating adviser charges is that these reduce the base cost for the purposes of assessing capital gains on disposal. Since Qualifying Investors in VCTs are exempt from capital gains tax, this should not have any adverse tax effect. However, if a VCT bought back shares from the investor, the fact that the base cost is reduced could result in a larger income tax liability.

**(c) Acquisition and disposal of shares in the same VCT**

The disposal of existing shares in a VCT within six months before or after subscription for new shares in the same VCT (or otherwise where the disposal and subscription is linked) will result in the amount of the investment in the new shares in the VCT to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

**(d) Loss of VCT approval**

For a company to be fully approved as a VCT, it must meet the various requirements as set out below.

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, income tax relief ceases to be available on any dividend paid in any accounting period ending when VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

**2. Illustration of effect of tax relief for qualifying investors**

The table below has been prepared for illustrative purposes only and does not form part of the summary of the tax reliefs contained in this section. The table shows how the initial tax reliefs available can reduce the effective cost of an investment of £10,000 in a VCT by a Qualifying Investor subscribing for VCT shares to only £7,000:

	Effective Cost	Tax Relief
Investors unable to claim any tax reliefs	£10,000	Nil
Qualifying Investor (higher rate tax payer) able to claim full 30% income tax relief	£7,000	£3,000

The combined effect of the initial income tax relief, tax-free dividends and tax-free capital growth can substantially improve the net returns of an investor in a VCT.

**3. Obtaining tax reliefs**

The Companies will provide to each Qualifying Investor a certificate which Qualifying Investors may use to claim income tax relief, either by obtaining from HMRC an adjustment to their tax coding under the PAYE system or by waiting until the end of the tax year and claiming relief in their tax return.

**4. Investors not resident in the UK**

Investors not resident in the UK should seek their own professional advice as to the consequences of making an investment in a VCT as they may be subject to tax in other jurisdictions as well as in the UK.

## Tax Position of the Companies

### 1. Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HMRC. To obtain such approval it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital listed on a regulated market;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 70% (80% for accounting periods starting after 5 April 2019) by VCT Value of its investments in shares in Qualifying Investments, 70% of which must be in eligible shares (30% in respect of investments made on or before 5 April 2018 from funds raised before 6 April 2011);
- (e) have at least 10% by VCT Value of each Qualifying Investment in eligible shares;
- (f) not have more than 15% by VCT Value of its investments (including cash), at the time of making an investment, in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT);
- (g) not retain more than 15% of its income derived from shares and securities in any accounting period;
- (h) not make any non-Qualifying Investment other than those specified in section 274 of the Tax Act;
- (i) not, in respect of any share capital created on or after 6 April 2014, and any reserves created from the cancellation thereof, make any payment out of such share capital and reserves to shareholders within three years from the end of the accounting period in which that share capital was created;
- (j) not invest in a company or group which causes the company or group to receive more than £5 million (£10 million for 'knowledge intensive' companies) of state-aided investment in the 12 months ending on the date of that investment;
- (k) not invest in a company or group which causes that company or group to receive more than £12 million (£20 million for 'knowledge intensive' companies) of state-aided investment during its lifetime;
- (l) invest in companies where the first state-aided investment was within seven years of the first commercial sale in respect of the relevant trade (ten years from the end of the accounting period in which the company revenues were greater than £200,000 for 'knowledge intensive' companies), save for in certain limited circumstances where the funds are to be used in connection with a new product or geographical market; and
- (m) invest at least 30% of funds raised in an accounting period beginning on or after 6 April 2018 in qualifying holdings within 12 months after the end of that accounting period.

Conditions (j) to (l) do not apply to investments in shares listed on a recognised stock exchange or to certain investment funds/vehicles.

The approved status of a VCT may also be affected where an investee company uses any funds from a VCT investment to acquire another company or trade.

The term 'eligible shares' means ordinary shares which do not carry any rights to be redeemed or preferential rights to assets on a winding-up or dividends (other than certain non-cumulative fixed preferential rights).

## 2. Qualifying investments

A qualifying investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying the conditions set out in Chapters 3 and 4 of Part 6 of the Tax Act.

The conditions are detailed, but include the following which require the investee company:

- (i) to be a Qualifying Company;
- (ii) to have gross assets not exceeding £15 million immediately before and £16 million immediately after the investment;
- (iii) to apply the money raised for the purposes of a qualifying trade within certain time periods;
- (iv) not to be controlled by another company;
- (v) to have fewer than 250 full-time (or full-time equivalent) employees (500 in the case of 'knowledge intensive' companies) at the time of the VCT investment;
- (vi) at the time of the VCT investment, not obtain more than £5 million of state-aided investment in any rolling 12 month period and £12 million of state aid investment (£20 million for 'knowledge intensive' companies) during its lifetime;
- (vii) to have its first commercial sale within seven years of the first state-aided investment in respect of the relevant trade (ten years from the end of the accounting period in which the company revenues were greater than £200,000 for 'knowledge intensive' companies), save for in certain limited circumstances where the funds are to be used in connection with a new product or geographical market; and
- (viii) not to use the VCT funds to acquire shares in another company, another business or trade or provide a return of capital to existing shareholders.

From 6 April 2012 there is a 'disqualifying purpose' test under which an investment will not be a qualifying investment if the investee company has been set up for the purpose of accessing tax reliefs or is in substance a financing business.

From 15 March 2018 there is a 'risk to capital' condition which requires (i) the investee company having objectives to grow and develop over the long term and (ii) the investment to carry a significant risk of losing more capital than the net return (including any tax relief).

From 15 March 2018, a VCT can no longer make secured loans to investee companies or have terms which give the ability to control the investee company. Loans can also provide no more than a commercial rate of return on the principal.

## 3. Qualifying Companies

A Qualifying Company must be unquoted (for VCT purposes, companies whose shares are traded on NEX Exchange and AIM markets are considered to be unquoted) and must carry on a qualifying trade. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The qualifying trade must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a qualifying subsidiary at the time of the issue of shares or securities to the VCT (and at all times thereafter).

The company must have a permanent establishment in the UK, but the company need not be UK resident. A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter.

A Qualifying Company may have no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51% owned.

#### **4. Approval as a VCT**

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval.

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, where a VCT raises further funds, VCTs are given grace periods to invest those funds before such further funds become subject to the tests.

However, to aid the launch of a VCT, HMRC may give provisional approval if satisfied that conditions (b), (c), (f) and (g) in paragraph 1 above will be met throughout the current or subsequent accounting period and condition (d) in paragraph 1 above will be met in relation to an accounting period commencing no later than three years after the date of provisional approval.

Each of the four Companies has obtained approval as a VCT from HMRC.

#### **5. Withdrawal of approval**

Approval of a VCT (full or provisional) may be withdrawn by HMRC if the various tests set out above are not satisfied. The exemption from corporation tax on capital gains will not apply to any gain realised after the point at which VCT status is lost.

Withdrawal of approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

Withdrawal of provisional approval has effect as if provisional approval had never been given (including the requirement to pay corporation tax on prior gains).

#### **6. Unlawful State Aid**

Investments made by VCTs in underlying portfolio companies are regarded as state-aided. Where the European Commission believes that state aid has been provided which is unlawful, in particular if it is not consistent with the Risk Finance Guidelines, it may require the Government to recover that state aid. Such recovery may be from the investee company, the VCT or the VCT's investors.

#### **7. Taxation of a VCT**

VCTs are exempt from corporation tax on chargeable gains. A VCT will be subject to corporation tax on its income (excluding dividends received from UK companies) after deduction of allowable expenses.

**The above is only a summary of the conditions to be satisfied for a company to be treated as a VCT.**

## Part Nine – Definitions

The following definitions apply throughout this document unless the context otherwise requires:

<b>AIC</b>	Association of Investment Companies
<b>AIM</b>	the Alternative Investment Market
<b>Allotment Formula</b>	the formula to calculate the number of Offer Shares to be issued by each Company to each investor as set out on pages 26 to 28 of this Securities Note
<b>Applicant or investor</b>	an applicant under the Offer
<b>Application</b>	a valid application by an Applicant for Offer Shares pursuant to one or more of the Offers
<b>Application Form</b>	the application form for the Offer at the end of this document or any revised or additional application form that is published or made available in connection with the Offers
<b>Articles</b>	the articles of association of I&G and/or MIG and/or MIG 2 and/or MIG 4, as the context permits
<b>base NAV per share</b>	the cumulative weighted average of the issue prices at which shares have been allotted since inception of the relevant share class
<b>Boards</b>	the board of directors of I&G and/or MIG and/or MIG 2 and/or MIG 4, as the context permits (and each a <b>Board</b> )
<b>Business Days</b>	any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling
<b>CA 2006</b>	Companies Act 2006 (as amended)
<b>Closing Date</b>	the closing date of an Offer, expected to be 12.00 midnight on 31 March 2020, unless fully subscribed earlier or otherwise as so resolved by the relevant Board
<b>Companies or the Mobeus VCTs</b>	I&G and/or MIG and/or MIG 2 and/or MIG 4, as the context permits (and each a <b>Company</b> )
<b>CRS</b>	the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information
<b>Directors</b>	the directors of I&G and/or MIG and/or MIG 2 and/or MIG 4, as the context permits (and each a <b>Director</b> )
<b>EBITA</b>	a company's earnings before the deduction of interest, tax and amortisation of goodwill
<b>'execution only' investor</b>	an investor who does not receive advice and submits his or her Application through an 'execution only' intermediary (ie an intermediary who does not provide financial advice to the investor)
<b>FATCA</b>	the Foreign Account Tax Compliance Act
<b>FCA</b>	the Financial Conduct Authority
<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended)
<b>HMRC</b>	Her Majesty's Revenue & Customs
<b>I&amp;G</b>	The Income & Growth VCT plc
<b>I&amp;G Half-Year Report</b>	the half-year report for I&G for the six month period ended 31 March 2019

