

## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE: 8 APRIL 2009**

### **VENTURE CAPITAL TRUSTS SHOW RESILIENCE IN HIGHER THAN EXPECTED FUNDRAISING**

Pessimists who predicted that the 2008/09 Tax Year Venture Capital Trust (VCTs) fundraising close would only raise £50 - £100 million have been proved wrong as final figures show that £153 million has been raised by VCTs in the last tax year.

In a year of global downturn, unprecedented market and credit conditions and the number of private equity firms giving up on plans to raise money from investors on the rise<sup>1</sup>, the VCT sector has proved to be resilient, particularly the “tried and tested” generalist VCTs.

The £153 million total raised is in line with VCT Managers expectations, but is a 30 per cent decrease on the prior year (£220 million) and one fifth the 2005/06 peak of £779 million. Mark Wignall of Matrix Private Equity Partners and Manager of the Matrix Income & Growth VCTs believes that this fall is largely due to the reduction in the 40 per cent up front tax break to 30 per cent.

Mark Wignall, commented: “The leading VCT Managers had fruitful fundraisings, garnering sums between £5 million and £30 million. Several Managers hit 70 per cent or more of their fundraising target, proving investor appetite for tried and tested VCTs even in challenging fundraising conditions. However the Government should now do more to stimulate the VCT sector, if we are to restore retail investment to 2005 levels into the vital area of the UK smaller company financing. VCTs have the existing infrastructure and resource to fill the finance gap created by the withdrawal of 3i and the reduction in lending by the high street banks.”

The composition of funds raised in 2008/09 and in the previous three years are set out below -

---

<sup>1</sup> According to research published by data provider Private Equity Intelligence

## VCT Funds Raised In The 2008/09 Tax Year

Managers (that raised > £2m)	Funds Sought £m	Funds Raised £m	Success Rate %
<b><u>Generalist</u></b>			
Baronsmead	26.0	19.5	75%
Octopus Titan	25.0	19.4	78%
ProVen	20.0	9.1	46%
Matrix Private Equity	10.0	7.2	72%
Other		3.9	
<b>TOTAL</b>		<b>59.1</b>	
<b><u>AIM</u></b>			
Noble AIM	10.0	5.5	55%
Other		0.9	
<b>TOTAL</b>		<b>6.4</b>	
<b><u>Specialist</u></b>			
Ventus	20.0	10.8	54%
Foresight	11.8	8.1	69%
<b>TOTAL</b>		<b>18.9</b>	
<b><u>Limited Life</u></b>			
Triple Point	70.0	22.6	32%
Downing Protected	50.0	21.2	42%
Octopus Protected	25.0	10.1	40%
Edge Performance	10.0	8.5	85%
Ingenious Entertainment	20.0	6.0	30%
<b>TOTAL</b>		<b>68.4</b>	
<b>TOTAL</b>		<b>152.8</b>	

## VCT Funds Raised In the Last Four Tax Years

VCT Type	2005/6		2006/7		2007/8		2008/9	
	£m	%	£m	%	£m	%	£m	%
Generalist	411	53%	142	53%	99	45%	59	39%
Limited Life	143	18%	75	28%	109	49%	68	45%
Specialist	27	4%	22	8%	2	1%	19	12%
AIM	196	25%	29	11%	10	5%	6	4%
	<b>777</b>	<b>100%</b>	<b>268</b>	<b>100%</b>	<b>220</b>	<b>100%</b>	<b>152</b>	<b>100%</b>

Source London Stock Exchange RNS

-ends-

**For further information, please contact:**

Equity Dynamics  
Corinna Vere Nicoll 07825 326 440  
Jane Kirby 07825 326 441  
[www.equitydynamics.co.uk](http://www.equitydynamics.co.uk)

**NOTES FOR EDITORS**

**Matrix Private Equity Partners LLP ['MPEP']**

MPEP is a leading VCT Manager in the UK, advising £120 million VCT Funds under Management across five Income & Growth VCTs. Its MBO focus and success was recognised at the recent unquote" British Private Equity Awards 2008, where MPEP won the award for "VCT Manager of the Year". MPEP is a stable, experienced team with an excellent record of realisations that have returned multiples of cost, including Holloway White Allom (5x), BBI (3.3x) and Ministry of Cake (2.5x). Since 2004, MPEP has raised £85m for its Income & Growth VCTs. MPEP LLP is jointly owned by its investment team and Matrix Group.

**Matrix Group**

Matrix Group is a privately owned financial services business founded in 1987 whose areas of expertise include Asset Management, Corporate Capital, Property and Specialised Finance. Matrix Group Limited is the holding company for the following business activities:

**Asset Management:**

- **Alternative Investment Funds**
- **Cash and Funds**
- **Hedge Funds**
- **Private Client Investment Management**
- **Private Equity**
- **VCT Services**

**Corporate Capital:**

- **Broking**
- **Corporate Finance**
- **Market Making**
- **Primary and Secondary Issues**
- **Research**

**Property:**

- **Development**
- **Investment**
- **Management**

**Specialised Finance:**

- **Alternative Energies**
- **Private Equity Fund Placement**
- **Project Finance**
- **Structured Finance**
- 

To date, Matrix has raised over **£6 billion** for its investment products and currently has over **£2 billion** of funds under management.

Matrix's staff of around 180 are based in the West end of London, at One Vine Street, W1.

Matrix Private Equity Partners LLP is authorised and regulated by the Financial Services Authority.  
[www.matrixgroup.co.uk](http://www.matrixgroup.co.uk)