

Product

Baronsmead Venture Trust and Baronsmead Second Venture Trust

Tax Status

Venture Capital Trust

Fund Group

Gresham House Asset Management

Risk Warning

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RISK WARNINGS AND DISCLAIMERS

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GENERAL RISK WARNINGS

Your attention is drawn to the following risk warnings which identify some of the risks associated with the investments which are mentioned in the Review:

Fluctuations in value of investments

The value of investments and the income from them can go down as well as up and you may not get back the amount invested.

Suitability

The investments may not be suitable for all investors and you should only invest if you understand the nature of and risks inherent in such investments and, if in doubt, you should seek professional advice before effecting any such investment.

Past performance

Past performance is not a guide to future performance.

Legislation

Changes in legislation may adversely affect the value of the investments.

Taxation

The levels and the bases of the reliefs from taxation may change in the future. You should seek your own

professional advice on the taxation consequences of any investment.

ADDITIONAL RISK WARNINGS

Venture capital trusts

1. An investment in a VCT carries a higher risk than many other forms of investment.
2. A VCT's shares, although listed, are likely to be difficult to realise.
3. You should regard an investment in a VCT as a long term investment, particularly as regards a VCT's investment objectives and policy and the five year period for which shareholders must hold their ordinary shares to retain their initial income tax reliefs.
4. The investments made by VCTs will normally be in companies whose securities are not publicly traded or freely marketable and may therefore be difficult to realise and investments in such companies are substantially riskier than those in larger companies.
5. If a VCT loses its Inland Revenue approval tax reliefs previously obtained may be lost.
6. No investment can be made by the VCT in a company whose first commercial sale was more than 7 years prior to date of investment, except where previous State Aid Risk Finance was received by the company within 7 years (10 years for a 'knowledge intensive' company) or where a turnover test is satisfied; and
7. No funds received from an investment by the VCT into a company can be used to acquire another existing business or trade.

Factsheet

Baronsmead VCT & Baronsmead Second VCT

Type	Hybrid VCT
Size	£25m per VCT (plus £12.5m over allotment facility) AUM is £478m across the two VCTs as at 30 September 2021
Manager	Gresham House Asset Management Ltd
Sponsor	Dickson Minto W.S.
Registrar	The City Partnership
Focus	To generate tax free capital gains and regular dividend income for its shareholders through a diversified portfolio of VCT qualifying AIM and unquoted investments
Promoter	RAM Capital LLP
Funds initially invested	Cash and near cash instruments
Minimum investment	£3,000
Initial Closing dates	29th March 2022, unless fully subscribed before this date, for the 2021/22 tax year
Issue costs	Direct investments – 3.5%, Investments through an advised IFA – 3.0% Execution only broker – 4.5%
Annual costs	2%
Initial advisor charges	If charged, these will be facilitated by the VCT on subscription

Summary

Table 1: Tax Efficient Review summary of offering Pros and Cons

PROs	CONs
Year to date increase of 35% from the AIM stocks and 19% from the unquoted portfolio to give an increase in NAV per share of 26%	The recent acquisition of the Mobeus VCTs management contracts by Gresham House will need time to see how the Baronsmead and Mobeus team will become integrated
The split between both AIM stocks and unquoted companies makes these hybrid VCTs a good choice for a first VCT investment	Whilst recent performance has improved on the back of the recovery of smaller companies after the economy emerges out of the COVID-19 pandemic, they are still behind many in their peer group
Top slicing of the strong performance of the AIM companies has provided liquidity for dividends and investors allotted before 28th Jan 2022 are entitled to the final dividend this year	The legacy MBO style investments still represent 58% of the investment portfolio which will decline over time and may make dividends less regular going forwards

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TER classification

The Baronsmead VCTs have always been classified as generalist VCTs with a track record, but there still remains a higher percentage of AIM quoted stocks within the portfolios of the two Baronsmead VCTs compared to the rest of the generalist VCT peer group. Of the £478m in assets under management in the Baronsmead

VCTs, over £180m is held in AIM investments.

TER classify the Baronsmead VCTs as “**VCT Hybrid growth and AIM focussed with track record**”.

The Offer

This offer looks to raise £25m for each of the two Baronsmead Venture Trusts, plus as further £12.5m is available for each Baronsmead VCT as an over-allotment facility (should the board decide to utilise it). This gives a total maximum fund raising of £75m across the two VCTs.

The minimum investment is £3,000 per Company and investors are able to choose to invest in either Company.

Baronsmead Venture Trust (BVT) and Baronsmead Second Venture Trust (BSVT) are amongst the largest VCTs in the industry. The Baronsmead name is also one of the longest established VCT managers, with the first Baronsmead VCT being launched in April 1995. The two VCTs raising funds here were formed through a series of mergers that took place during 2016:

- BVT is formed from the previous Baronsmead VCT plc (established in 1995) and Baronsmead VCT 2 plc (1998);
- BSVT is formed from the previous Baronsmead VCT 3 plc (2001), Baronsmead VCT 4 plc (2001) Baronsmead VCT 5 plc (established as Baronsmead AIM VCT plc in 2006).