<b>I&amp;G Shares</b>	ordinary shares of 1p (Sterling) each in the capital of I&G (ISIN: GB00B29BN198)
<b>Investment Amount</b>	the monetary amount of an Application accepted
<b>IRS</b>	the Internal Revenue Service
<b>IPEVC Valuation Guidelines</b>	the International Private Equity and Venture Capital Valuation Guidelines
<b>Key Information Documents</b>	the key information documents made available by the Companies (and each a <b>KID</b> )
<b>Listing Rules</b>	the Listing Rules of the FCA
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>MBO</b>	management buy out
<b>MIG</b>	Mobeus Income & Growth VCT plc
<b>MIG Half-Year Report</b>	the half-year report for MIG for the six month period ended 30 June 2019
<b>MIG Shares</b>	ordinary shares of 1p (Sterling) each in the capital of MIG (ISIN: GB00B01WL239)
<b>MIG 2</b>	Mobeus Income & Growth 2 VCT plc
<b>MIG 2 Annual Report</b>	the annual report for MIG 2 for the year ended 31 March 2019
<b>MIG 2 Shares</b>	ordinary shares of 1p (Sterling) each in the capital of MIG 2 (ISIN: GB00B0LKLZ05)
<b>MIG 3</b>	Matrix Income & Growth 3 VCT plc
<b>MIG 4</b>	Mobeus Income & Growth 4 VCT plc
<b>MIG 4 Half-Year Report</b>	the half-year report for MIG 4 for the six month period ended 30 June 2019
<b>MIG 4 Shares</b>	ordinary shares of 1p (Sterling) each in the capital of MIG 4 (ISIN: GB00B1FMDH51)
<b>Mobeus</b>	Mobeus Equity Partners LLP, the investment adviser, administrator, company secretary and promoter to the Companies, which is authorised and regulated by the FCA
<b>Money Laundering Regulations</b>	the Money Laundering Regulations 2017 within the guidance for the UK Financial Sector issued by the Joint Money Laundering Steering Group
<b>Money Market Funds</b>	money market funds, government securities or other low risk liquid assets
<b>NAV or net asset value</b>	the net asset value of a company or, as the case may be, share, calculated in accordance with that company's normal accounting policies
<b>NEX Exchange</b>	the NEX Exchange, a prescribed market for the purposes of section 118 of FSMA
<b>Offer Costs</b>	the costs relating to an Offer to be applied pursuant to the Allotment Formula as set on pages 27 to 29 of this Securities Note
<b>Offers</b>	the offers for subscription of Offer Shares in the Companies as described in the Prospectus (and each an <b>Offer</b> )
<b>Offer Price</b>	the price at which the Offer Shares will be allotted in each Company, as determined by dividing the Investment Amount in a Company by the number of Offer Shares to be issued by that Company (in accordance with the Allotment Formula)

<b>Offer Shares</b>	the MIG Shares, MIG 2 Shares, MIG 4 Shares and I&G Shares (as the context permits), being offered for subscription pursuant to the Offers (and each an <b>Offer Share</b> )
<b>Official List</b>	the official list of the FCA
<b>Portunus or Distributor</b>	Portunus Investment Solutions Limited
<b>Prospectus</b>	together, the Registration Document, this Securities Note and the Summary
<b>Prospectus Regulations</b>	Regulation (EU 2017/1119) of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
<b>Prospectus Regulation Rules</b>	the Prospectus Regulation Rules issued by the FCA and made under Part VI of FSMA and pursuant to the Prospectus Regulations
<b>Qualifying Company</b>	an unquoted (including an AIM-listed) company which satisfies the requirements of Chapter 4 of Part 6 of the Tax Act
<b>Qualifying Investment</b>	an investment in a Qualifying Company satisfying the requirements of Chapter 4 of Part 6 of the Tax Act
<b>Qualifying Investor</b>	an individual aged 18 or over who is a tax-payer in the United Kingdom
<b>Receiving Agent</b>	The City Partnership (UK) Limited
<b>Registrar</b>	Link Asset Services or Computershare Investor Services plc, as the context permits (together the <b>Registrars</b> )
<b>Registration Document</b>	the registration document issued by the Companies dated 25 October 2019 in connection with the Offers
<b>RPI</b>	Retail Prices Index
<b>RIS Announcements</b>	regulatory announcements through one of the newswire services designated as a Regulatory Information Service by the FCA for the purposes of Appendix 3 of the Listing Rules (and each a <b>RIS Announcement</b> )
<b>Securities Note</b>	this document
<b>Shareholder</b>	a holder of Shares in one or more of the Companies (as the context permits)
<b>Shares</b>	MIG Shares and/or MIG 2 Shares and/or MIG 4 Shares and/or I&G Shares, as the context permits (and each a <b>Share</b> )
<b>Sterling</b>	the official name for the standard monetary unit of the United Kingdom
<b>Summary</b>	the summary issued by the Companies dated 25 October 2019 in connection with the Offer
<b>the Tax Act</b>	the Income Tax Act 2007 (as amended)
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States or US</b>	the United States of America, its states, territories and possessions (including the District of Columbia)
<b>US Citizen</b>	an individual born in the US or naturalised as a US citizen or, if an individual was born outside of the US, where one or both of the individual's parents were born in the US or naturalised as a US citizen
<b>VCT Value</b>	the value of an investment calculated in accordance with section 278 of the Tax Act
<b>Venture Capital Trust or VCT</b>	a venture capital trust as defined in section 259 of the Tax Act

# Terms and Conditions of Application

The following terms and conditions apply to all of the Offers (or each Offer as the context permits).

Save where the context otherwise requires, words and expressions defined in this document have the same meanings when used in these terms and conditions, the Application Form and explanatory notes. Words importing one gender (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa.

The section headed “Application Procedures” and the Application Form (including any revised or additional Application Form(s) made available by the Companies in connection with the Offers) form part of these terms and conditions of Application.

- (a) The amount to be raised by each Company is as follows: MIG: up to £10 million (subject to an over-allotment facility of up to £5 million), MIG 2: up to £15 million (subject to an over-allotment facility of up to £5 million), MIG 4: up to £8 million (subject to an over-allotment facility of up to £5 million) and I&G: up to £5 million (subject to an over-allotment facility of up to £5 million). If the Board decides (in consultation with Mobeus) to utilise the over-allotment facility under its Company’s Offer, the relevant Company will make an RIS Announcement as soon as reasonably practicable. The maximum number of Offer Shares to be issued by each Company in connection with its Offer is, as applicable, 28 million MIG Offer Shares, 30 million MIG 2 Offer Shares, 22 million MIG 4 Offer Shares and 16 million I&G Offer Shares. An Offer will close at 12.00 midnight on 31 March 2020 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the relevant Board’s discretion).
- (b) The contract created by the acceptance of an Application in respect of an Offer will (unless the Board of the relevant Company resolves otherwise) be conditional on admission to the Official List and to trading on the London Stock Exchange’s market for listed securities in respect of the relevant Company’s Offer Shares becoming effective. If any Application in respect of an Offer is not accepted, or is accepted for a lesser sum than that remitted, or if there is a surplus of funds from the amount remitted or any contract created by acceptance does not become unconditional, the Application monies or, as the case may be, the balance thereof (save where the amount is less than £1 in respect of a Company, in which case you authorise such amount to be paid to that Company and used for its own purpose) will be returned (without interest) at the risk of the person(s) entitled thereto by (i) returning each relevant Applicant’s cheque or banker’s draft or by crossed cheque in favour of the Applicant, through the post or (ii) by bank transfer to the same bank account from which the monies were received as identified on the Application Form. In the meantime, Application monies will be retained by the Receiving Agent in a separate account.
- (c) The right is reserved by each Company to present all cheques and banker’s drafts for payment on receipt and to retain Share certificates, if relevant, and any surplus monies, pending clearance of successful Applicants’ cheques and bankers’ drafts (including the minimum aggregate level of Application per Offer and the aggregate minimum level of Application(s) across all Offers). A Company may treat Applications as valid and binding even if not made in all respects in accordance with the prescribed instructions and a Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the Closing Date. Each Board reserves the right to accept Applications and issue Offer Shares in respect of Applications accepted, prior to the Closing Date. Applications which are not accompanied by cheques or banker’s drafts available for immediate presentation or by other valid payment means will be dealt with at the discretion of the relevant Board.
- (d) By completing and delivering an Application Form, you (as the Applicant) acknowledge that your Application is addressed to the Company, Mobeus and the Receiving Agent in respect of acceptance of these terms and conditions and further that you, (as the Applicant), in respect of each Offer:
  - (i) irrevocably offer to subscribe for such number of Offer Shares as is determined by applying the Allotment Formula to the Investment Amount specified in your Application Form in respect of the relevant Company’s Offer (or such lesser amount for which your Application is accepted) subject to (i) these terms and conditions, (ii) the Articles of the relevant Company and (iii) any document or information mentioned, and on the basis set out, in paragraph (ix) below;

