

Key information

Linked VCT Offer

Launch date:
January 2010

Maximum Offer size:
£6.1 million

VCTs:
Maven Income and Growth VCT
Maven Income and Growth VCT 2
Maven Income and Growth VCT 3
Maven Income and Growth VCT 4

Minimum subscription:
£5,000

Maximum subscription:
£200,000*

Offer close date:
Tax year 2009/10 – 5 April 2010
Tax year 2010/11 – 30 April 2010

Charges:
5% Initial

VCT tax reliefs

Introduced in 1995, VCTs offer valuable tax breaks for UK investors when buying new-issue VCT shares:

- 30% up-front income tax relief*
- Tax-free dividends
- Tax-free capital growth

* Relief is available on amounts invested up to a maximum £200,000 in the tax year, provided the shares are held for at least 5 years, and is restricted to the amount which reduces the income tax liability to zero for the year of subscription. For more information visit www.hmrc.gov.uk/guidance

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Important information

VCT investments carry a higher risk than many other forms of investment, so you should read the Important information section at the end of this document and seek independent financial advice if you have any doubt over whether a VCT is a suitable investment for you.

Tax-free income and diversification from one of the UK's leading generalist VCT houses

The Maven Linked VCT Offer

- ✓ A limited offer for New Ordinary Shares across four Maven Income and Growth VCTs
- ✓ An opportunity to benefit from the usual VCT tax breaks, including 30% tax relief up-front and tax-free dividends
- ✓ Access to an existing mature and highly diversified private company portfolio
- ✓ Investing in later stage private companies with substantial revenues and profits
- ✓ Immediate entitlement to an established multi-fund dividend flow from May 2010

The Maven Linked VCT Offer seeks to raise up to £6.1 million and provides investors with access to portfolios of established UK private companies, with strong yield characteristics, as well as offering significant tax benefits to help mitigate the risk associated with private company investments. Maven's multi-sector investment approach allows investors to spread their risk while maximising the potential for gain.

By investing through the Linked VCT Offer an investor participates in all four VCTs via a single application, with the subscription being split into four elements, proportionate to the overall Net Asset Value (NAV) of the individual VCTs e.g. a £5,000 investment will buy New Ordinary Shares as shown in the table below.

Investor Allocation for subscriptions

The following example is based on a subscription of £5,000 (the minimum available) in New Ordinary Shares and is for illustrative purposes only. The number of Shares allotted may be subject to rounding.

	Unaudited NAV [1] £'000	Subscription Price per Share	Pro rata share of amount subscribed £	Adjusted for costs of issue £	Number of Shares allotted
Maven Income and Growth VCT	21,570	61.3	1,761	1,673	2,729
Maven Income and Growth VCT 2	11,984	53.3	978	929	1,742
Maven Income and Growth VCT 3	20,678	75.3	1,689	1,604	2,130
Maven Income and Growth VCT 4	7,012	89.5	572	543	606
			5,000 [2]		

[1] Latest published NAV prior to the Offer, adjusted for any dividends paid.

[2] Larger subscriptions will be allocated Shares in the same proportions.

Reasons for investing

- ✓ Yield – an average effective annual yield (assuming 30% initial tax relief) of over 14% for higher rate tax payers (see page 3) based on dividends paid
- ✓ Tax-free income – the four companies have historically paid a combination of interim and final dividends, meaning that investors in this offer could benefit from up to eight tax-free distributions each year
- ✓ Diversification – the Linked VCT Offer gives access to an existing portfolio of around 40 mature companies across a range of sectors and industries
- ✓ Experience – Maven's 14 strong investment and portfolio team is one of the best resourced teams in the VCT industry, with a wide range of professional backgrounds and over 100 years' combined experience of investing in UK private companies
- ✓ UK coverage – with teams in Aberdeen, Birmingham, Glasgow, London and Manchester, Maven has a national presence, generating a high level of deal-flow from its extensive network of corporate finance advisers across the UK regions
- ✓ Strength – between 2004 and 2009 the Maven team more than doubled funds under management, including the acquisition of several external VCT management contracts
- ✓ Gains – since September 2006 Maven has completed over 20 private company transactions, and has demonstrated a record of achieving profitable disposals, including 12 private company exits across all client funds generating sale multiples ranging from 1.6x to 4.1x cost
- ✓ VCT performance – Trustnet performance figures (as at 1 December 2009) for generalist VCTs' 1 year NAV Total Return place five Maven VCTs in the top 17, with four achieving top-quartile performance

VCTs – providing options for investors

In 2009, with the Treasury looking to balance its books, the Chancellor announced a double tax hit for high earners, introducing a top tax rate of 50% on earnings and targeting the valuable higher rate tax relief on pension contributions.

Although not fully effective until 2011, the new pension rules restrict the tax relief available to those with total income (i.e. not just earnings) above £150,000, and perhaps more importantly attack the previously sacred principle that the rate of tax relief available is based on the rate of tax the individual has paid.