As with the previous five Baronsmead VCTs, BVT and BSVT co-invest alongside each other in unquoted companies, as well as AIM-listed companies. These VCTs tend to have a much larger proportion of assets in AIM-traded companies (both qualifying and non-qualifying) than other generalist VCTs which are predominately invested in unquoted companies
VCT Investment Strategy

Table 2: **Baronsmead funds under management as at 30/09/21 & Mobeus funds under management at 30/06/21**

VCT	Net assets £m	Annual fee %	Still to be invested to meet board set 80% invested £m
VCT funds			
Baronsmead Venture Trust plc	£229	2.00%	Nil
Baronsmead Second Venture Trust plc	£249	2.50%	Nil
Mobeus Income & Growth VCT plc	£101	2.00%	N/A
Mobeus Income & Growth 2 VCT plc	£75	2.00%	N/A
Mobeus Income & Growth 4 VCT plc	£84	2.00%	N/A
The Income & Growth VCT plc	£115	2.40%	N/A
NON VCT funds than can co-invest with VCT Funds			
None			
TOTAL	£853m		Nil

For I&G, 0.4% of the annual fee of 2.4% is an administration fee element and is subject to a cap of £170k per year
Source: Gresham House Asset Management

The Baronsmead VCT holdings are split across VCT qualifying AIM companies as well as holdings in unquoted companies. This should help provide investors with a good split of investments across these different markets. The sector preferences of the Baronsmead VCT are for healthcare, service based businesses and technology companies.

The investment criteria used to filter out potential investee companies are:

- Bias towards contracted or recurring revenue
- Minimum £1m recurring revenue
- Scalable sales model
- Credible path to breakeven

The long term investment strategy over most of the past 20 years, within the unquoted companies, was to participate in MBO-style transactions. This has had to change in recent years. Baronsmead have shifted from making larger investments in more established businesses to making a higher number of smaller initial investments, with the expectation of providing follow-on funding to those which have hit their milestones set at the point of investment.

The recent investments made by the manager in the twelve months to September 2021 total £32.5m: £21.4m into new unquoted companies, £3.2m into follow-on unquoted investments and £7.9m in AIM companies. The unquoted investment figures are a significant increase on the previous year, which reflects the impact of the COVID-19 pandemic in 2020, but also the resurgence in smaller companies in the past 12 months. The AIM investment rate has not increased, but more companies may seek funding on the AIM market over the next year.

For the AIM portion of the portfolio, a private equity approach to AIM investing is adopted. This means undertaking due diligence on both the investee company and its management (with the manager using its knowledge from national and regional connections to assess the trading relationships and competitors of AIM-traded companies), focusing on the Investment team preferred sectors and seeking to identify attractive growing niches. As part of this approach, the manager focuses on businesses that are expected be attractive acquisition targets to realise investments through trade sales / acquisition. The AIM quoted holdings are also regularly reviewed to

see if the investment team at Baronsmead still consider the company a strong long term investment prospect.

As two of the largest and longest established VCTs, BVT and BSVT each has an established portfolio comprising the same 34 unquoted investments and 50 AIM-traded investments for BVT and 48 for BSVT at 31 August 2021. As “evergreen” VCTs, their strategy is to continually replace investments that are sold with new investments in unquoted and AIM -traded companies to provide long-term investment returns to their shareholders through regular payments of tax-free dividends.

Dividend and Share Buy-Back Policy

A new common dividend policy was announced in Sept 2019. Each Board will, wherever possible, seek to pay two dividends to Shareholders in each calendar year, typically an interim in September and a final dividend following the AGM in February/March;

The Boards will use, as a guide when setting the dividends for a financial year, a sum representing 7% of the opening NAV of that financial year. This is a major change from the previous policy which was based on aiming to sustain a minimum annual dividend level at an average of 6.5p per share.

The breakdown of the recent dividend history of the Baronsmead VCTs is as follows:

Dividends in 12-month period to the 31st September	Baronsmead VCT	Baronsmead Second VCT
2017	6.5p	7.5p
2018	7.5p	7.5p
2019	6.5p	6.5p
2020	6.5p	6.5p
2021	3.0p *	3.0p
Total	30.0p	31.0p

*Interim dividend only, final dividend to be announced in December

Baronsmead have been instrumental in showing the way for the rest of the VCT industry when it comes to discount management and have paid attention to developing a healthy secondary market for the existing shares. This, together with

Dividend Reinvestment Plans, whereby participants dividends buy existing shares and a share buy-back scheme at 5% below net asset value is offered to investors wishing to exit, should help reduce any discounts of the share prices to the

Track Record

Over the past 10 years, the Baronsmead Venture Trust has declared an average dividend of 8.8p per share, and the Baronsmead Second Venture Trust has declared an average dividend of 9.2p.

An impressive level of dividends for shareholders within these VCTs, but these were generated under the previous investment style. Whether this can be maintained going forwards will have to be seen, but Gresham House have said that 58% of the existing portfolios remain invested under the “old” rules and they say that the more mature AIM companies should have sufficient liquidity to allow for top-slicing to aid dividends going forwards. However, AIM liquidity can be uncertain, even though all the AIM stocks within the Baronsmead VCTs are considered to have level 1 liquidity (assets that have a regular market mechanism for setting a fair market value).

