

MATRIX INCOME & GROWTH VCT PLC



MIG VCT UPDATE

SHARE PRICE: 60.0p NET ASSET VALUE: 86.0p

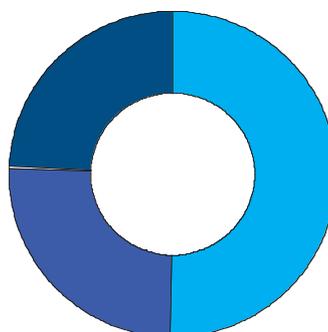
Welcome to the latest Matrix Income & Growth ("MIG") VCT Newsletter, providing an update of activity since the last newsletter in November. The UK economy and outlook has deteriorated in the period and the Company has not been immune to their impact. Nevertheless, your Company's performance has held up relatively well.

As at 31 March 2009, MIG VCT's total shareholder return was 101.3p, comprising NAV of 86.0p plus cumulative dividends paid of 15.3p. This represents a reduction of 4.3% compared with the total shareholder return of 105.9p is at 30 September 2008. A further 1.0p dividend was paid on 15 May. The share price on 18 May 2009 was 60.0p, a discount of some 30% to the latest published net asset value, reflecting the level at which the Company has been prepared recently to buy-back a number of its own shares.

The annualised running yield on the portfolio as a whole is 2.5% compared with 4.8% six months ago, reflecting the lower interest rate environment and the ability of investee companies to service their loans in the current harsh economic climate. The portfolio breakdown is set out below. Your Company retains significant liquid resources. Cash and money market funds currently represent 24.2% of total assets. However, MIG VCT has also set up and invested in a number of acquisition vehicles in order to seek and complete investment transactions of the right quality and at the right time on favourable terms. When funds invested in these vehicles are included, cash equivalents represent c. 40% of total assets.

MIG VCT PORTFOLIO BREAKDOWN AS AT 31 MARCH 2009

Ordinary Share Fund
Total Assets - £17.9 million



Unquoted loan stock	50.4%
Unquoted equities	25.1%
Aim quoted equities	0.3%
Cash & money market funds	24.2%

INVESTMENT NEWS

We have continued to apply a very cautious approach to new investment and we judge it still to be premature to consider deploying significant additional capital. We are not yet seeing demand for risk capital from quality companies at sufficiently realistic valuations, although we expect this to change over the next 12 months. The existing portfolio has, to date, required only very modest additional support. Follow-on investments have been made in PXP, a supplier of timber frame housing components (£163k) and Monsal, a provider of engineering services (£68k).

VCT MANAGER OF THE YEAR 2008

Your Company's Manager, **Matrix Private Equity Partners**, has won the 2008 VCT Manager of the Year at the prestigious unquote " British Private Equity Awards. The awards rewarded companies that have contributed measurable success within their sector of the industry over the last twelve months. Managing Director, Mark Wignall said " *Matrix is delighted to receive this new award for VCT Manager Of The Year. Working through several business cycles has helped us anticipate the right time to sell as well as to buy. We're really pleased to have the team's stability and experience recognised* ".

CONTACT MATRIX

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MATRIX

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QUALIFYING INVESTMENT PORTFOLIO AS AT 31 MARCH 2009

Company	Business	Investment Cost £	Investment Valuation £	% of the Investment Portfolio
Blaze	Sign Manufacturing & Installation	1,573,750	1,412,717	10.4
PastaKing	Food Manufacturing	464,047	1,289,165	9.5
Youngman	Building Product Manufacturing	1,000,052	1,205,823	8.9
VSI	Software For CAD/CAM Vendors	390,367	1,202,951	8.9
DiGiCo Europe	Sound Mixing Consoles	1,000,000	1,187,238	8.8
Aust	Construction Sector Acquisitions	1,000,000	1,000,000	7.4
Barnfield	Food Sector Acquisitions	1,000,000	1,000,000	7.4
Calisamo	Healthcare Sector Acquisitions	1,000,000	1,000,000	7.4
British International Holdings	Helicopter Services	1,000,000	978,147	7.2
ATG Media	Publisher of Antiques Trade Gazette	859,640	859,640	6.3
Vectair	Supplier of Washroom Equipment	560,302	742,469	5.5
Focus Pharma Holdings	Generic Pharmaceuticals	656,987	551,650	4.1
Monsal Holdings	Engineering Services	684,351	513,263	3.8
PXP Holdings	Timber Frame Housing	1,163,436	348,710	2.5
Campden Media	Publishing & Conferences	975,000	105,787	0.8
Plastic Surgeon Holdings	Property Snagging & Finishing	390,289	97,572	0.7
SectorGuard	Security Services	150,106	53,603	0.4
Racoon International Holdings	Hair Extensions	874,199	-	-
TOTAL QUALIFYING PORTFOLIO		14,742,526	13,548,735	100.0

MANAGER'S COMMENTARY

The Fund's valuations have been affected by the significant falls in relevant stock market valuations and some lower levels of investee profitability. The aggregate valuation of unrealised investments has reduced by c. £1 million in the six month period. However, much of the portfolio has demonstrated resilience and it is important to note that these reductions relate to provisions as opposed to realised losses.

Value has been protected by the strategy of preserving the Company's cash resources rather than investing heavily into a market of falling asset values. However portfolio realisations and income generation have become more difficult in this environment.

The Company has a solid total return base and healthy liquidity to support the portfolio and make new investments at more attractive valuations in the future.