- (ii) agree that, in consideration of the relevant Company agreeing to process your Application, your Application will not be revoked until its Offer is closed and that this paragraph shall constitute a collateral contract between you and that Company which will become binding upon you or your agent's dispatch by post or transmission by electronic communication to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your duly completed Application Form;
- (iii) agree that your cheque or banker's draft may be presented for payment on receipt and agree and warrant that it will be honoured on first presentation and further agree that if it is not so honoured (a) you will not be entitled to receive certificates in respect of the Offer Shares or to enjoy or receive any rights or distributions in respect of such Offer Shares (nor shall your financial adviser or, as relevant, intermediary be entitled to any facilitation of any initial adviser charges or payment of any initial commission), unless and until you make payment in cleared funds for such Offer Shares and such payment is accepted by a Company (which acceptance shall be in its absolute discretion and on the basis that you indemnify it and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and (b) that any documents of title and any monies returnable to you or payable to your financial intermediary may be retained pending clearance and that such monies will not bear interest and that at any time prior to the unconditional acceptance by the relevant Company of such late payment, and (c) that a Company may (without prejudice to its other rights) avoid the agreement to subscribe for such Offer Shares, avoid the facilitation of any initial adviser charges or payment of initial commission and may issue or allot Offer Shares to some other person, in which case you will not be entitled to any payment in respect of such Offer Shares, other than the refund to you, at your risk, of the proceeds (if any) of the cheque or banker's draft accompanying your Application Form (or as made by bank transfer), without interest;
- (iv) agree that, in respect of those Offer Shares for which your Application has been received and processed, and is not rejected, acceptance of your Application shall be constituted by inclusion in an allotment of Offer Shares to you pursuant to the relevant Offer Application;
- (v) agree that any Application monies, together with other monies received from other Applicants, will be held on trust by the Receiving Agent, as may be applicable, for the purposes of either (a) the payment of the Offer Price in respect of Offer Shares you have subscribed for and/or (b) the return to you (without interest) in circumstances where such payment(s) as referred to in (a) are not made. In circumstances where (b) applies, you acknowledge that interest earned on such monies will be paid to the relevant Company and used for its own purposes;
- (vi) agree that any monies refundable to you may be retained by the Receiving Agent, as may be applicable, pending clearance of your remittance and any verification of identity which is, or which the Companies or the Receiving Agent may consider to be, required for the purposes of the Money Laundering Regulations and that such monies will be paid without interest;
- (vii) authorise the Registrars to send Share certificate(s), if relevant, in respect of the number of Offer Shares for which your Application is accepted and to procure that your name (or, where Section 5 of the Application Form is completed, your nominee) is placed on the register of members of each relevant Company in respect of such Offer Shares and further authorise the Receiving Agent, as may be applicable, to send, at your own risk, any monies returnable to the account from which it was received or by way of a crossed cheque by post to your address set out in the Application Form, in either case without interest;
- (viii) agree that all Applications, acceptances of Applications, instructions to facilitate any initial adviser charges, payments of initial commission and contracts resulting therefrom shall be governed by and construed in all respects in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the relevant Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications, instructions to facilitate any adviser charges, any payments of initial commission and contracts in any other manner permitted by law or in any court of competent jurisdiction;

- (ix) agree and acknowledge that, having had the opportunity to read the Prospectus, the Key Information Document relating to the relevant Company and any supplementary prospectus issued by the Companies and filed with the FCA, you are making your Application solely on the basis of the information and statements concerning the relevant Company and its Offer Shares contained in such documents and the latest publicly available financial information and RIS Announcements of the relevant Company, all of which you are deemed to have received and read (whether or not so read);
- (x) confirm that in making such Application you are not relying on any information or representation in relation to the Company other than those contained in the Prospectus, the Key Information Document relating to the relevant Company and any supplementary prospectus issued by the Companies and filed with the FCA and you agree that no person responsible solely or jointly for such documents or any part thereof or involved in the preparation thereof shall have any liability for any other information or representation relating to that Company or its Offer Shares or for any change in the law or regulations affecting venture capital trusts;
- (xi) irrevocably authorise the Receiving Agent and/or Registrar and/or the relevant Company or any person authorised by any of them, as your agent, to do all things necessary to effect registration of any Offer Shares subscribed by or issued to you into your name (or, where Section 5 of the Application Form is completed, the name of your nominee) and authorise any representative of the Receiving Agent, the Registrar or of the relevant Company to execute any document required therefor;
- (xii) confirm and warrant that the information provided on the Application Form is true and accurate and that any instructions thereon in relation to the facilitation of initial adviser charges are confirmed and that you irrevocably authorise the relevant Company (as required) to make such payments from your investor entitlement;
- (xiii) warrant that, in connection with your Application, you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will may or may result in any Company, the Receiving Agent or Mobeus acting in breach of the regulatory or legal requirements of any territory in connection with the Offers or your Application.
- (xiv) confirm that you are not a US person as defined under the United States Securities Act of 1933, as amended, or a resident of Canada and that you are not applying for any Offer Shares with a view to their offer, sale, delivery to or for the benefit of any US person or a resident of Canada, and that you have reviewed the restrictions contained in paragraphs (f) and (g) below and warrant compliance therewith;
- (xv) warrant that you are an individual aged 18 or over;
- (xvi) agree, on request by the relevant Company or the Receiving Agent on behalf of that Company, to disclose promptly in writing to the relevant Company any information which that Company or the Receiving Agent may reasonably request in connection with your Application including, without limitation, satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations and authorise the relevant Company and the Receiving Agent to disclose any information relating to your Application as it considers appropriate;
- (xvii) undertake that you will notify the relevant Company, or the Receiving Agent on behalf of the relevant Company, if you are not or cease to be either an individual subscribing for the Offer Shares within the limit set out in section 262 of the Tax Act or beneficially entitled to the Offer Shares;
- (xviii) declare that a loan has not been made to you or any associate which would not have been made, or would not have been made on the same terms, but for you offering to subscribe for, or acquiring, Offer Shares and that the Offer Shares are being acquired for bona fide commercial purposes and not as part of a scheme or arrangement, the main purpose of which, or one of the main purposes of which, is the avoidance of tax;

- (xix) warrant that, if you sign the Application Form on behalf of somebody else, you have due authority to do so on behalf of that other person, and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authority contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank with the Application Form;
  - (xx) acknowledge that the Receiving Agent and Mobeus are acting solely for each Company and no-one else and will not be responsible to anyone other than the relevant Company for providing any advice in relation to the subject of this document and will not treat you (or, where Section 5 of the Application Form is completed, your nominee) as its customer;
  - (xxi) consent to the information provided on the Application Form being provided to the Receiving Agent, Mobeus (as the promoter to the Offers) and the Registrars to process applications and existing shareholding details, verify identity (which may be through the use of a third party agency) and send notifications to you (or, where Section 5 of the Application Form is completed, your nominee); and
  - (xxii) acknowledge that the Receiving Agent and/or the Companies (or their agents) may, if necessary, disclose information to HMRC and the IRS to satisfy their FATCA or CRS obligations or to other regulatory bodies if required, or considered obliged, to do so in accordance with any statute or regulation or if governmental, judicial and law enforcement bodies;
  - (xxiii) you authorise each Company (as relevant) and Mobeus (and their delegates) to provide information as provided by you or to you in connection with your Application and in relation to your ongoing investment in a Company (including subsequent performance data) to your financial adviser detailed on your Application Form or other financial adviser notified to the relevant Company and/or Mobeus from time to time (subject to such evidence and/or verification as the relevant Company and/or Mobeus (and their delegates) may request; and
  - (xxiv) agree that these confirmations, warranties, undertakings and authority are made and given, and the Application Form is addressed, to the Companies (as relevant), the Receiving Agent and Mobeus.
- (e) Each Company reserves the absolute right to inspect (either itself or through the Receiving Agent or other agents) all Application Forms, and may consider void and reject any Application Form that does not in the sole judgment of the relevant Company satisfy the terms and conditions of its Offer. If an Application Form is not completed or in the Company's determination (in its absolute discretion) has not been validly completed, provided that the Application Form is otherwise in order and is accompanied by the appropriate Application monies, the Application may be accepted as a valid Application in whole or in part at the Company's discretion. The right is also reserved to treat as valid any application for Offer Shares not complying fully with these terms and conditions of Application, or not in all respects complying with the Application procedures set out on pages 68 to 74 of this document. In particular, but without limitation, the Companies may accept applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner to apply in accordance with, and be bound by, these terms and conditions.
- (f) No action has been, or will be, taken in any jurisdiction by, or on behalf of, a Company or Mobeus which would permit a public offer of the Offer Shares in any jurisdiction other than the UK, nor has any such action been taken with respect to the possession or distribution of the Prospectus other than in the UK. No person receiving a copy of the Prospectus (including any supplementary prospectus issued by the Companies and filed with the FCA) and/or the Key Information Documents or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any regulation or other legal requirements. It is the responsibility of any person outside the UK wishing to make an Application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