Our approach to comparing track records between providers has changed from previous years. We now use 3, 5 & 10 year measures of the annual increase in total return (calculated as closing net asset value less opening net asset value plus dividends paid during the period divided by the number of years in the period). This reflects the changes in strategy that VCTs have adopted which makes the old track record less relevant.

The results are in Table 3 and when we compare this table to previous years, we can see that the 3 year performance has increased significantly. The longer term performance over 5 and 10 years is good but it was under a different investment strategy of making MBO investments which were no longer permissible after 2017.

The Baronsmead VCTs more recent performance suffered compared to other generalist VCTs as they not only had to adapt to an earlier

VCTs’ net asset values.

Tax Efficient Review Strategy rating: 29 out of 30

stage, venture capital style of investing for their unquoted portfolio. But they also had to contend with being acquired by Gresham House in 2018 and then having to deploy much higher levels of cash being raised annually from investors.

So it is encouraging to see the increase in performance over the past 12 months. The Baronsmead VCTs are not alone in riding the small cap recovery after the economy emerges out of the COVID-19 pandemic, as Table 4 shows, but it is encouraging to see nonetheless.

In Table 5 shows the sector breakdown of the investment portfolio and Table 6 shows the bias is towards scale-up companies with substantial existing revenues in place. But a lot of these will be legacy holdings made prior to the MBO investment rule change.

Table 7 shows the exits which have occurred over the past 3 years. There have been successes such as Ten10, Symphony Ventures and Glide, but also substantial losses such as CR7. There have been 17 companies realised in the past 2 years to 31st August 2021 which have realised £89m.

Within the existing combined portfolio shown in Table 8, there are also substantial investments in Carousel Logistics and IWP.

But whilst this is encouraging, the Baronsmead results are 16th & 17th out of 27 over 10 years 18th and 17th out of 29 over 5 years, and 19th and 22nd out of 30 over three years. So, they have room to improve their more recent performance to keep pace with their peer group.

Tax Efficient Review Track Record rating: 32 out of 40

BARONSMEAD VENTURE TRUST AND BARONSMEAD SECOND VENTURE TRUST

 Table 3: **Generalist VCT provider 3,5 & 10 year performance comparison**

VCT manager (alphabetical order)	VCT name	Data as at	Annual return over last 3 years	Annual return over last 5 years	Annual return over last 10 years
ALBION	Albion VCT	31/03/2021	5.0%	7.0%	5.2%
	Albion Technology & General VCT	30/06/2021	10.1%	10.7%	5.1%
	Kings Arms Yard VCT	30/06/2021	7.0%	10.1%	11.3%
	Albion Development VCT	30/06/2021	10.0%	13.0%	8.6%
	Crown Place VCT	30/06/2021	8.9%	12.1%	7.5%
	Albion Enterprise VCT	30/06/2021	9.5%	12.0%	10.2%
BERINGEA	ProVen Growth & Income New	31/05/2021	0.9%	3.2%	4.1%
	ProVen VCT	31/05/2021	-0.6%	4.9%	10.7%
DOWNING	Downing ONE VCT	31/03/2021	-6.1%	-1.9%	
	Downing FOUR VCT Generalist shares	31/03/2021	-9.0%		
DRAPER	Draper Esprit VCT	31/03/2021	0.6%	-0.7%	4.6%
FORESIGHT	Foresight VCT	30/06/2021	7.1%	5.8%	3.1%
GRESHAM HOUSE	Baronsmead Second Venture Trust	30/06/2021	5.6%	6.0%	6.4%
	Baronsmead Venture Trust	30/06/2021	4.5%	6.3%	6.7%
MAVEN	Maven Income & Growth VCT 3	31/05/2021	3.0%	2.2%	5.8%
	Maven Income & Growth VCT 5	31/05/2021	4.9%	5.6%	7.1%
	Maven Income & Growth VCT	31/05/2021	2.5%	2.8%	6.0%
	Maven Income & Growth VCT 4	30/06/2021	3.9%	2.8%	4.0%
MOBEUS	Mobeus Income & Growth 2 VCT	31/03/2021	14.6%	8.4%	11.9%
	Mobeus Income & Growth VCT	31/03/2021	15.3%	8.3%	10.2%
	Income & Growth VCT	31/03/2021	17.4%	9.1%	12.2%
	Mobeus Income & Growth 4 VCT	31/03/2021	16.8%	8.5%	8.4%
NVM	Northern 3 VCT	30/06/2021	9.5%	7.4%	9.0%
	Northern 2 VCT	30/06/2021	9.2%	7.1%	7.9%
	Northern Venture Trust VCT	30/06/2021	10.5%	9.3%	8.4%
OCTOPUS	Octopus Apollo VCT Ord shares	31/07/2021	7.8%	3.2%	3.1%
	Octopus Titan VCT	31/07/2021	12.6%	9.2%	11.3%
PEMBROKE	Pembroke VCT B share	31/03/2021	6.5%	5.4%	
YFM	British Smaller Companies VCT	30/06/2021	12.1%	7.0%	4.9%
	British Smaller Companies VCT 2	30/06/2021	10.9%	7.7%	5.7%

Source: Tax Efficient Review calculation based on data from public accounts

Calculation: (Closing period NAV less Opening period NAV plus dividends paid in the period) divided by number of years in the period

