



20 January 2012

## Newsletter No. 3

### Rensburg AIM VCT - Comments on Interim Management Statement

Rensburg AIM VCT recently issued an "Interim Management Statement". It reports on the 3 months ending 31<sup>st</sup> December 2011 in which it discloses a decline in Net Asset Value (NAV) of 1.8% after adjusting for dividends paid out. In other words, the company made losses in that period.

The announcement indicates that in the same period the benchmark AIM index fell by 9.9% while the FTSE-100 rose by 4.2%. Obviously AIM companies have generally suffered of late because of the move by investors into larger companies as small companies are seen as vulnerable to the poor economic trends. However, the performance of AIM VCTs is not directly comparable to the AIM index because VCTs cannot invest in many types of companies that form a very significant proportion of stocks on the AIM market (natural resource and financial companies for example).

The announcement reiterates the company's focus on investing in "established and profitable AIM companies" – in other words they obviously are not planning to change their investment policy as we would like to see.

During the period, the company realised proceeds of £412,000 from investments, but made no new qualifying investments. This rather supports the comment made in our letter to the new Chairman that the company has adopted a "defeatist" investment strategy of returning cash to shareholders and making few new investments. Indeed they spent £185,000 on share buy-backs during the period, which at least has kept the share price at a reasonably narrow discount to NAV.

The only other items of significance that were mentioned in the announcement was that the company is reviewing investment management costs and Richard Battersby has been appointed as Chairman. We understand the contract with the manager comes up for renewal at the end of February. Whether we shall see a significant reduction in management costs, which we consider excessive, remains to be seen.

Mr Battersby joined the board of Rensburg AIM VCT in 2005 and is aged 69, which means he is older than the retiring Chairman. Mr Battersby lives in Guernsey and he has a number of other directorships including that of a company called BWA Group where he is Chairman. That company has a rather chequered past history – indeed one major shareholder in BWA requisitioned an EGM to remove the whole board including Mr Battersby last year which was only narrowly defeated.

### Summary

In summary we repeat what we have said before. Rensburg AIM VCT has not been a successful investment so far as many shareholders in the company are concerned and based on an analysis by an independent third party has generated an overall negative total return for shareholders over the years since formation. It is certainly not achieving the returns obtained by the best Venture Capital Trusts.

**CHANGES ARE NEEDED TO THE COMPANY IF RETURNS ARE TO IMPROVE, WHICH THE BOARD IS OBVIOUSLY RELUCTANT TO CONSIDER**

Please do support the campaign by registering as a member of the Shareholder Action Group if you have not done so already. Call 020-8467-2686 now if you have any questions.

Yours sincerely

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](http://www.sharesoc.org/campaigns.html)