

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000 (FSMA).

**Mobeus Income & Growth VCT plc**

Registered in England & Wales under number 05153931  
ISIN: GB00B01WL239

Offer for subscription to raise up to £15 million, with an over-allotment facility to raise up to a further £10 million

**Mobeus Income & Growth 2 VCT plc**

Registered in England & Wales under number 03946235  
ISIN: GB00B0LKLZ05

Offer for subscription to raise up to £10 million, with an over-allotment facility to raise up to a further £5 million

**Mobeus Income & Growth 4 VCT plc**

Registered in England & Wales under number 03707697  
ISIN: GB00B1FMDH51

Offer for subscription to raise up to £10 million, with an over-allotment facility to raise up to a further £5 million

**The Income & Growth VCT plc**

Registered in England & Wales under number 04069483  
ISIN: GB00B29BN198

Offer for subscription to raise up to £15 million, with an over-allotment facility to raise up to a further £10 million

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## Supplementary Prospectus

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**Offers for subscription to raise, in aggregate, up to £50 million  
with over-allotment facilities to raise, in aggregate, up to a further £30 million  
through the issue of Offer Shares in each Company**

### Important Notice

This document constitutes a supplementary prospectus 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**) and prepared in accordance with the Prospectus Rules and approved by the FCA (**Supplementary Prospectus**). This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Securities Note, Registration Document and Summary, dated 6 September 2017 (**Prospectus**) issued by the Companies, such Prospectus set out details of offers for subscription to raise, in aggregate, up to £50 million with over-allotment facilities to raise, in aggregate, up to a further £30 million through the issue of ordinary shares of 1p each in the capital of each Company (**Offers** and each an **Offer**). Each Board has announced utilisation of their over-allotment facilities.

Except as expressly stated herein, or unless the context otherwise requires, the definitions used or referred to in the Prospectus also apply in this Supplementary Prospectus. To the extent that there is any inconsistency between (a) any statement in this Supplementary Prospectus or any statement incorporated by reference into the Prospectus by this Supplementary Prospectus and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

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 respectively (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.

The publication of this Supplementary Prospectus is a regulatory requirement under the Prospectus Rules and Section 87G of FSMA following the occurrence of the events referred to below. The Prospectus Rules and section 87G of FSMA require the issue of a supplementary prospectus if, in the relevant period (being, for these purposes, the later of the closure of the relevant Offer and the time when trading in the New Shares issued under the Offer on the London Stock Exchange begins), there exists or is noted a significant new factor, material mistake or inaccuracy relating to the information included in the prospectus relating to the relevant Offers.

## Responsibility

The Companies and the directors of the Companies (**Directors**), whose names are set out on page 5 of the Registration Document, accept responsibility for the information contained in the Prospectus and this Supplementary Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus and this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

## Events arising since publishing the Prospectus

### Significant new factor - I&G audited statutory accounts for the year ended 30 September 2017 (2017 I&G Accounts)

#### Supplements to the Registration Document

On 12 December 2017, I&G published the 2017 I&G Accounts, which are being incorporated by reference in, and forms part of, the Prospectus and can be accessed at the following website: [www.incomeandgrowthvct.co.uk](http://www.incomeandgrowthvct.co.uk).

The 2017 I&G Accounts contain a description of the Company's financial condition, changes in financial condition and results of operations for the financial year ended 30 September 2017. I&G's auditors, BDO LLP, Registered Auditor, 55 Baker Street London W1U 7EU, have reported on the 2017 I&G Accounts without qualification and without statements under sections 495 to 497 of Companies Act 2006 (CA 2006). The 2017 I&G Accounts were prepared under the CA 2006, and in accordance with United Kingdom Generally Accepted Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the 2014 Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (updated in January 2017) issued by the Association of Investment Companies. The audited statutory accounts for the year ended 30 September 2016 were also prepared and presented in a form consistent with FRS 102. The 2017 I&G Accounts include information as set out below, which are being incorporated into this document by reference. The parts of the 2017 I&G Accounts which are not being incorporated by reference are either not relevant for an investor or are covered elsewhere in the Prospectus.