Report created 03/11/2021

Table 4: Provider results comparison

PROVIDER	AVERAGE SCORE BASED ON PLACE IN PEER GROUP (lower is better)
MOBEUS	6
ALBION	10
NVM	11
OCTOPUS	13
YFM	14
GRESHAM HOUSE	18
FORESIGHT	21
BERINGEA	22
MAVEN	22
PEMBROKE	22
DRAPER	26
DOWNING	30

Calculation as at 03/11/2021 and based on results in Table 3. In order to reduce the data down to one figure, each VCTs' position in the Table 3 results is scored from 1 (first in the year) to the total number of VCTs in the analysis for the period (lower numbers are better), added together and then averaged over the three periods being measured

The Manager

The first Baronsmead VCT was launched in 1995 and they now manage £472m of VCT assets across the two merged VCTs. In November 2018, the management of the Baronsmead stable of VCTs moved from Livingbridge VC LLP to Gresham House Asset Management.

This made sense from the points of view of both companies; Livingbridge were moving more towards larger, institutional private equity deals and Gresham House is an AIM quoted specialist asset manager providing funds, direct investments and tailored investment solutions, including co-investment across a range of highly differentiated alternative investment strategies.

In recent years Gresham House has acquired Hazel Capital in 2017, FIM in 2018 and the VCT and Equity fund management contracts from Livingbridge in 2018. It can now add to this roster of tax efficient managers the Mobeus VCTs whose acquisition by Gresham House was announced earlier in 2021. Mobeus VCTs last reported AUM was £380m, which is highly significant, although less than the £480m managed by Baronsmead.

All of these together combine to make Gresham House one of the largest VCT managers in the UK

in the space of only 3 years. We will be reviewing Mobeus VCTs if they launch in 2022.

TER understand from Gresham House that there will be an integration of the teams over time, but for now all AIM dealflow goes to the quoted team at Baronsmead and the unquoted investments are split across the six VCTs (two Baronsmead and four Mobeus ones).

The Baronsmead team has grown during the year from 12 to 16 professionals. And with the acquisition of Mobeus, the dedicated VCT team within Gresham House goes from 16 to 30 individuals, including 2 specialist operating partners and 6 portfolio management consultants/partners.

The VCT team also can tap into the resources of the Gresham House Group, which has £5.4bn in funds under management (pro forma at 30 June 2021 including Mobeus acquisition) and 181 employees.

Although other members of Gresham House may work on VCT deals from time to time, the Baronsmead and Mobeus team now has 19 full time equivalent employees focussed on finding and making new investments for the Baronsmead

VCTs and the time allocation of members with at least three years VCT investing experience is indicated in Table 10.

The size of the investing challenge for an investment team depends on: funds already raised and requiring investing, forthcoming exits that will require re-investing and the impact of new funds being raised.

The Baronsmead VCTs have £39m (18% of NAV) and £37m (15% of NAV) in cash/liquid holdings

respectively as at 30th September 2021. Yet, they are seeking a further £75m across the two companies, if the over-allotment facility is utilised during this fund raising. This would create a high level of cash within both trusts, and upon which the manager still insists on charging the full 2% annual management charge.

Tax Efficient Review Team rating: 18 out of 20

Costs

Initial Costs:

- Direct investments – 3.5%
- Investments through an advised IFA – 3.0%
- Execution only broker – 4.5%

These initial costs are an increase on the 2.75% which was charged under the previous fund raising in the 2019/2020 tax year.

Annual Costs:

- BVT - 2% Annual Management Charge
- BSVT - 2.5% Annual Management Charge

Annual running costs of both VCTs are capped at 3.5% of net assets (excluding performance fees and irrecoverable VAT).

Performance Fees

- BVT - 10% of the total return that exceeds an annual threshold of the higher of 4% or base rate plus 2% calculated on a compound basis.
- BSVT - 10% of the total return that exceeds an annual threshold of 8% calculated on a simple basis.

The performance fees mentioned above payable in respect of any period for which it is calculated shall not exceed 5 per cent. of the NAV of either VCT for that period and any balance remaining unpaid will be carried forward to the next calculation period. The performance fees used to be at a rate of 20% but was reduced by 50% to 10% following the introduction of a co-investment scheme which provides for the investment team to co-invest in the unquoted companies that the Baronsmead VCTs invest in at the same time and on the same terms and in accordance with a pre-existing agreement.

Tax Efficient Review Cost rating: 8 out of 10

Conclusion

The Baronsmead VCTs sit in a rather small niche within the VCT market, as they offer investors exposure to a diverse portfolio of investments in both unquoted companies and companies which are listed on the AIM market. So, the Baronsmead VCTs are an ideal way for both experienced and first time investors in VCTs to gain exposure to both markets, across a mature and diverse portfolio; and with a management team which have worked together to provide consistent dividends to shareholders. As both VCTs hold nearly identical stocks and are nearly identical in size (NAV of BVT as at 30 September 2021 was £229m and NAV of BSVT as at 30 September 2021 £249m), it is anticipated that investors might consider spreading their investment equally over both VCTs

However, in previous reviews of the Baronsmead VCT offers, TER have highlighted how the Baronsmead team have had to evolve the investment strategy which they relied upon for many years prior to 2017. This was making management buy-out investments, which became no longer permissible as a VCT investment. On top of that, in 2018, the Baronsmead VCTs were sold by Livingbridge to Gresham House, who, in turn, started to use the Baronsmead VCTs to raise significantly higher sums from investors each year.