- (g) The Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States. In addition, none of the Companies have been and will not be registered under the United States Investment Company Act of 1940, as amended. Mobeus is not, and will not be, registered under the United States Investment Advisers Act of 1940, as amended. No subscription will be accepted if it bears an address in the United States.
- (h) Multiple Applications under the Offers are permitted. Applications will otherwise be accepted on a 'first-come, first-served' basis (but subject always to the discretion of the relevant Board). The right is reserved to reject in whole or in part and scale down and/or ballot any Application or any part thereof including, without limitation, Applications in respect of which any verification of identity which a Company or the Receiving Agent considers may be required for the purposes of the Money Laundering Regulations has not been satisfactorily supplied. Each Board in its absolute discretion may decide to close or suspend its Offer at any time.
- (i) Allotments of Offer Shares will also be subject to the relevant Company having the requisite authorities from its Shareholders from time to time. An Offer shall be suspended if the issue of such Offer Shares would result in the breach of the Prospectus Regulation Rules and/or the Listing Rules of the FCA or any other statutory provision or regulation applicable to the relevant Company.
- (j) Following allotment, the Receiving Agent will send a letter to each successful Applicant showing the number of Offer Shares allotted in each relevant Company. Dealing may commence before such notification. Dealings prior to the issue of certificates, if applicable, for Offer Shares will be at the risk of investors. A person so dealing must recognise the risk that an Application may not have been accepted to the extent anticipated or at all.
- (k) An Offer cannot be withdrawn after dealings in the Offer Shares have commenced.
- (l) Initial and annual trail commission will only be paid to 'execution only' intermediaries by each Company. 'Execution only' intermediaries will, to the extent permitted under legislation and regulations, receive initial commission paid by Mobeus at a rate of 0.50% of their client's Investment Amount under the Offers. In addition, 'execution only' intermediaries will, to the extent permitted under legislation and regulations, normally also be entitled to annual trail commission of 0.375% of the net asset value for each such Offer Share (subject to a cumulative trail commission cap of 2.25% of the Offer Price and their client continues to hold such Offer Shares). Confirmation that no advice has been given must be provided on the Application Form. For the avoidance of doubt, initial and annual trail commission will not be payable where financial advisers have provided advice, though initial financial adviser charges may be facilitated as referred to below, or if the client disposes of his Offer Shares.

Any initial commissions will be paid out of the Offer Costs. Trail commission will be paid by the Companies. Annual trail commission in respect of each Company will be paid shortly after the later of the relevant Company's annual general meeting or, where applicable, the date of payment of the final dividend in each year. The administration of annual trail commission will be managed on behalf of the Companies by Mobeus which will maintain a register of 'execution only' intermediaries entitled to trail commission.

'Execution only' intermediaries should keep a record of Application Forms submitted bearing their stamp or full address details to substantiate any claim for selling commission.

The Receiving Agent will collate the Application Forms bearing the 'execution only' intermediaries' stamps or full address details and calculate any initial commission payable which will be paid following allotment of Offer Shares to such intermediary's client.

'Execution only' intermediaries may agree to waive all of the initial commission offered by Mobeus in respect of their clients' Application. Mobeus has agreed to reduce its fee by an amount equal to the initial commission if it is waived, which will be applied through the Allotment Formula as a reduction in the amount of Offer Costs and will, therefore, increase the number of Offer Shares to be allotted to the investor.

Investors and 'execution only' intermediaries should note that trail commission is not payable if the intermediary subsequently then gives advice in respect of a holding. It is the responsibility of the investor and the execution only intermediary to notify the relevant Company as soon as possible if advice is given and payments for this (or for any other reason) must cease (though each Company also reserves the right to cease payments if it believes advice may have been given or for any other reason in its absolute discretion).

In respect of existing trail commission arrangements to intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if subsequent financial advice in respect of the holding is given. As a result, should a Shareholder in a Company decide to seek financial advice from their existing execution only intermediary in respect of participating in that Company's Offer, any trail commission which is currently being paid to that intermediary pursuant to an existing holding in that Company must cease and Mobeus and/or the Company should be notified accordingly.

- (m) The Companies will, through the Receiving Agent, provide facilitation services in respect of any initial financial adviser charges agreed between an investor and their financial adviser. The maximum amount to be facilitated will be 4.50% of the Investment Amount (to be allocated proportionately against each Offer for which an Application is accepted unless special instructions are stated on the Application Form). Any amount to be facilitated will be applied through the Allotment Formula as an increase in the amount of Offer Costs and will, therefore, decrease the number of Offer Shares to be allotted to the investor.

Such investors will be due an entitlement from each relevant Company in which Offer Shares are allotted up to an amount equal to the amount to be facilitated from which such adviser charge will be paid on behalf of the investor. The investor entitlement may not be taken by the investor as a cash payment and is made available solely for the purposes of facilitating the adviser charge. If the initial adviser charge agreed between the investor and the financial adviser is greater than the maximum amount agreed to be facilitated by the Companies, then the investor will need to make such additional payment direct to their financial adviser. The charging of VAT on an initial financial adviser charge is the sole responsibility of the financial adviser. Should any facilitated initial charge undertaken by the Receiving Agent exclude the payment of any such VAT, the investor will, at all times, remain solely responsible to make up such VAT deficit (if any) to the adviser.

If the investor and financial adviser agree that an initial charge is to be facilitated by the Receiving Agent, the Application Form must be countersigned by the financial adviser to confirm (i) that the facilitation amount has been agreed and (ii) that the financial adviser has read and agrees to be bound by the terms and conditions of the relevant Offers.

Initial adviser charges will only be facilitated if, and to the extent, they are permitted under legislation and regulations.

Further details of facilitation services and confirmation of instructions are set out in the Application Form at the end of this document. Initial income tax relief should be available on the total Investment Amount in the Companies for Qualifying Investors.

- (n) The maximum aggregate amount of commission which will be paid by each Company is an amount representing no more than 10.0% of the respective Offer Price per Offer Share allotted by that Company.
- (o) Mobeus may (at its discretion) agree to reduce its fee (in whole or part) in respect of any specific investor or group of investors for the benefit of such investors. Mobeus has agreed to reduce its fees by 0.50% of the Investment Amount in respect of investors who receive advice from a financial adviser (and the Application Form is completed by the financial adviser on this basis). These reductions will be applied through the Allotment Formula as a reduction in the amount of Offer Costs and will, therefore, increase the number of Offer Shares to be allotted to the investor. Mobeus will not offer any reduction in its fee which, together with the 'execution only' initial commission offered, would result, in aggregate, in a reduction to its fee of more than 3.00% of the Investment Amount of any Application.
- (p) The Companies reserve the right to publish revised Application Forms from time to time. Applicants and their advisers/intermediaries should, therefore, check when completing an Application Form

that no subsequent version has been published or made available by the Companies (which will be downloadable from [www.mobeus.co.uk/investor-area](http://www.mobeus.co.uk/investor-area)).

- (q) The Companies further reserve the right to provide editable PDF Application Forms or an Application Form which can be completed on-line. The submission of such Application Forms to the Companies and/or the Receiving Agent by or on behalf of an investor shall constitute confirmation by the investor of agreement to these terms and conditions if such Application Forms are electronically signed or otherwise have the investor's name stated in full within the signature box.
- (r) The Companies reserve the right to make the Offers available via one or more platforms (subject to information being received in respect of any Applicant and the intended underlying beneficial holder of Offer Shares as may be requested by or on behalf of the Companies).
- (s) The Companies, Mobeus and the Receiving Agent respect your privacy and are committed to protecting your personal information. If you would like to find out more about how they use and look after your personal information, please refer to their privacy notices, which can be found at:

MIG: [www.migvct.co.uk](http://www.migvct.co.uk)

MIG 2: [www.mig2vct.co.uk](http://www.mig2vct.co.uk)

MIG 4: [www.mig4vct.co.uk](http://www.mig4vct.co.uk)

I&G: [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk)

Mobeus: [www.mobeus.co.uk](http://www.mobeus.co.uk)

The City Partnership (UK) Limited: [www.city.uk.com/privacy.html](http://www.city.uk.com/privacy.html)

You have certain rights in relation to your personal information, including the right to receive a copy of the information held about you. For more details, please see the privacy notices referred to above.