In a climate of increased tax burdens and reduced investment returns, many investors are increasingly looking to diversify into high-yielding alternative asset classes in order to boost returns and generate complementary sources of tax-efficient retirement income. With a combination of tax incentives and the ability to invest in high-yielding later stage private companies, prudently managed VCTs are a valuable option in constructing a diversified portfolio, whether the objective is tax planning, yield or retirement provision.

“As an investor in Maven's Income and Growth VCTs, I am very happy with the investment record thus far. The Maven team is vastly experienced and well resourced, with an impressive recent record of exits. Maven's Linked VCT Offer gives investors access to a mature portfolio and established dividend stream with one of the leading VCT managers.”

BEN YEARSLEY,
HEAD OF VCT RESEARCH,
HARGREAVES LANSDOWN

Investment objective

Each VCT aims to achieve long term capital appreciation and to generate maintainable levels of income for shareholders by investing the majority of its funds in a diversified portfolio of shares and securities of later stage private UK companies which meet the criteria for VCT qualifying investments and have strong growth and income potential.

Whilst each VCT has an investment policy which allows it to invest in AiM and PLUS quoted companies, the Manager considers that returns on AiM have not been sufficiently attractive historically and that private equity investments offer greater potential for investors. The exposure to AiM will be reduced and the investment focus will be on high-yielding later stage private companies, where Maven can demonstrate an established track record of active management and profitable realisations.

Dividend history

The four VCTs available through this linked issue have, in respect of the last three financial years, paid average annual tax-free dividends on ordinary shares as follows:

	Average dividend p	Yield based on Subscription Price %	Yield after initial tax relief %
Maven Income and Growth VCT	6.73	10.98	15.68
Maven Income and Growth VCT 2	3.23	6.06	8.66
Maven Income and Growth VCT 3	4.48	5.95	8.50
Maven Income and Growth VCT 4	3.90	4.36	6.23
Weighted average	4.96	7.39	10.80

This produces an **effective weighted average annual yield of 10.80%*** (including the benefit of the 30% initial tax relief available on the Linked Offer) over the last three years.

This is equivalent to an **effective annual yield of over 14% in the hands of a higher rate tax payer** i.e. the gross amount they would need to earn from taxable UK equities to achieve this net yield.

* Source: Maven Capital Partners, 12 January 2010, based on the yield for each of the four VCTs and weighted in proportion to their respective NAVs.

New Ordinary Shares will be issued in April and will immediately be eligible for all dividends paid thereafter, including any final dividends declared during the offer period. Investors will, therefore, be entitled to any tax-free dividends payable on the following dates:

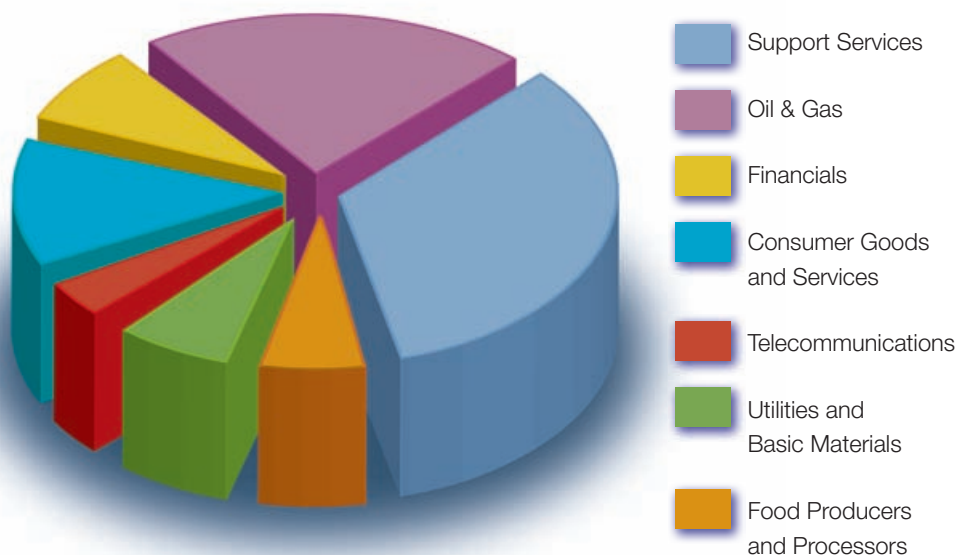
May 2010 – Maven Income and Growth VCT 4 final dividend

May 2010 – Maven Income and Growth VCT 3 final dividend

June 2010 – Maven Income and Growth VCT 2 final dividend

July 2010 – Maven Income and Growth VCT final dividend

Existing investments – sector breakdown*



*across the four participating VCTs

About Maven

Maven Capital Partners is an independent private equity business, established in June 2009 following a management buy-out of Aberdeen Asset Management's Private Equity division. In the five years from 2004 the team built a specialist business with a significant fund base, becoming recognised as one of the UK's most active SME investors.