Therefore investors were buying into a different investment ethos and with more cash to deploy, and their performance had taken a step backwards in the 3 years to 2020 in comparison with their peer group. But as the track record section of this report shows, the Baronsmead investment portfolio has improved significantly in the past 12 months, buoyed not only by the healthy increases seen in the AIM market, but also from their unquoted portfolio of companies as well. The ability of the Baronsmead VCTs to be able to top-slice profits made within the AIM portfolio due to the increased liquidity in the AIM market, has also helped to keep funding the dividend track record.

It is welcome to see the Baronsmead VCTs performing well again and the dividends have averaged approximately 9p per share and the NAV has increased by approximately 25% across the two VCTs (including the dividends). But it was recently announced that the parent company Gresham House have pulled off another coup and acquired the Mobeus VCTs management contracts, and is in the process of incorporating the various teams. This now gives Gresham House six Generalist/Hybrid VCTs to oversee and over £850m of VCT assets under management, which, within only the past 3 years, makes Gresham House one of the largest VCT managers in the land. TER will watch to see how this integration progresses, but in the meantime it is good to see the Baronsmead VCTs performing for shareholders once more.

Tax Efficient Review rating: 87 out of 100 (for “Hybrid VCT offer with track record”)

Table 5: **Sectors data as at 31/08/21 (excluding cash)**

Sector name	%
Technology	51%
Healthcare & Education	18%
Business Services	22%
Consumer Markets	9%
TOTAL	100%

Source: Gresham House Asset Management

Table 6: **Stage of investment by current year revenue as at 31/08/21**

Early stage (revenue under £1m):	11%
Growth (revenue £1m-£5m):	31%
Scale up (revenue over £5m):	58%
TOTAL	100%

Source: Gresham House Asset Management

Table 7: **Exits achieved in the last 3 years by BVT and BSVT as at 31/08/2021**

Company	Activity	Date of investment	Date of exit	Total invested £000	Interest received £000	Total Proceeds £000
IP Solutions	Technology, Media & Telecommunications	03/12/2014	11/10/2018	£4,250		£1,858
Symphony Ventures	Business Services	02/08/2017	01/11/2018	£3,500	£210	£8,317
Upper Street Events	Consumer markets	03/12/2014	23/01/2019	£4,250	£214	£2,888
Kirona	Technology, Media & Telecommunications	03/12/2014	03/04/2019	£4,250	£1,109	£12,991
Create Health	Healthcare & Education	28/03/2013	21/05/2019	£4,750	£1,586	£17,093
Sanderson	Technology, Media & Telecommunications	16/12/2004	18/09/2019	£2,500	£0	£6,746
Paragon	Consumer markets	19/12/2011	30/09/2019	£1,518	£0	£0
Brady	Technology, Media & Telecommunications	16/12/2010	04/10/2019	£1,003	£0	£34
CR7	Technology, Media & Telecommunications	08/08/2014	24/10/2019	£4,250	£0	£27
APC Technology	Business Services	31/12/2009	01/11/2019	£197	£0	£55
Synnovia (Plastics Capital)	Business Services	13/11/2007	20/11/2019	£4,126	£0	£5,172
Synecotics plc	Business Services	23/01/2004	18/12/2019	£1,000	£0	£557
STM Group plc	Business Services	14/03/2008	09/01/2020	£1,079	£0	£758
MXC Capital Ltd	Business Services	06/05/2015	23/01/2020	£11	£0	£10
Glide	Technology, Media & Telecommunications	25/10/2013	31/05/2020	£5,000	£5,533	£13,124
Castleton Technology plc	Technology, Media & Telecommunications	14/11/2014	04/06/2020	£450	£0	£1,612
Centralnic Group	Technology, Media & Telecommunications	16/06/2015	18/06/2020	£2,040	£0	£4,314
Ten10	Business Services	26/02/2015	19/10/2020	£4,250	£2,245	£15,579
Labrador	Technology, Media & Telecommunications	20/08/2018	01/09/2020	£500	£0	£0
Collagen	Healthcare & Education	03/03/2017	03/11/2020	£1,002	£0	£1,303
Wey Education plc	Healthcare & Education	11/12/2015	25/05/2021	£950	£0	£12,893
Pho	Consumer markets	26/07/2012	02/08/2021	£4,400	£4,781	£10,958
TOTAL				£55,276	£15,677	£116,289

Source: Gresham House Asset Management

BARONSMEAD VENTURE TRUST AND BARONSMEAD SECOND VENTURE TRUST
Table 8: Baronsmead VCTs unquoted holdings as at 31/08/21 (sorted by valuation)