- (t) The Companies may, in their absolute discretion, make non-material amendments to these terms and conditions without giving notice to Applicants.

# Application Procedures

## Notes on How to Complete the Application Form

**Before making an Application, investors should consider whether to (i) consult an independent financial adviser authorised under FSMA, (ii) submit their Application through an 'execution only' intermediary or (iii) apply directly. Further information in respect of the different ways to apply is shown in Part Three of this document on pages 26 to 31.**

The Offers are open to all existing Shareholders and new investors.

The Application Form for use in connection with the Offers is attached at the end of this document. Additional copies of the Application Form can be obtained from [www.mobeus.co.uk](http://www.mobeus.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. The Companies reserve the right to publish revised and/or additional Application Forms from time to time.

To apply to participate in the Offers, please complete and return the Application Form to Mobeus Offers, The City Partnership (UK) Limited, 110 George Street, Edinburgh EH2 4LH by post or hand delivered (during normal business hours only) by 12.00 midnight on 31 March 2020. Applications may also be provided electronically (subject to, unless otherwise agreed by Mobeus on behalf of a Company, receipt of the hard copy form).

If you post your Application Form, you are recommended to use first class post and allow two working days for delivery. The Receiving Agent must, unless otherwise agreed by Mobeus on behalf of a Company, have received funds before an Application will be accepted. **Applicants submitting Applications with a cheque should allow for seven working days for their funds to clear.** For the avoidance of doubt, priority will be given to those Applicants from whom cleared funds have been received if the Offers are over-subscribed.

Please complete all parts of the Application Form in accordance with the following instructions. The Applicant should complete Sections 1 to 8 (as applicable), while the Applicant's financial adviser or intermediary, if any, should complete Sections 9 to 12 (as applicable).

## Application Form Instructions:

### To be completed by the Applicant

#### 1. Your personal details

Insert (using block capitals) in Section 1 your full name, full address, email address, day and evening telephone numbers, date of birth, National Insurance number, tax residency details and confirm whether you are a US Citizen (see definition on page 60 of the Securities Note). Telephone numbers will only be used in case of a query in relation to your Application. The Companies (or their agents) may, if necessary, disclose information to HMRC and the IRS to satisfy their FATCA or CRS obligations.

You must be the intended beneficial owner of the Offer Shares (please do not use a nominee name as this may jeopardise your entitlement to VCT tax reliefs). If you would like your Offer Shares to be issued directly to a nominee, please also complete Section 5.

Please tick the box provided if you are an existing Shareholder in any of the Companies. The Registrars will use your personal details on the Application Form to identify whether you are an existing Shareholder in a Company in which you are allotted Offer Shares and, where identifiable, add your new Offer Shares to your existing account holding designation.

**If you are already an existing Shareholder, please take care that your title, name and address exactly match those shown on your existing Share certificate(s)/account holding. This should help prevent your new shareholding being opened in a separate, duplicate account on the register of members.**

Please tick the relevant box to advise us as to how you would like to receive acknowledgement of your Application.

## 2. Application details

Depending on the application option you choose, please complete **EITHER Section 2a OR 2b.**

If both sections have been completed, the Application will be dealt with in the manner which the Boards consider appropriate depending on the information included or otherwise rejected.

### 2a Applications to invest equally under all of the Offers which are open at the time the Application Form is processed.

Insert (in figures) the total aggregate value of the investment you wish to make pursuant to the Offers. This amount will be invested, as far as practically possible, equally in all of the Offers that are open at the time your Application Form is processed. This may mean that you invest in only one Offer if all of the other Offers have closed, or are deemed closed, by the time your Application Form is processed. Your Subscription must be for a minimum aggregate amount of £6,000 (thereafter in multiples of £500).

If all of the Offers have closed, or are deemed closed, by the time your Application Form is processed then the total amount of your Application will be returned to you by cheque or bank transfer (to the same account from which your original Application monies were received) as soon as practicably possible.

**Please note that if you subscribe by completing Section 2a of the Application Form you should not complete Section 3**, which deals with re-allocation/return of Applications. This is because amounts subscribed under Section 2a will be automatically allocated equally, as far as practically possible, among all the Offers that are open at the time your Application is processed.

### 2b Applications to one or more of the Offers or for different amounts.

Insert (in figures) the value of the investment you wish to make pursuant to each Company's individual Offer. Your total Application must be for a minimum aggregate amount of £6,000 and the amount you subscribe to each Company's individual Offer must be for a minimum of £1,500 (thereafter in multiples of £500 per Offer).

**If you choose to complete Section 2b you should also complete Section 3** to indicate whether you want your Application either re-allocated or returned in the event that one or more, but not all, of the Offers under which you have applied has/have, or is/are deemed, closed by the time your Application Form is processed. If you do not complete Section 3, your Application will be dealt with as if you have ticked box 3 in that section as set out below.

## 3. Re-allocation/return instructions

**You should only complete this section if you have chosen to invest in the Offers through Section 2b of the Application Form.**

In the event that one or more, but not all, of the Offer(s) for which you have applied has/have, or is/are deemed, closed by the time your Application Form is processed, please tick the relevant box (**one only**) to denote your instructions on how you want your Application to that/those Offer(s) re-allocated or whether you want your Application to that/those Offer(s) returned as follows:

**Box 1** Re-allocated, so far as is practicably possible, equally in **the remaining Offers for which you have applied** and which are open. This may mean that your entire Application is allocated to just one Offer if all of the other Offers have, or are deemed, closed by the time your Application Form is processed.

**Box 2** Re-allocated, so far as is practicably possible, equally in **all the remaining Offers** which are open. This may mean that your entire Application is allocated to just one Offer if all of the other Offers have, or are deemed, closed by the time your Application Form is processed and that all or part of your Application is allocated to an Offer which was not originally selected by you for your investment.

**Box 3** returned to you (your Application for the other Offers will continue).

If all of the Offers to which you have applied have, or are deemed, closed by the time your Application Form is processed, the total amount of your Application will be returned to you.

In the event that you choose to have your Application re-allocated by ticking boxes 1 or 2 as described above, the Receiving Agent will inform you of the allocation of your Application as a result of the re-allocation, following the allotment of your Offer Shares.

If you have requested that your Application in respect of a closed Offer be returned to you, monies will be returned to you by cheque or bank transfer (to the same account from which your original Application monies were received) as soon as practicably possible.

#### 4. Payment details

You can provide your Application monies either by cheque/banker's draft or via a bank transfer. Please tick the relevant box in Section 4.

##### (i) Payment by cheque/banker's draft

Please pin your cheque or banker's draft, which must be made payable to '**City - Mobeus Offers**' and crossed 'A/C Payee only', to the Application Form. Your payment must relate solely to this Application.

Your cheque or banker's draft must be drawn in Sterling on an account with a United Kingdom or European Union regulated credit institution, and which is in the sole or joint name of the investor and must bear the appropriate sort code in the top right-hand corner.

Cheques will be presented for payment on receipt. Applications under the Offers will normally be accepted on a first-come, first-served basis, save that Applications accompanied by a post-dated cheque **will not be processed until the cheque can be presented and will not be treated as being received by the Receiving Agent until that date**, subject always to the discretion of the Boards. **This may mean that your application is not allocated to an Offer that closes in the meantime.** If using a post-dated cheque, please print 'POST-DATED' alongside the amount inserted in Section 2. Failure to print 'POST-DATED' in section 2 may result in the cheque being presented in error. For the avoidance of doubt, priority will be given to those Applicants from whom cleared funds have been received if the Offers are over-subscribed (even if a cheque accompanying an Application is not post-dated).

The right is reserved to reject any Application in respect of which the investor's cheque or banker's draft has not been cleared on first presentation. Any monies returned will be sent by cheque crossed 'A/C Payee only' in favour of the investor without interest.

##### (ii) Payments via bank transfer

Payments via bank transfer should be made to the following account:

Bank of Scotland plc  
Account number: 19741369  
Sort code: 80-22-60  
Account name: 'City – Mobeus Offers'  
IBAN: GB67BOFS0226019741369  
BIC: BOFSGBS1SDP

If you wish to transfer by bank transfer, payments must be made by BACS, CHAPS or Faster Payment in Sterling. Details of the bank being instructed to make such bank transfer must be entered into Section 4 of the Application Form.

Payments in electronic form must come from a UK bank account and from a personal account in the name of the individual investor where they have sole or joint title to the funds.