1	Historical Financial Information	<i>2017 I&amp;G Accounts</i>
	<i>Nature of Information</i>	<i>Page No.</i>
	Balance sheet	45
	Income statement (or equivalent)	44
	Statement showing all changes in equity (or equivalent note)	46
	Cash flow statement	48
	Accounting policies and notes	49 – 68
	Auditor's report	39 – 43
2	Selected Financial Information	
	The key figures that summarise the financial condition of I&G, which have been extracted without material adjustment from the historical financial information referred to in Section 1 above, are set out in the following table:	
	Investment income	£3,210,672
	Profit/loss on ordinary activities before taxation	£3,785,174
	Earnings per I&G Share	5.21p
	Dividends per share	22.00p*
	Total assets	£65,190,076
	NAV per I&G Share	81.24p
	<i>*dividends paid per I&amp;G Share in the year ended 30 September 2017</i>	
3	Operating and Financial Review	
	The operating and financial review of I&G, for the year ended 30 September 2017, is included in the 2017 I&G Accounts as set out below:	
	<i>Nature of Information</i>	<i>2017 I&amp;G Accounts</i>
		<i>Page No.</i>
	Objective	4
	Performance summary	6 – 9
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Manager's review	10 – 13
Portfolio summary	18 – 23
Valuation policy	55

### Supplements to the Summary

As a result of the publication of the 2017 I&G Accounts, the Summary is hereby supplemented as follows:

B7	Selected financial	<p>Certain selected historical information of I&amp;G is set out below:</p> <table border="1"> <thead> <tr> <th></th> <th>Year ended 30 September 2017 (audited)</th> </tr> </thead> <tbody> <tr> <td>Investment income</td> <td>£3,210,672</td> </tr> <tr> <td>Profit/(loss) on ordinary activities before taxation</td> <td>£3,785,174</td> </tr> <tr> <td>Earnings per I&amp;G Share</td> <td>5.21p</td> </tr> <tr> <td>Dividends paid per I&amp;G Share</td> <td>22.00p</td> </tr> <tr> <td>Total assets</td> <td>£65,190,076</td> </tr> <tr> <td>NAV per I&amp;G Share</td> <td>81.24p</td> </tr> </tbody> </table> <p>I&amp;G's net asset value per I&amp;G Share has decreased from 114.60p as at 30 September 2014 to 81.24p as at 30 September 2017 and dividends of 62.0p in aggregate have been paid per I&amp;G Share between 1 October 2013 and 30 September 2017. The audited net asset value per I&amp;G Share as at 30 September 2017 was 81.24p.</p> <p>There has been no significant change in the financial or trading position of I&amp;G since 30 September 2017, the date to which the last audited yearly financial information on I&amp;G has been published, to the date of this document.</p>		Year ended 30 September 2017 (audited)	Investment income	£3,210,672	Profit/(loss) on ordinary activities before taxation	£3,785,174	Earnings per I&G Share	5.21p	Dividends paid per I&G Share	22.00p	Total assets	£65,190,076	NAV per I&G Share	81.24p
	Year ended 30 September 2017 (audited)															
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Dividends paid per I&G Share	22.00p															
Total assets	£65,190,076															
NAV per I&G Share	81.24p															
B10	Qualifications in the audit report	There was no qualification in the audit report for I&G for the years ended 30 September 2014, 2015, 2016 and 2017.														
B45	Investment portfolio	<p>The Companies invest in a diversified portfolio of UK unquoted companies. Investments are structured as part loan and part equity in order to generate regular income for the Companies and to generate capital gains from trade sales and flotations of investee companies. A summary of I&amp;G's portfolio is set out below:</p> <table border="1"> <thead> <tr> <th>VCT</th> <th>Audited net assets* (£m)</th> <th>NAV per share* (p)</th> <th>Cumulative Dividends paid* (p)</th> <th>Unaudited total return* (p)</th> <th>Number of venture capital investments*</th> <th>Carry value of the venture capital investments* (£m)</th> </tr> </thead> <tbody> <tr> <td>I&amp;G</td> <td>64.3</td> <td>81.2</td> <td>102.5</td> <td>183.7</td> <td>46</td> <td>48.0</td> </tr> </tbody> </table> <p>* as at 30 September 2017 (audited)</p>	VCT	Audited net assets* (£m)	NAV per share* (p)	Cumulative Dividends paid* (p)	Unaudited total return* (p)	Number of venture capital investments*	Carry value of the venture capital investments* (£m)	I&G	64.3	81.2	102.5	183.7	46	48.0
VCT	Audited net assets* (£m)	NAV per share* (p)	Cumulative Dividends paid* (p)	Unaudited total return* (p)	Number of venture capital investments*	Carry value of the venture capital investments* (£m)										
I&G	64.3	81.2	102.5	183.7	46	48.0										
B46	Most recent NAV per Share	As at 30 September 2017, the audited NAV per I&G Share was 81.24p.														