Investee Company	Cost £000	Value £000	Date invested	Structure of investment (Equity/ Loan)	Did equity involve downside protection (if so provide detail)	Industry Sector	Stage of Investment	Valuation method	Multiple on cost
Carousel Logistics	4,245	17,676	02/10/2013	Ords, Loan Stock	Yes - loan notes	Business Services	Scale up	Earnings	4.2
IWP	2,994	9,808	26/07/2019	Ords, Prefs, Loan Stock	Yes - loan notes	Business Services	Scale up	Earnings	3.3
Custom Materials Limited	4,431	7,724	17/03/2017	Ords, Pref Shares	Yes - pref shares	Technology, Media & Telecommunications	Scale up	Revenue	1.7
Happy Days Consultancy Ltd	7,600	6,313	04/04/2012	Ords, Loan Stock	Yes - loan notes	Healthcare & Education	Scale up	Earnings	0.8
eConsult	4,999	6,281	06/10/2020	Equity	Yes - pref shares	Healthcare & Education	Scale up	Revenue	1.3
Yappy Ltd	1,800	5,662	27/06/2019	Ords, Pref Shares	Yes - pref shares	Consumer markets	Scale up	Recent funding round with new external investor	3.1
Clarilis Ltd	3,499	5,237	31/07/2020	Ords, Pref Shares	Yes - pref shares	Technology, Media & Telecommunications	Growth	Revenue	1.5
Scurri	4,325	4,325	04/06/2021	Equity	Yes - pref shares	Technology, Media & Telecommunications	Growth	Revenue	1.0
Glisser Ltd	2,749	3,860	27/11/2019	Ords, Pref Shares	Yes - pref shares	Business Services	Growth	Revenue	1.4
Rezatec Ltd	3,000	3,470	16/01/2020	Ords, Pref Shares	Yes - pref shares	Technology, Media & Telecommunications	Growth	Revenue	1.2
SecureCloud+ Limited	1,489	3,412	31/08/2018	Ords, Pref Shares	Yes - pref shares	Technology, Media & Telecommunications	Scale up	Earnings	2.3
Patchworks	3,299	3,299	28/07/2021	Debt/ equity	Yes - loan notes	Technology, Media & Telecommunications	Growth	Recent funding round with new external investor	1.0
Airfinity	2,998	2,998	28/07/2021	Equity	Yes - pref shares	Healthcare & Education	Early stage	Recent funding round with new external investor	1.0
SilkFred	1,756	2,841	18/08/2017	Ords	No	Consumer markets	Scale up	Revenue	1.6
Tribe Limited	2,014	2,833	14/12/2018	Ords, Pref Shares	Yes - pref shares	Consumer markets	Growth	Revenue	1.4
Cisiv Limited	1,489	2,277	30/10/2018	Ords	No	Technology, Media & Telecommunications	Growth	Revenue	1.5
Metrion	2,249	2,249	31/03/2021	Equity	Yes - pref shares	Healthcare & Education	Growth	Earnings	1.0
Counting Up	1,999	1,999	19/02/2021	Equity	Yes - pref shares	Business Services	Early stage	Revenue	1.0
Armstrong Craven Ltd	1,208	1,924	25/06/2013	Ords, Loan Stock	Yes - loan notes	Business Services	Growth	Earnings	1.6
Pointr Limited	992	1,805	16/08/2018	Ords, Pref Shares	Yes - pref shares	Technology, Media & Telecommunications	Growth	Recent funding round with new external investor	1.8

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Investee Company	Cost £000	Value £000	Date invested	Structure of investment (Equity/ Loan)	Did equity involve downside protection (if so provide detail)	Industry Sector	Stage of Investment	Valuation method	Multiple on cost
Equipsme (Holdings) Limited	1,791	1,791	22/08/2018	Ords, Pref Shares	Yes - pref shares	Business Services	Early stage	Recent funding round with new external investor	1.0
Your Welcome Limited	1,944	1,570	15/08/2018	Ords, Loan Stock	Yes - loan notes	Technology, Media & Telecommunications	Early stage	Revenue	0.8
RevLifter	1,499	1,541	03/11/2020	Equity	Yes - pref shares	Technology, Media & Telecommunications	Growth	Revenue	1.0
Vinoteca Limited	1,988	1,335	12/09/2019	Ords, Prefs, Loan Stock	Yes - loan notes	Consumer markets	Growth	Earnings	0.7
TravellLocal Ltd	2,500	1,000	18/04/2019	Ords, Pref Shares	Yes - pref shares	Consumer markets	Early stage	Revenue	0.4
Munnypot Limited	993	938	18/05/2018	Ords, Pref Shares	Yes - pref shares	Technology, Media & Telecommunications	Growth	Recent funding round with new external investor	0.9
SHE Software Group Ltd (formerly Storyshare Holdings Ltd)	798	798	12/02/2019	Ords	No	Technology, Media & Telecommunications	Early stage	Recent funding round with new external investor	1.0
Funding Xchange Ltd	1,500	750	26/11/2019	Ords, Pref Shares	Yes - pref shares	Business Services	Growth	Revenue	0.5
Rainbird Technologies Ltd	1,489	744	01/02/2019	Ords	No	Technology, Media & Telecommunications	Early stage	Revenue	0.5
Rockfish Group Limited	1,489	744	21/12/2018	Ords	No	Consumer markets	Scale up	Earnings	0.5
Key Travel Holdings Limited	464	594	31/07/2013	Loan Stock	Yes - loan notes	Business Services	Scale up	Loan note based on principal plus accrued interest	1.3
Panthera Biopartners	499	499	22/09/2020	Equity	Yes - pref shares	Healthcare & Education	Early stage	Earnings	1.0
Samuel Knight International Ltd	1,500	-	16/01/2019	Ords, Pref Shares	Yes - pref shares	Business Services	Growth	Earnings	-
CMME Group Ltd	2,067	-	01/04/2015	Ords, Loan Stock	Yes - loan notes	Consumer markets	Scale up	Earnings	-
TOTALS	£79.7m	£108.3m							