The account name must be the same as that shown in Section 4 of the Application Form. Payments must relate solely to your Application. **Please also reference bank transfers with your surname, initials and post code and also complete these details in Section 4.** No receipt in respect of electronic payments will be issued but the Receiving Agent will contact you if it has not matched an electronic payment to your Application.

Please tick the box to confirm that the payment is being made from an account in your name. No receipt for your payment will be issued. Where payment may be made from another individual's account, please confirm who this is and what their relationship is to you in Section 4. Please also note that the identity of any third party payee will also need to be verified (please see the Money Laundering Notice below). Application monies from a corporate account, unless otherwise agreed, will not be accepted.

If you use a personal cheque drawn by someone else or you use a building society cheque or banker's draft, please ensure your full name, address and date of birth (as provided in Section 1 of the Application Form) is written on the reverse.

### **Money Laundering Notice – Important**

The identity of the Applicant and, if Application monies are being provided by a third party, the identity of that third party will need to be verified in accordance with the Money Laundering Regulations.

In relation to Applications made via an intermediary, the intermediary should complete verification of the Applicant and, by signing the Application Form, confirms this.

In relation to direct Applications (and any third party from whom Application monies will be received), the personal information that is provided on the Application Form in relation to an Applicant (and/or, if applicable, any such third party) will be used to verify identity with a third party agency.

In some circumstances you (or such third party) may also be required to provide the following documents before your Application can be accepted:

- (1) either a certified copy of your passport or driving licence; and
- (2) a certified copy of a recent (no more than three months old) original bank or building society statement, or utility bill, or recent tax bill, in your name.

Copies should be certified by a solicitor or bank. Original documents will be returned by post at your own risk.

Further information may be requested at the discretion of the Companies and/or Mobeus and/or the Receiving Agent.

**Failure to provide the necessary evidence of identity may result in your Application being treated as invalid or in a delay of confirmation.**

### **5. Nominee details**

If you would like your Offer Shares to be issued directly in the name of your nominee, please complete your nominee's details in Section 5. **Please note that if the details are not accurate and/or cannot be verified, Offer Shares will be issued in your name in certificated form.**

### **6. Electronic communications**

The Companies provide Shareholders with the opportunity to receive documents by electronic communication. Should you wish to receive notification of when documents are published on the Mobeus website for the Companies, please tick the box at Section 6. Your email address must also be provided in Section 1 to help process your election.

## **7. Dividend payment mandate**

Dividends will be paid by cheque and sent to a Shareholder's registered address if no details are completed here. Alternatively, dividends paid in cash may be paid directly into bank or building society accounts. In order to help facilitate this, please complete Section 7.

If you are an existing Shareholder who has already completed the mandate referred to in Section 7 in the past, please do so again for this new investment.

## **8. Applicant's signature and date**

Please sign and date in the appropriate spaces in Section 8 (noting the declarations/confirmation you give by signing the Application Form as stated below your signature in Section 8).

If the Application Form is signed on your behalf by an attorney or other agent, that person should state on the Application Form the capacity in which they are signing and the original power(s) of attorney (or a certified copy thereof) must be enclosed for inspection. Copies should be certified by a solicitor. Original documents will be returned by post at your own risk.

**The rest of the Application Form should be completed by your financial adviser or intermediary (if any) but Applicants who are using a financial adviser or intermediary should be aware of its contents and the comments below.**

## **9. Financial adviser/'execution only' intermediary details**

Financial advisers/'Execution only' intermediaries should complete their Firm name, FCA number, address and main contact details in Section 9.

The Receiving Agent will pay initial commission and facilitated adviser charges by bank transfer. In order to help facilitate this, please complete the payment details in Section 9.

Please tick the relevant box as to whether this is an advised or 'execution only' client.

## **10. Financial advisers that provide advice**

Financial advisers who have provided advice to their clients should complete Section 10.

If you have agreed to pay your financial adviser a fee directly, your financial adviser should tick option a within Section 10, confirming that they have provided financial advice to you but that no facilitation service is required pursuant to this Application.

If you have agreed with your financial adviser that the payment of an initial adviser charge should be facilitated by the Receiving Agent out of the investor entitlement from the Companies to you, your financial adviser should:

- > confirm that they have provided financial advice to you by ticking box b in Section 10; and
- > insert the amount of the initial adviser charge either in £ (if this is a fixed amount) or as a percentage to be facilitated to the financial adviser (the maximum amount to be facilitated will be 4.50% of the aggregate amount inserted in Section 2a or, as applicable, Section 2b).

Adviser charges will be allocated proportionately against each Offer for which an Application is accepted, subject always to the maximum amount to be facilitated of 4.50%. Any amount of adviser charge (including any applicable VAT thereon) in excess of this maximum amount will be the responsibility of the Applicant.

Adviser charges will only be facilitated if, and to the extent, they are permitted under legislation and regulations. If Section 10 is not completed, then the Companies will assume that no facilitation of an initial adviser charge is required.

Financial advisers should take particular notice of the notes to Section 10 and advise their client accordingly. In particular, if the amount inserted in Section 10b represents an amount which is less than

the initial adviser charge agreed to be paid by you to the financial adviser then you as the investor will, at all times, remain solely responsible to make up such deficit to the financial adviser.

**Please note the financial advisers' obligation to advise their clients of the Risk Factors found on page 4 of the Securities Note and pages 3 to 4 of the Registration Document.**

#### **11. 'Execution only' intermediaries**

Intermediaries who are acting on an 'execution only' basis (i.e. who are not providing advice) should complete Section 11.

'Execution only' intermediaries should confirm that they have not provided financial advice to the Applicant by ticking the first box in Section 11 and select (if an initial commission is offered by Mobeus) their elected initial commission option. Annual trail commission will, however, be available to all 'execution only' intermediaries.

Availability of initial commission is set out on page 30 of this document. Commissions will only be paid if, and to the extent, they are permitted under legislation and regulations and the 'execution only' intermediary's client continues to hold their Offer Shares.

'Execution only' intermediaries can waive all of the initial commission offered by Mobeus for the benefit of their clients. If the initial commission is to be waived this should be indicated by ticking the second box in Section 11 accordingly.

#### **12. Financial adviser/'execution only' intermediary signature and date**

The financial adviser/'execution only' intermediary should sign and date in the appropriate spaces in Section 12 (noting the declarations/confirmation given by signing the Application Form as stated below the signature in Section 12, in particular that the identity of the Applicant has been verified in accordance with the Money Laundering Regulations).

### **Frequently Asked Questions**

#### **Q: How do I know how many Offer Shares I will receive?**

A: The number of Offer Shares to be issued to investors will be determined by the Allotment Formula set out on pages 26 to 28 of the Securities Note. As the Offer Price is variable, you should check for the most recently published NAVs of the Shares per Company and seek independent financial advice as to when it would be most appropriate for you to invest.

#### **Q: To whom should I make the cheque or banker's draft payable?**

A: Cheques and banker's drafts should be made payable to 'City - Mobeus Offers'. Please ensure that all identification requirements are sent to the Receiving Agent with your Application Form.

#### **Q: Can I send Application monies by bank transfer?**

A: Yes, monies can be sent by bank transfer to 'City - Mobeus Offers' (Bank of Scotland plc, Account Number: 19741369 and Sort Code 80-22-60). Please ensure the transfer is referenced with your surname, initials and postcode and that all identification requirements are sent to the Receiving Agent with your Application Form.

#### **Q: Where should I send my Application?**

A: Your Application Form and cheque/banker's draft (unless a bank transfer is being made) should be sent to Mobeus Offers, The City Partnership (UK) Limited, 110 George Street, Edinburgh EH2 4LH.

#### **Q: What happens after I send in my Application?**

A: The Receiving Agent will send you confirmation that it has received your Application Form by return post or by email (as selected in Section 1). The confirmation will indicate by when the next allotment(s) of Shares under the relevant Offer(s) is/are planned, but investors should note that the Board(s) have discretion as to when such allotments will actually take place. If the Receiving Agent has any

questions about your Application they will contact you by telephone or email in the first instance, so it is important that you provide your contact information on the Application Form. Applications will otherwise be accepted at the discretion of the Boards, though the Boards intend to meet Applications on a 'first-come, first-served' basis.

**Q: How do I know whether my Application for one or more of the Offers, if such Offer(s) is/are closed or deemed closed, is to be re-allocated or returned?**

A: If you have applied for your Application to be split equally across all Offers, if an Offer is closed at the time your Application Form is processed, your Application will be reallocated equally across those Offers which remain open.

If you have applied for specific amounts under one or more of the Offers and an Offer is closed at the time your Application Form is processed, your Application in respect of the closed Offer will be re-allocated in accordance with your instructions on the Application Form.

In each case, you will be notified of any re-allocation and the number of Offer Shares allotted in each Company following your Application being accepted and Offer Shares being allotted (either when your Share certificate(s) is/are dispatched to you or separately if you have requested that your Offer Shares be issued directly to a nominee).

