



Rensburg AIM VCT Update (News14) - Issued 4 August 2015

The "adjourned" (in practice "postponed") Annual General Meeting (AGM) of Rensburg AIM VCT will now take place on the 25th August. The company is issuing a new Notice for the meeting containing an additional resolution, and is also issuing new pink proxy cards. Any previously submitted proxy cards will still be effective though unless you send in the new one. But it is clearly wise to submit the later version if you wish to vote on the additional resolution in which case **you need to vote on all the other resolutions again for your votes to be recognised.**

The additional resolution in the revised notice of the Meeting asks whether you wish the directors to proceed with the proposals for a merger via a scheme of arrangement with Unicorn AIM VCT and the tender offer which had been previously announced. More details of those proposals are given in the Notice of the Meeting.

Our comments on the recent events and the merger proposals are as follows:

1. The proposed merger with Unicorn AIM VCT will certainly be more attractive than the previous proposals to wind up the company for many investors. The tender offer will also enable those shareholders who wish to exit to do so, unless it is oversubscribed in which case there is likely to be some scaling down of applications.

2. Shareholders probably need more information before making a final decision on the matter but the proposed resolution simply authorises the directors to proceed further. **So we recommend voting in favour of Resolution 1.** Any final decision by investors, on which there will be a subsequent Meeting and vote, may depend on your personal tax position and on receiving more details of the proposals. For example, here are three questions that come to mind that investors may care to put at the new AGM.

a - Is it wise to merge with an AIM VCT when such VCTs might be significantly impacted by the changes in the VCT regulations announced in the recent budget? Note that ShareSoc has previously questioned the performance capability of AIM VCTs on a number of grounds although both Rensburg and Unicorn AIM VCTs have done well of late.

b - What is the position on the termination fees that may be payable to the existing fund manager and have they already been given notice so as to minimise such fees?

c - Why is the Unicorn AIM VCT proposal more attractive than those received from other companies (shareholders will be aware that Maven were seriously interested and wrote to shareholders more than once)?

I have exchanged email correspondence with the Chairman, Richard Battersby, but he seems reluctant to answer those and other questions. For that reason alone our previous recommendation to vote against him and the other directors still stands.

Continued.....

3. The cancellation of the previous AGM the day before the meeting was a very unusual circumstance in any public company, and may have inconvenienced some investors. The grounds for "adjournment" given by the directors seem odd in that none of the resolutions for that meeting were directly affected by the announcement on the 17th July of the Unicorn merger proposals. In addition the Articles of the company have a specific provision for postponement of a Meeting (Clause 25.7) but the directors relied on another Clause that relates to adjournment. As the Meeting never took place, it was postponed not adjourned. The directors seemed to have relied on questionable advice in this case when a simple reading of the Articles would have told them that postponement could only take place if it was "impractical or unreasonable" to hold it.

It is worth pointing out that the directors would have had access to the proxy votes when they postponed the meeting, so that might have influenced their decision. **But these dubious events reiterate that our recommendation is to vote against all the directors at the forthcoming AGM.**

If you use the new proxy voting form, please therefore vote against Resolutions 3, 4 and 5.

Please contact me if you have any further questions on this matter.

Roger Lawson
Deputy Chairman