Maven has experience of investing across a range of industries, with one particular area of strength being the energy services sector where its Aberdeen team is one of the UK's leading investors, having completed seven oil and gas transactions since 2007 with a total deal value of £60m.

Maven manages six established VCTs with a multi-sector investment approach, having launched new VCTs in 2005, 2006 and 2007 and acquired three previously under-performing VCT management contracts from other fund managers since 2005. The primary objective is to source the best possible transactions for VCT investors, supporting high-growth later stage companies with vital capital to achieve their goals. Maven aims to provide optimal investor returns by seeking out opportunities for low priced entry to private businesses, and structures these investments for maximum yield and capital gains.

Performance track record

The Maven team has a proven track record and expertise in the VCT and smaller company sector.

Investing on behalf of some 9,000 investors, Maven manages or is adviser to 14 client funds with assets totalling over £150m and since 2004 has:

- Invested around £74m of client funds in 37 new private company transactions
- Generated net gains of around £36m from realisations across the private equity portfolio, achieving an overall 1.7x capital multiple for investors.

Investment case studies

The Maven team has demonstrated an ability to consistently achieve profitable disposals, including twelve private company exits generating returns in the range 1.6x to 4.1x cost across all client funds since September 2006. Two recent examples are set out below.



ID Support Services Limited (IDSS)

In March 2007 Maven's Northern investment team led the management buy-out of **IDSS**, a group with two main operating subsidiaries providing a range of electronic security, industrial air conditioning, and energy efficiency solutions to multi-site blue chip clients in the retail, healthcare and casino sectors.

The Maven team identified that the markets in which IDSS operated provided significant opportunities for future growth, particularly with the changes in environmental legislation which are driving organisations to reduce carbon emissions and energy costs.

Maven client funds invested alongside management to help develop the business and lead future growth and expansion. Less than two years after the transaction Maven completed an exit from IDSS by way of a sale to another private equity manager, realising a cash multiple of 1.8x money on the initial £3m investment, and generating an IRR of 61% for client funds.

David Metcalfe, Chief Executive of IDSS, said:

The Maven team invested in the group in its early growth stage having bought in to our strategic vision for the business. They have been very supportive in a period of rapid growth and have been a trusted partner of the management team. We are very pleased to have over-delivered on our business plan and to have realised a great return for investors.



Cyclotech Limited

In May 2007 Maven led an investment in **Cyclotech**, a UK and Norwegian based provider of innovative separation technologies and processes to the upstream oil and gas industry, focussed on delivering improved efficiency for clients and helping to meet the ever tightening environmental requirements.

Maven's analysis showed that, in an industry which places a premium on maximising depleting reserves and where the ability to prolong the life of oil wells is critical, Cyclotech's business and products offered a clear differentiator in that sector.

Maven clients invested to accelerate growth plans in a number of areas, including new product development, people resource and international expansion. By 2009 the company, closely supported by the Maven team in Aberdeen, had seen revenues more than treble during the period of Maven's involvement, opening a new office in Singapore and more than doubling the size of its workforce.

In November 2009 Maven clients exited Cyclotech by way of a trade sale to a major US based oil and gas services group, realising a return of 3.3x on the initial investment and an IRR of over 50% for investors.

David Hadfield, Chief Executive of Cyclotech, said:

Maven's investment has allowed us to accelerate our growth plans in terms of geographic expansion and bringing new technology to market. We have benefited hugely, not only from the investment, but also from Maven's expertise in our sector and a close cultural fit between our organisations.

Important information

Prospective investors should regard an investment in a Venture Capital Trust (VCT) as a long term investment. You should not invest in VCT shares unless you have thought carefully about whether you can afford it and whether it is right for your personal circumstances.

VCTs are fully-listed companies which offer significant advantages for UK tax-paying investors. VCT investments must be predominantly in businesses which meet specific qualifying conditions, including unlisted companies and those quoted on AIM and PLUS.

An investment in a VCT carries a higher risk than many other forms of investment as its shares, though listed, are likely to be difficult to realise. A VCT's underlying investments will normally be in companies whose securities are not publicly traded and are therefore likely to be illiquid. Investments in such companies carry substantially higher risk than those in larger companies. The value of shares in a VCT, and the level of income derived from them, may fall as well as rise and investors may not get back the money originally invested.

Existing tax levels and reliefs may change and the value of reliefs depends on personal circumstances. If a VCT loses its HM Revenue & Customs approval, or an investor in a new issue sells their shares within five years, tax reliefs previously obtained may be lost.

This document, which constitutes a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000, has been approved, for the purposes of that section only by Maven (which is regulated by the Financial Services Authority in the United Kingdom pursuant to the Financial Services and Markets Act 2000).

In approving this document Maven is acting solely for the Companies and for no-one else, and will not be responsible to anyone other than the Companies for providing the protections afforded to customers of Maven or for providing financial advice in relation to the subject matter of this document.