Source: Gresham House Asset Management

BARONSMEAD VENTURE TRUST AND BARONSMEAD SECOND VENTURE TRUST
Table 9: Baronsmead VCTs quoted holdings as at 31/08/21 (sorted by valuation)

Security	Sector	Type (equity or loan)	Book Cost	Market Value	% of NAV	Times Multiple
Non-Qualifying						
Marwyn Management Partners plc	Business Services	Equity	£3,000,000	0	0.00%	0.0
Mi-Pay Group plc	Business Services	Equity	£1,600,000	0	0.00%	0.0
Driver Group plc	Business Services	Equity	£903,072	£1,466,535	0.31%	1.6
Netcall plc	Technology, Media & Telecommunications	Equity	£853,573	£5,019,282	1.05%	5.9
Bioventix plc	Healthcare & Education	Equity	£561,263	£8,866,058	1.86%	15.8
Tasty plc	Consumer markets	Equity	£544,443	£24,307	0.01%	0.0
TLA Worldwide Plc	Business Services	Equity	£504,012	£7,738	0.00%	0.0
MXC Capital Ltd	Business Services	Equity	£488,790	0	0.00%	0.0
Vianet Group plc	Business Services	Equity	£478,831	£395,028	0.08%	0.8
Dods (Group) plc	Technology, Media & Telecommunications	Equity	£379,664	£449,083	0.09%	1.2
Gresham House plc	Business Services	Equity	£249,999	£784,242	0.16%	3.1
Begbies Traynor Group plc	Business Services	Equity	£96,786	£91,067	0.02%	0.9
Fulcrum Utility Services Ltd	Business Services	Equity	£72,586	£243,675	0.05%	3.4
InterQuest Group plc	Business Services	Equity	£173	£16	0.00%	0.1
Staffline Recruitment Group plc	Business Services	Equity	£158	£20	0.00%	0.1
IDOX plc	Technology, Media & Telecommunications	Equity	£30	£58	0.00%	1.9
Qualifying						
Cloudcall Group plc	Technology, Media & Telecommunications	Equity	£5,839,524	£3,687,579	0.77%	0.6
Dods (Group) plc	Technology, Media & Telecommunications	Equity	£4,909,344	£893,785	0.19%	0.2
Netcall plc	Technology, Media & Telecommunications	Equity	£3,500,000	£14,736,842	3.09%	4.2
TLA Worldwide Plc	Business Services	Equity	£3,100,000	£50,375	0.01%	0.0
Diaceutics plc	Healthcare & Education	Equity	£3,000,100	£4,342,250	0.91%	1.4
DeepVerge	Healthcare & Education	Equity	£3,000,000	£3,000,000	0.63%	1.0
Entertainment AI plc	Technology, Media & Telecommunications	Equity	£3,000,000	£2,666,666	0.56%	0.9
Cerillion plc	Technology, Media & Telecommunications	Equity	£2,974,000	£31,853,106	6.69%	10.7
Vianet Group plc	Business Services	Equity	£2,906,900	£2,649,172	0.56%	0.9
Sysgroup plc	Technology, Media & Telecommunications	Equity	£2,872,463	£1,611,295	0.34%	0.6
Tasty plc	Consumer markets	Equity	£2,678,368	£321,502	0.07%	0.1
Venn Life Science	Healthcare & Education	Equity	£2,626,520	£3,401,148	0.71%	1.3
Rosslyn Data Technologies plc	Technology, Media & Telecommunications	Equity	£2,557,375	£2,557,200	0.54%	1.0
Eden Research	Business Services	Equity	£2,499,995	£2,436,476	0.51%	1.0
Crossword Cybersecurity	Technology, Media & Telecommunications	Equity	£2,466,196	£2,712,815	0.57%	1.1
PCI Pal plc	Technology, Media & Telecommunications	Equity	£2,445,455	£6,579,394	1.38%	2.7
Scholium Group Plc	Consumer markets	Equity	£2,000,000	£600,000	0.13%	0.3
One Media iP Group plc	Technology, Media & Telecommunications	Equity	£1,833,190	£1,723,824	0.36%	0.9
Gama Aviation	Business Services	Equity	£1,779,999	£373,333	0.08%	0.2

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Table 9: Baronsmead VCTs quoted holdings as at 31/08/21 (sorted by valuation)