If you have requested that your Application in respect of a closed Offer be returned to you, monies will be returned to you by cheque or bank transfer (in the same manner in which monies were remitted with your original Application) as soon as practicably possible. Monies will be returned without interest. Your Application for any Offers which remain open will continue.

**Q: When can I expect to receive Share and tax certificates?**

A: Following allotment, the Receiving Agent will send a letter to each successful Applicant showing the number of Offer Shares allotted in each relevant Company. The Registrars will send Share and tax certificates to each successful Applicant approximately ten Business Days after the allotment of Offer Shares. As noted above, allotments take place at the discretion of the Boards. However, allotments of Offer Shares will take place no later than 5 April 2020. Allotments that have taken place will be announced through a Regulatory Information Service.

**Q: What do I do if I wish to hold my Offer Shares through a nominee?**

A: Please complete Section 5 of the Application Form. Please ensure that your details entered are correct as otherwise share certificates will be issued in your name.

**Q: What do I do if I have any queries on how to complete an Application Form?**

A: Please contact the Receiving Agent on 0131 243 7210 or at ra@city.uk.com, or Mobeus on 020 7024 7600 or at vcts@mobeus.co.uk. It should be noted that the Receiving Agent and Mobeus will only be able to deal with the practicalities of application and are not permitted to provide any investment, financial or tax advice in connection with any investment in the Companies under the Offers.

**Q: Am I able to re-invest my dividends in further shares?**

A: I&G and MIG 4 operate a dividend investment facility, but these are currently suspended. Should the Board of the relevant Company decide to re-activate its Company scheme, Shareholders in the relevant Company will be notified of the re-commencement of the scheme and will be given an opportunity to participate. Previous participants in the relevant Company's scheme will be notified of its re-commencement and any changes to the scheme terms and given the opportunity to amend their participation.

**Q: Can Offer Shares be issued in joint names?**

A: Applicants can only apply in an individual's name and Offer Shares will not be issued jointly (for ease of issuing VCT tax certificates). Shareholders may transfer their holdings into joint names following issue by contacting the relevant Registrars.

**MOBEUS INCOME & GROWTH VCT PLC**  
**MOBEUS INCOME & GROWTH 2 VCT PLC**  
**MOBEUS INCOME & GROWTH 4 VCT PLC**  
**THE INCOME & GROWTH VCT PLC**

Definitions used in the Securities Note published by the Companies dated 25 October 2019 (Securities Note) (copies of which can be downloaded from [www.mobeus.co.uk/investor-area/fundraising](http://www.mobeus.co.uk/investor-area/fundraising)) apply herein. Before completing this Application Form you should read the Terms and Conditions of Application and Notes on how to complete the Application Form. The Companies and the Receiving Agent cannot accept responsibility if any details provided by you are incorrect.

The Offers open on 25 October 2019 and will close at 12.00 midnight on 31 March 2020. Each Board will close its respective Company's Offer earlier if it is fully subscribed by an earlier date or otherwise at its discretion. Please send the completed Application Form with your cheque or banker's draft (or, if making a bank transfer, ensuring Section 4 has been completed), together with any accompanying documents, to **Mobeus Offers, The City Partnership (UK) Limited, 110 George Street, Edinburgh EH2 4LH**. Cheques and banker's drafts should be made payable to 'City - Mobeus Offers'.

**Each Company will decide, in its absolute discretion, to accept or reject Applications (notification of which will be through the allotment of Offer Shares).**

Please contact the Receiving Agent on 0131 243 7210 or ra@city.uk.com, or Mobeus on 020 7024 7600 or at vcts@mobeus.co.uk, if you have any queries on how to complete the Application Form or if you do not receive an acknowledgement of your Application within ten days of sending it to the Receiving Agent. It should be noted that the Receiving Agent and Mobeus will only be able to deal with the practicalities of application and are not permitted to provide any investment, financial or tax advice in connection with any investment in the Companies under the Offers.

**Please complete in BLOCK CAPITALS AND IN BLACK/BLUE INK.**

*To be completed by the Applicant (beneficial holder)*

<b>1</b>	<b>Personal Details</b>	
Title: Mr/Mrs/Miss/Ms/Dr/Other		
Forenames:		
Surname(s):		
Current Address:		
Post Code:		
If three years or less at current address, please provide previous address.		
Previous Address:		
Post Code:		
Email Address:		
Telephone (day):		Telephone (evening):
Date of Birth:	DD MM YYYY	National Insurance Number: <input type="text"/>
Please tick this box if you are a US Citizen (see definition on page 60 of the Securities Note)* <input type="checkbox"/>		
Please tick this box if you are resident for tax purposes in any jurisdiction other than the UK: <input type="checkbox"/>		
Where applicable, please confirm the country/jurisdiction in which you are resident for tax purposes, along with your tax payer identification number (TIN) or equivalent*:		
Country/Jurisdiction:		TIN/Equivalent:
Country/Jurisdiction:		TIN/Equivalent:
If you are an existing investor in any of the Companies, please tick this box**: <input type="checkbox"/>		
Please confirm below how you would like the Receiving Agent to acknowledge receipt of your Application:		
Post: <input type="checkbox"/>		Email: <input type="checkbox"/>
* Your details may, if necessary, be disclosed to HMRC and/or the IRS in order to satisfy FATCA and/or CRS obligations.		
** If you are an existing shareholder in a Company in which you would like to invest, please ensure that the details provided in this section match your existing shareholder account, to avoid duplicate shareholder accounts being created.		

2

## Application Details

**Please complete either Section 2a OR Section 2b (but not both)**

I wish to apply under the Offer(s) for the amount(s) set out below, or such lesser amount(s) for which this subscription will be accepted, on the terms and conditions set out on pages 61 to 67 of the Securities Note. The amount(s) inserted in this section should be inclusive of any request to facilitate any initial financial adviser fees.

**2a Application to invest equally under all of the Offers**

I wish to apply for the following amount to be invested equally in all of the Offers:

£

Please note that Applications must be for a minimum of £6,000.

**2b Applications to one or more of the Offers or for different amounts**

I wish to apply to one or more of the Offer(s) for the following amount(s) (as may be re-allocated in accordance with the instructions set out in Section 3 or otherwise in the Securities Note) as set out below:

Please note that Applications must be for a minimum of £6,000 in aggregate and a minimum of £1,500 per Company (thereafter in multiples of £500 per Offer).

Mobeus Income & Growth VCT plc (minimum £1,500)

£

Mobeus Income & Growth 2 VCT plc (minimum £1,500)

£

Mobeus Income & Growth 4 VCT plc (minimum £1,500)

£

The Income & Growth VCT plc (minimum £1,500)

£

**TOTAL (to equal a minimum aggregate amount of £6,000)**

£

3

**Re-allocation/return Instructions (complete ONLY if you have completed Section 2b)**

Please tick **one box only**. In the event that one or more, but not all, of the Offers for which I have subscribed has/have, or is/are deemed, closed at the time my Application Form is processed, then I hereby request the following:

(1) the amount in respect of the closed Offer(s) be re-allocated so that it is invested equally in the remaining Offer(s) for which I have applied and which are open.

(2) the amount in respect of the closed Offer(s) be re-allocated so that it is invested equally in all of the remaining Offers which are open.

(3) the amount in respect of the closed Offer(s) be returned to me.

4

**Payment Details**

Please tick one box only:

(i) I enclose a cheque or banker's draft made payable to **"City - Mobeus Offers"**.

(ii) I confirm that I have made a bank transfer, referenced with my surname, initials and postcode, to:

Bank of Scotland plc  
Account number: 19741369  
Sort Code: 80-22-60  
Account name: City – Mobeus Offers

Please complete the following information for the account from which any bank transfer is being made (please only make one bank transfer in respect of your Application):

Name of Bank:

Account Name:

Account Number:         Sort Code:   :   :

Reference (surname, initials and post code):

Please tick this box to confirm that your Application monies payment is being made from an account in your name:

If not, please state below your relationship to the holder of the account from which payment is being made:

5

**Nominee/CREST Details**

Please complete this section if Offer Shares are to be deposited in a CREST account (which must be in the same names as the Applicant given in Section 1).

CREST Participant ID:

CREST Member Account ID:

Participant Name:

Reference (optional):

Participant Address:

Post Code:

Contact name:

Telephone:

If you would like your Offer Shares issued to a non-CREST nominee, please complete the above providing details equivalent to those requested for CREST.

6

**Electronic Communications**

Each of the Companies provides its Shareholders with the opportunity to receive documents by electronic communication. Should you wish to receive notification of when documents are published on the Mobeus website for each of the Companies, please tick this box. Your email address must also be provided in Section 1.

7

**Dividend Mandate (see notes below)**

Please forward, until further notice, all dividends that may from time to time become due to any Shares now standing or which may hereafter stand, in my name in the register(s) of members of any of the Companies to:

Name of Bank of Building Society:

Account Number:

Sort Code:

 :  : 

Account Name (BLOCK capitals, please):

If different to account name, please add Applicant's name

Postcode of Applicant

(BLOCK capitals please):

Notes: All dividends on any Shares held in any of the Companies may be paid directly into bank and building society accounts. In order to help process this, please complete the above mandate instruction section. If this section is not completed, dividends will be paid by way of cheques.