### Significant new factor – Proposed Changes to the VCT Rules

On 22 November 2017 HM Treasury published its response to the Financing Growth in Innovative Firms consultation published in August 2017 known as the 'Patient Capital Review', which was followed by the publication of draft legislation to be included in the Finance (No. 2) Bill 2017-19 on 1 December 2017 and draft HMRC guidance (referred to herein as the proposed changes to the VCT rules).

The proposed changes are designed to ensure that tax-advantaged VCTs continue to focus on long-term investment in higher risk companies that are intended to grow and develop. The measures are currently being

consulted on and are subject to amendment but, if enacted into legislation, will add to, or amend, existing VCT conditions and requirements.

A summary of the material proposed changes are set out below:

- Increase the proportion of VCT funds that must be held in VCT qualifying holdings from 70% to 80%, to take effect for accounting periods starting on or after 6 April 2019.
- Add a new condition for VCT status qualification requiring that 30% of funds raised in an accounting period be invested in VCT qualifying holdings within 12 months after the end of the accounting period in which those funds were raised effective from 6 April 2018.
- In respect of a disposal of a VCT qualifying holding occurring on or after 6 April 2019, increase the grace period which applies to such disposal (during which a VCT is treated as continuing to hold the investment to give the VCT time to reinvest the proceeds and/or otherwise utilise the proceeds) from six months to 12 months.
- From 6 April 2018, remove certain rules that provide more favourable conditions relating to historic funds raised (including the reinvestment of proceeds from investments made therefrom) by some VCTs (in particular, disapplication of the 30% eligible shares condition in relation to investments made from funds raised before 6 April 2011 and other investment criteria exemptions).
- In relation to investments made on or after Royal Assent of the Finance (No.2) Bill 2017-19, a VCT may no longer offer secured loans to investee companies. Such loans can also provide no more than a commercial rate of return on the principal (including interest, costs and charges). For these purposes a return on loan capital of under 10% of the principal a year averaged over five years will be considered commercial.
- In respect of investments made on or after Royal Assent of the Finance (No.2) Bill 2017-19, introduce a new risk-to-capital condition requiring (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). This will be a principles based test with a list of non-exhaustive and discretionary factors to consider. Applications for advance assurance from 1 December 2017 will be considered in the light of this new approach.
- For investments made on or after 6 April 2018, the annual amount which may be invested from state-aid investments in a 'knowledge-intensive company' will be increasing from £5 million to £10 million. Greater flexibility will also be provided with respect to the rules for determining whether a 'knowledge-intensive company' meets the permitted maximum age requirement.

Each Board does not have any reason to believe that the policy changes will materially affect either the purpose for which funds are being raised pursuant to their Company's Offer or in respect of their Company's investment policy and strategy. They do, however, regard the changes to be a significant new factor in relation to VCT rules.