Security	Sector	Type (equity or loan)	Book Cost	Market Value	% of NAV	Times Multiple
Driver Group plc	Business Services	Equity	£1,753,095	£1,296,000	0.27%	0.7
Everyman Media Group plc	Consumer markets	Equity	£1,739,846	£2,641,212	0.55%	1.5
Belvoir Lettings plc	Consumer markets	Equity	£1,671,005	£4,305,600	0.90%	2.6
IDOX plc	Technology, Media & Telecommunications	Equity	£1,641,051	£13,423,667	2.82%	8.2
Zoo Digital Group plc	Technology, Media & Telecommunications	Equity	£1,604,985	£295,517	0.06%	0.2
Property Franchise Group plc (The)	Consumer markets	Equity	£1,524,550	£4,695,614	0.99%	3.1
Ixico plc	Healthcare & Education	Equity	£1,499,988	£3,964,254	0.83%	2.6
Inspired Energy plc	Business Services	Equity	£1,437,010	£9,215,073	1.93%	6.4
Access Intelligence plc	Business Services	Equity	£1,302,509	£4,218,815	0.89%	3.2
Crimson Tide	Technology, Media & Telecommunications	Equity	£1,260,000	£1,176,000	0.25%	0.9
Ideagen plc	Technology, Media & Telecommunications	Equity	£1,256,112	£14,923,617	3.13%	11.9
I-Nexus Global plc	Technology, Media & Telecommunications	Equity	£1,250,000	£101,266	0.02%	0.1
The Panoply Holdings plc	Technology, Media & Telecommunications	Equity	£1,244,680	£3,868,600	0.81%	3.1
InterQuest Group plc	Business Services	Equity	£1,237,865	£16	0.00%	0.0
Fusion Antibodies plc	Healthcare & Education	Equity	£1,200,001	£1,657,995	0.35%	1.4
LoopUp Group	Technology, Media & Telecommunications	Equity	£1,120,000	£436,800	0.09%	0.4
KRM22 plc	Technology, Media & Telecommunications	Equity	£1,000,000	£290,000	0.06%	0.3
Adept4 plc	Technology, Media & Telecommunications	Equity	£972,187	£73,978	0.02%	0.1
Anpario plc	Healthcare & Education	Equity	£965,118	£9,511,153	2.00%	9.9
Begbies Traynor Group plc	Business Services	Equity	£882,208	£3,153,256	0.66%	3.6
Beeks Financial Cloud Group plc	Technology, Media & Telecommunications	Equity	£750,000	£2,085,000	0.44%	2.8
Science in Sport plc	Consumer markets	Equity	£638,144	£778,752	0.16%	1.2
AorTech International plc	Healthcare & Education	Equity	£508,927	£37,658	0.01%	0.1
Fulcrum Utility Services Ltd	Business Services	Equity	£300,000	£705,000	0.15%	2.4
Staffline Recruitment Group plc	Business Services	Equity	£173,890	£543,193	0.11%	3.1
Totally plc	Healthcare & Education	Equity	£157,500	£333,000	0.07%	2.1
PoolBeg Pharma	Healthcare & Education	Equity	£93,480	£493,842	0.10%	5.3
Total Investments				£187,768,718	39.42%	
Total Unquoted Investments				£108,297,272	22.73%	
Total Equity Funds' Investments				£96,967,869	20.36%	
Net Current Assets				£83,337,288	17.49%	
NET ASSET VALUE				£476,371,147	100.00%	

Source: Gresham House Asset Management

BARONSMEAD VENTURE TRUST AND BARONSMEAD SECOND VENTURE TRUST

Table 10 (1 of 2): Matrix of individual responsibilities for Gresham House VCT investment team

NAMES	Bevan Duncan	Ken Wotton	Tamer Ozmen	Henry Alty	Thomas Makey	Maya Ward	Brendan Gulston	James Hendry	Mackenzie Travers
VCT WORK									
Deal origination		10%	40%	30%	30%	30%	10%	30%	50%
General enquiries									
New deal doing	20%	75%	20%	50%	50%	40%	55%	50%	40%
Fund raising	10%	10%							
Internal issues	20%								
Sitting on Boards/ Monitoring	30%	5%	20%	10%	10%	30%	5%	20%	10%
Exits	20%			10%	10%				
NON VCT WORK									
Non-VCT work			20%				30%		
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%
Days per week	5	5	2	5	5	5	5	5	5
Years in venture capital	15	15	5	9	6	7	7	3	4
Years involved with VCTs	15	15	3	9	6	3	6	3	3
Years with current team	15	15	3	9	6	3	6	3	3

Source: Gresham House Asset Management

Table 10 (2 of 2): Matrix of individual responsibilities for Gresham House VCT investment team

NAMES	Trevor Hope	Gregory Blin	Jane Reoch	Chris Kilroy	Rowan Grobler	Clive Austin	Matt Mead	Ed Wass	Giles Whitman	Bob Henry	Mark Wignall
VCT WORK											
Deal origination %	20%	30%	30%	30%	30%						
General enquiries %											
New deal doing %	50%	50%	50%	50%	50%		20%	10%			
Fund raising %	20%					10%					50%
Internal issues %	10%					10%					50%
Sitting on Boards/ Monitoring %		10%	10%	10%	10%	60%	70%	70%	70%	70%	
Exits %		10%	10%	10%	10%	20%	10%	10%	30%	30%	
NON VCT WORK											
Non-VCT work %								10%			
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Days per week	5	5	5	5	5	5	4	5	3	3	0.5
Years in venture capital	25	10	19	8	3	25	26	12	11	41	33
Years involved with VCTs	16	8	4	6	3	14	3	5	8	24	23
Years with current team	6	8	4	1	3	7	3	5	1	24	23