

# BARONSMEAD

## Baronsmead Venture Trust plc Quarterly update for the three-month period from 1 April 2020 to 30 June 2020

### Investment Objective

Baronsmead Venture Trust plc (the Company) is a tax efficient listed company which aims to achieve long-term investment returns for private investors, including tax-free dividends.

### Headlines

- £11.7 million proceeds realised from the sale of investments.
- NAV per share increased by 10.8% to 72.5p.
- 3.0p dividend payable on 11 September 2020 to shareholders on the register as at 14 August 2020.

### Performance Summary

	As at 30 June 2020	As at 31 March 2020	Movement
Capital Return			
Total net assets	£167.4m	£151.6m	
Net asset value per share	72.5p*	65.4p*	10.8%
Share price	67.5p	58.5p	15.4%

Total Return	3 month (%)	1 year (%)	Since launch (%)
Net asset value total return <sup>(1)</sup>	10.8	(1.3)	286.7

Key:

\* Includes interim dividend of 3.0p per share payable 11 September 2020.

<sup>(1)</sup> 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.

### COVID-19 update

The Board of Directors is pleased to see the strong recovery in public markets since late March which resulted in an increase of 24% in the quoted and equity funds portfolio following the valuation decreases during Q1. The relaxation of lockdown has continued, and economic activity is slowly recovering, albeit this remains vulnerable to a potential second wave of the virus, further travel restrictions and more localised lockdowns.

The value of the unquoted portfolio increased by 2.5% over the quarter driven by uplifts in several investments, which have continued to trade strongly despite the disruption COVID-19 has presented.

The Investment Manager completed a comprehensive risk analysis exercise across the portfolio as the lockdown restrictions came into force and the spread of COVID-19 accelerated across the UK in March. The impact of COVID-19 is being closely monitored and the Investment Manager continues to work with investee company management teams to assess the potential impact on forecast trading and cash runway. Encouragingly, there are a number of businesses in the portfolio that have traded strongly through COVID-19 and are now starting to capitalise on the opportunities arising from the changes in both consumer demand and corporate priorities the pandemic has triggered.

The Investment Manager has identified a strong pipeline of both new and follow-on investments and the Company has announced an intention to fundraise with an Offer to be launched in autumn 2020.

The COVID-19 pandemic continues to impact us all, across our personal and business lives. The Board believes that Baronsmead is well prepared to play its role in the economic recovery by supporting entrepreneurial, high growth SMEs.

### Top Ten Investments

Position at 30 June 2020	Position at 31 March 2020	Company	Percentage of NAV as at 30 June 2020
1	5	Cerillion plc	4.1
2	1	Carousel Logistics Ltd	3.8
3	4	Bioventix plc	2.8
4	2	Ideagen plc	2.4
5	6	Ten10 Group Ltd	2.3
6	7	Custom Materials Ltd	2.2
7	10	Netcall plc	2.1
8	8	Pho Holdings Ltd	2.0
9	14	IDOX plc	1.9
10	12	Inspired Energy plc	1.9
<b>Total</b>			<b>25.5</b>

### Fundraising Intentions

On 22 July 2020, Baronsmead Venture Trust plc and Baronsmead Second Venture Trust plc announced that they intend to launch offers for subscription (the "Offers") in the current 2020/21 tax year. Full details of the Offers will be contained in a prospectus that is expected to be published in the autumn. A further announcement will be made when the prospectus is available.



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1 April 2020 to 30 June 2020

## Analysis of Total Assets

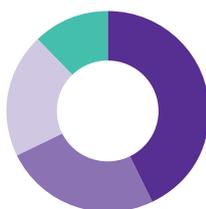
	Percentage of total assets 30 June 2020 %	Percentage of total assets 31 March 2020 %
Unquoted investments	21	26
AIM	32	31
Collective investment vehicles	34	35
Liquid assets	13	8
<b>Total Assets</b>	<b>100</b>	<b>100</b>

## Analysis of Investment Portfolio by Sector

(excluding cash and interest bearing securities)

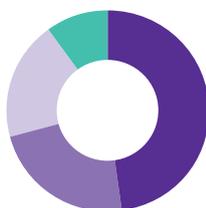
Percentage of total investments  
at 30 June 2020

Technology, Media & Telecommunications	<b>43%</b>
Business Services	<b>25%</b>
Healthcare & Education	<b>20%</b>
Consumer Markets	<b>12%</b>



Percentage of total investments  
at 31 March 2020

Technology, Media & Telecommunications	<b>48%</b>
Business Services	<b>23%</b>
Healthcare & Education	<b>19%</b>
Consumer Markets	<b>10%</b>



## Investment Activity

Investments made	Date	Cost (£'000)
Rosslyn Data Technologies plc†	May 20	720
PCI-PAL plc†	Apr 20	695
Custom Materials Ltd†	Jun 20	396
Yappy Ltd†	Apr 20	376
Fusion Antibodies plc†	Apr 20	90
<b>Total investments</b>		<b>2,277</b>

† Follow on investment.

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## Realisations Activity

Realisations	Date	Proceeds (£'000)	Multiple
Glide Ltd	May 20	6,214	2.6x*
Ideagen plc	May 20	2,502	6.3x
CentralNic Group plc	Apr/May/June 20	1,941	2.1x
Castleton Technology plc	Jun 20	725	3.6x
Bioventix plc	May/June 20	273	16.4x
<b>Total realisations</b>		<b>11,655</b>	

\* Total deal multiple is 6.3x including a 4.8x cost multiple received on a partial exit in 2013 and the final exit proceeds shown above.

## Net Asset Value as at 31 July 2020

The net asset value as at 31 July 2020 was 72.0p per share.

## Events after the Period End

Since 1 July 2020 and up to the date of publication of this statement, there has been one new and two follow on investments totalling £2.2m and partial realisations totalling £679,000 proceeds, returning 16.1x cost.

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