### **Supplements to the Prospectus**

As a result of the proposed changes to the VCT rules, the following section supplements the Securities Note and Registration Document specifically and should also be regarded as supplementing the Prospectus more generally:

Summary: D2 – Key information on the key risks specific to the Companies	The following additional risk factor is included: <ul style="list-style-type: none"> <li>• The proposed changes to the VCT rules under 'Significant new factor – Proposed Changes to the VCT Rules' above may restrict the ability of a Company to secure investment opportunities and/or achieve the level of returns required to meet its objectives and/or any stated dividend target. In addition, the proposed changes may make it more difficult for a Company to meet the conditions to maintain VCT status.</li> </ul>
Securities Note: Risk Factors	The following additional risk factor is included: <ul style="list-style-type: none"> <li>• The proposed changes to the VCT rules under 'Significant new factor – Proposed Changes to the VCT Rules' above may restrict the ability of a Company to secure investment opportunities and/or achieve the level of returns required to meet its objectives and/or any stated dividend target. In addition, the proposed changes may make it more difficult for a Company to meet the conditions to maintain VCT status.</li> </ul>
Securities Note: Part One – Why Invest in these Offers?	The section headed 'The current investment strategy – Growth Capital' is supplemented by the following: The proposed changes to the VCT rules under 'Significant new factor –

	<p>Proposed Changes to the VCT Rules' above will, once in force, have the following implications on the investment strategy:</p> <ul style="list-style-type: none"> <li>• The Mobeus VCTs will only be able to invest by way of unsecured loans with a commercial rate of return on the principal (including interest, costs and charges). For these purposes a return on loan capital of under 10% of the principal a year averaged over five years will be considered commercial. This will restrict the ability of the Mobeus VCTs to use security to improve the priority position in relation to debt in order to reduce the downside risk of investment.</li> <li>• The Mobeus VCTs may be required to invest a greater proportion of funds raised in qualifying holdings to meet the increase in the proportion of VCT funds that must be held in qualifying holdings from 70% to 80%. The Mobeus VCTs may also need to ensure that new funds raised after 6 April 2018 are deployed quicker to meet the new condition for VCT status qualification (requiring that 30% of funds raised in an accounting period be invested in qualifying holdings within 12 months after the end of the accounting period in which those funds were raised).</li> </ul>
Securities Note: Part Nine – Tax Considerations	Paragraph 7 (Patient Capital Review) is supplemented by the information above under 'Significant new factor – Proposed Changes to the VCT Rules'.
Registration Document: Risk Factors	<p>The following additional risk factor is included under Investment Risks:</p> <ul style="list-style-type: none"> <li>• The proposed changes to the VCT rules under 'Significant new factor – Proposed Changes to the VCT Rules' above may restrict the ability of a Company to secure investment opportunities and/or achieve the level of returns required to meet its objectives and/or any stated dividend target. In addition, the proposed changes may make it more difficult for a Company to meet the conditions to maintain VCT status.</li> </ul>

#### Right to Withdraw Applications for Subscription

The Offers are being made on the terms and subject to the conditions of the Prospectus. The publication of this Supplementary Prospectus triggers the right for investors to withdraw their applications made in respect of the Offers under section 87Q of the Financial Services and Markets Act 2000 (unless Offer Shares have already been allotted). The Company will accept withdrawals of applications by telephone or by post until 5.00 p.m. on 22 December 2017, but in view of the Christmas holidays, may continue to accept such withdrawals up until 5 January 2018 at each Company's discretion. Investors who wish to withdraw their applications should contact Mobeus on 020 7024 7600 or [info@mobeusequity.co.uk](mailto:info@mobeusequity.co.uk) (no investment, financial or tax advice can be given) or by writing to the receiving agent The City Partnership (UK) Limited, 110 George Street, Edinburgh EH1 2EG. Investors should seek their own legal advice in regard to such withdrawal rights.

#### Availability of Supplementary Prospectus and Prospectus

Copies of the Prospectus and this document are available 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.mobeusequity.co.uk/investor-area](http://www.mobeusequity.co.uk/investor-area)  
email: [info@mobeusequity.co.uk](mailto:info@mobeusequity.co.uk)

20 December 2017