**Please complete this section even if you are an existing investor in a Company and have previously provided a dividend mandate instruction.**

8

**Applicant's Signature and Date**

Signature:

Date:

**BY SIGNING THIS APPLICATION FORM I HEREBY IRREVOCABLY DECLARE THAT:**

- (i) I have read the terms and conditions of the Offers set out on pages 61 to 67 of the Securities Note and the Application Procedures set out on pages 68 to 74 of the Securities Note (and as further contained herein) and agree to be bound by them;
- (ii) I have read the Prospectus and the Key Information Documents, in particular, the Risk Factors set out on page 4 of the Securities Note and pages 3 to 4 of the Registration Document and understand that this is a long term investment;
- (iii) If my financial adviser has completed Section 10, I am declaring and validating to the relevant Companies, Mobeus and the Receiving Agent the amount of facilitation charge(s) specified therein and agree to the making of a facilitation payment of that amount;
- (iv) To the best of my knowledge and belief, the particulars I have given are correct; and
- (v) I hereby authorise the Company and/or Mobeus to provide to the financial intermediary, as noted in this Application Form (or such replacement as I may notify the Company and/or Mobeus from time to time), information regarding my Application and my shareholding in a Company (such authority to remain in effect until I revoke such authority).

**The Companies, Mobeus and the Receiving Agent respect your privacy and are committed to protecting your personal information. For further information, please see paragraph (s) of the terms and conditions on page 67 of the Securities Note.**



9

Financial Adviser/'Execution Only' Intermediary Details

Firm Name:	Investment Adviser/Partner:
Firm FCA Number:	Investment Adviser/Partner Reference:
Firm Address:	Investment Adviser/Partner FCA Number:
Post Code:	
Investment Adviser/ Partner Reference (if applicable) Main Contact:	
Email:	Telephone:

Please confirm below how you would like the Receiving Agent to acknowledge receipt of your client's Application:

Post:  Email:

**Payment Details** (to be used for the payment of 'execution only' commission/financial adviser charge).

Name:	
Contact:	
Address:	
Post Code:	
Email for finance department:	Telephone:

Please note that a £5 charge shall be levied by the Receiving Agent against any intermediary firm requesting copies of fee statements that have previously been issued.

**Payment Instruction**

The intention is to pay 'execution only' commission(s) or financial adviser charges by direct transfer. To facilitate this, please complete the following payment instruction details.

Please forward, until further notice, all monies that may become due as a result of my client's investment in any of the Companies to:

Name of Bank of Building Society:	Account Name:
Account Number: <input type="text"/>	Sort Code: <input type="text"/> <input type="text"/> : <input type="text"/> <input type="text"/> : <input type="text"/> <input type="text"/>

**What type of investment is this?** (tick one box only):

This is an advised investment – please go to Section 10.

This is a non-advised investment ('execution only') – please go to Section 11.

10

**Financial Advisers**

Please tick one of the following boxes to confirm that financial advice has been provided by you to your client in respect of this Application and whether or not an initial adviser charge is required to be facilitated.

- a. My client has agreed to pay my adviser charge in respect of this Application directly and there is no requirement for any charge to be facilitated.
- b. My client has agreed to have such amount as is set out below facilitated to me as an initial adviser charge\*.

Specified amount:

£

**OR**

% of the total amount inserted in Section 2a or Section 2b  
(maximum 4.5%):

%

\*The maximum amount which may be facilitated to a financial adviser will be 4.5% of the total amount in Section 2a or Section 2b. If the amount agreed to be facilitated represents an amount which is less than the initial financial adviser charge agreed to be paid to the financial adviser then the investor will, at all times, remain solely responsible to make up such deficit to the financial adviser.

The charging of VAT on an initial adviser charge is the sole responsibility of the financial adviser. Should any charge facilitated by the Companies not include the payment of any such VAT, the investor will, at all times, remain solely responsible to make up such VAT deficit (if any) to the financial adviser.

VCT tax reliefs should be available in respect of the total amount inserted in Section 2a or Section 2b.

11

**'Execution Only' Intermediaries**

Please tick this box to confirm that no financial advice has been provided by you to your client in respect of this Application.

Please tick this box if initial commission is to be waived (which must be in full) in favour of the client:

12

**Financial Adviser/'Execution Only' Intermediary Signature and Date**

Signature:

Date:

**BY SIGNING THIS APPLICATION FORM, WE, THE FINANCIAL INTERMEDIARY, IRREVOCABLY DECLARE/ CONFIRM THAT:**

- (i) We have read and understood, and agree to be bound by, the terms and conditions set out on pages 61 to 67 of the Securities Note and the Application Procedures set out on pages 68 to 74 of the Securities Note (as further contained herein);
- (ii) We have applied customer due diligence measures on a risk-sensitive basis in respect of the Applicant to the standard required by the Money Laundering Regulations within the guidance for the UK financial sector issued by the Joint Money Laundering Steering Group and that if any additional information is required in order to accept the Application we will provide this, or arrange for it to be provided;
- (iii) Where we have provided advice to the Applicant in connection with the Application, an investment in the relevant Companies is considered suitable for the Applicant in their current circumstances; and
- (iv) details included in Application form are correct.

We further undertake to forthwith notify the relevant Companies and/or Mobeus of any changes to the details provided on the Application Form and/or if the Applicant ceases to be our client in respect of his/her investment in the Company.

**The Companies, Mobeus and the Receiving Agent respect your privacy and are committed to protecting your personal information. For further information, please see paragraph (s) of the terms and conditions on page 67 of the Securities Note.**





# Corporate Information

## Directors (Non-executive)

### MIG

Clive Nicholas Boothman (Chairman)  
Bridget Elisabeth Guérin  
Catherine Alison Wall

### MIG 2

Ian Marcel Blackburn (Chairman)  
Sally Louise Duckworth  
Adam Fletcher Downs Kingdon

### MIG 4

Christopher Mark Moore (Chairman)  
Helen Rachelle Sinclair  
Graham Douglas Paterson

### I&G

Jonathan Harry Cartwright (Chairman)  
Helen Rachelle Sinclair

## Investment Adviser, Promoter, Administrator and Company Secretary

Mobeus Equity Partners LLP  
30 Haymarket  
London SW1Y 4EX

## Solicitors

Shakespeare Martineau LLP  
60 Gracechurch Street  
London EC3V 0HR

## Corporate Broker

Panmure Gordon (UK) Limited  
One New Change  
London EC4M 9AF

## VCT Status Adviser

Philip Hare & Associates LLP  
Hamilton House  
1 Temple Avenue  
London EC4Y 0HA

## Registrars for MIG

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ  
Telephone Number: 0370 707 1155\*\*

## Registered Office

30 Haymarket  
London  
SW1Y 4EX

## Company Registration Numbers

MIG	05153931
MIG 2	03946235
MIG 4	03707697
I&G	04069483

## Website\*

[www.migvct.co.uk](http://www.migvct.co.uk)  
[www.mig2vct.co.uk](http://www.mig2vct.co.uk)  
[www.mig4vct.co.uk](http://www.mig4vct.co.uk)  
[www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk)

## Telephone Number

020 7024 7600

## Receiving Agent

The City Partnership (UK) Limited  
110 George Street  
Edinburgh  
EH2 4LH

## Sponsors

Howard Kennedy Corporate Services LLP  
1 London Bridge  
London SE1 9BG

## Independent Auditors

BDO LLP  
150 Aldersgate Street  
London EC1A 4AB

## Distributor

Portunus Investment Solutions Limited  
Office 416  
83 Victoria Street  
London SW1H 0HW

## Registrars for MIG 2, MIG 4 and I&G

Link Asset Services  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU  
Telephone Number: 0371 664 0324\*\*

\* These websites do not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

\*\* Further details on the costs of calls, opening hours and how to contact the Companies' registrars from abroad are detailed on their websites [www.linkassetsservices.com/shareholders-and-investors](http://www.linkassetsservices.com/shareholders-and-investors) and [www.investorcentre.co.uk](http://www.investorcentre.co.uk)

\*Computershare's telephone number is open between 8.30 a.m. and 5.30 p.m. (GMT) Monday to Friday (except UK public holidays). Calls to Computershare's 0370 number are often free if included in your plan. If not included, calls will be charged at no more than dialling a STD code (about 2p per minute usually depending on your supplier). Calls to the helpline from outside of the UK will be charged at applicable international rates.

\*\*Link Asset Services' telephone number is open between 9.00 a.m. and 5.30 p.m. (GMT) Monday to Friday (except UK public holidays). If telephoning from outside of the UK dial +44 371 664 0324. Calls to Link Asset Services' helpline are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones.



**mobeus**

Promoted and advised by  
Mobeus Equity Partners LLP