

BARONSMEAD

Baronsmead Second Venture Trust plc Quarterly update for the three-month period from 1 October 2018 to 31 December 2018

Investment Objective

Baronsmead Second Venture Trust plc is a tax efficient listed company which aims to achieve long-term investment returns for private investors.



Headlines

- £5.1 million realised from the redemption of loan notes and sale of investments.
- £3.0 million invested in four new investments, and a further £0.1 million invested in one follow-on.
- NAV per share decreased by 11.8% to 81.19p.

Performance Summary

Capital return	As at 31 December 2018	As at 30 September 2018	Movement
Total net assets	£174.39m	£199.39m	
Net asset value per share	81.19p	92.10p	(11.8)%
Share price	81.00p	87.75p	(7.7)%

Total return	3 months (%)	1 year (%)	Since launch (%)
Net asset value total return ⁽¹⁾	(11.9)	(8.1)	191.4

Key:

⁽¹⁾ NAV total return = NAV + reinvested dividends;
Source: Gresham House Asset Management Ltd.

These total returns are stated before the inclusion of VCT tax reliefs which are designed to mitigate the higher risks and costs associated with investing in smaller companies and the constraints of the VCT legislation. The tax reliefs given at the time of subscription have varied between 20% and 40%, so any adjusted performance measure including this relief will vary depending on the date of subscription. There is the additional benefit of receiving VCT dividends tax free.

Investment Performance

In the three months to 31 December 2018, Baronsmead Second Venture Trust's underlying net asset value per share decreased by 11.8%. Over the quarter, the unquoted portfolio's valuation decreased by 1.8% and the quoted portfolio (including LF GH UK Micro Cap Fund and LF GH UK Multi Cap Income Fund) decreased by 19.2%. The company's net assets as at 31 December were £174.4 million.

Top Ten Investments

(excluding cash and collective investment vehicles)

Position at 31 December 2018	Position at 30 September 2018	Company	Percentage of NAV as at 31 December 2018
1	1	Ideagen plc	4.3
2	4	Happy Days Consultancy Ltd	3.6
3	3	Bioventix plc	3.6
4	5	Carousel Logistics Ltd	3.4
5	7	Create Health Ltd	3.3
6	8	Pho Holdings Ltd	3.0
7	2	Netcall plc	2.5
8	6	Inspired Energy plc	2.4
9	16	Ten10 Group Ltd	2.3
10	9	Cerillion plc	2.2
Total			30.6

Analysis of Total Assets

	Percentage of total assets 31 December 2018	Percentage of total assets 30 September 2018
Unquoted investments	28	26
AIM	41	45
Collective investment vehicles	30	29
Net current assets/(liabilities)	1	0
Total Assets	100	100

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Analysis of Investment Portfolio by Sector

(excluding cash and collective investment vehicles)

Percentage of
total investments
at 31 December 2018



Technology, Media & Telecommunications	42%
Business Services	26%
Healthcare & Education	20%
Consumer Markets	12%

Percentage of
total investments
at 30 September 2018



Technology, Media & Telecommunications	44%
Business Services	25%
Healthcare & Education	19%
Consumer Markets	12%

Investment Activity

Investments made	Date	Cost (£'000)
Cisiv Ltd	Oct 18	789
Rockfish Group Ltd	Dec 18	789
Tribe Digital Holdings Pty Ltd	Dec 18	788
The Panoply Holdings plc	Nov 18	660
Access Intelligence plc†	Oct 18	84
Total investments		3,110

Realisation Activity

Realisations	Date	Proceeds (£'000)	Total Multiple
Symphony Ventures Ltd	Nov 18	4,163	2.4
Armstrong Craven Ltd*	Dec 18	740	1.0
IP Solutions Ltd	Oct 18	165	0.4**
Crawshaw Group plc	Oct 18	0	0.0
Total realisations		5,068	

† Follow-on investment.

* Partial loan note redemption.

** Includes partial realisations accounted for in prior periods.

Net Asset Value as at 31 January 2019

The net asset value as at 31 January 2019 was 82.94 per share.

Events after the period end

On 9 January 2019 Baronsmead Second Venture Trust launched an offer to raise up to £13 million. The offer became fully subscribed on 22 January 2019.

Further information

Further information regarding the Company, including net asset values published since the end of the period and quarterly factsheets, can be found at the Company's website www.baronsmeadvcts.co.uk.

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