



22 June 2013

Rensburg AIM VCT – Comments on Annual Results and AGM Voting Recommendations

Shareholders should have received the Annual Report and Notice of the Annual General Meeting (AGM) of Rensburg AIM VCT – the meeting is on the 24th July in Leeds. The following are some comments on the latest financial results and recommendations for voting on the AGM Resolutions:

1. The company achieved a good performance in the last financial year with a 16.5% increase in Net Asset Value (excluding dividends paid out). Even after deducting dividends paid, the Net Asset Value slightly increased so the fund did not shrink this year which has been one of our concerns in the past. However it is still quite a small VCT with Net Assets of £17.5 million although the Annual Report mentions that a fund raising is being considered. The company made no new portfolio investments during the year but has done two subsequently.
2. The change in the fund management fee arrangements has also led to a substantial reduction in management fees. The total expenses (administration plus fund management fees) were only 2.9% of net assets at the end of the year which is a reasonable figure for a VCT. The board should definitely be congratulated on this change.
3. The share price discount to Net Asset Value is about 8% at the time of writing which is also sound, and results from the active buy-back policy the company has been operating. The share price bid-offer spread is also quite reasonable.
4. The only major concern remaining with this company are that all three of the directors cannot be considered independent. Mr Battersby has been associated with the company for 14 years (and is now aged 70), Mr Smart has been associated with the company for more than nine years and Mr Aynsz is of course a representative of the fund manager.

For that reason we recommend that you vote AGAINST the re-election of the directors (resolutions 4 to 6), but vote FOR all other resolutions.

Summary: shareholders are of course encouraged to vote and attend the AGM if possible. This company has improved enormously since we started our campaign on it, and it is likely that we will not communicate as frequently in future on this subject. But shareholders should urge the directors to refresh the board with new members who could be properly considered to be independent.

This campaign does demonstrate the benefit of shareholder activism to improve the performance of companies and any shareholder in this company who has not yet joined ShareSoc as a member is encouraged to do so and help support our activities. More information is present on our web site here: www.sharesoc.org/membership.html or telephone 020-8467-2686.

Roger Lawson
Chairman

More background information about the campaign on Rensburg AIM VCT is present on this web page where further news will be posted as it becomes available: www.sharesoc.org/campaigns.html