

BARONSMEAD

Baronsmead Second Venture Trust plc
(formerly Baronsmead VCT 3 plc)
Quarterly update
For the three month period from
1 January 2016 to 31 March 2016



Headlines

- **£151.95m Net Asset Value following successful merger with Baronsmead VCT 4 plc in March 2016 (before fundraising)**
- **£9.7m Raised from fundraising in March 2016 (after costs)**
- **7.0p Interim dividend declared payable on 3 June 2016 to shareholders on the register as of 20 May 2016**

On 11 March 2016, Baronsmead VCT 3 plc ("the Company") acquired the assets of Baronsmead VCT 4 plc ("BVCT4") in consideration for the issue of New Shares to BVCT4 Shareholders. Following this the Company changed its name to Baronsmead Second Venture Trust plc ("BSVT"). As a result, the comparative figures in this Quarterly Update relate to the Company prior to the merger unless otherwise noted.

Performance Summary

Capital return	BSVT as at 31 Mar 2016	BVCT3 as at 31 Dec 2015*	Movement**
Total net assets	£161.65m	£151.40m	
Net asset value per share	107.23p	106.46p	0.7%
Share price	99.13p	101.00p	(1.9%)

* For comparison purposes the total net assets at 31st December 2015 is the combined BVCT3 & BVCT4 NAV. The NAV per share and share price comparatives used are BVCT3.

** Column comprises movement to BVCT3 figures only.

Total return	3 month (%)	1 year (%)	5 years (%)	10 years (%)
Net asset value ⁽¹⁾	0.72	11.23	56.47	85.71

Key:

⁽¹⁾ NAV total return = NAV + reinvested dividends; Source: Livingbridge VC LLP.

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 been 40% and later 30%, 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.

Investment Performance

In the three months to 31 March 2016, Baronsmead Second Venture Trust's underlying net asset value per share increased by 0.7%. During the quarter, the underlying value of the unquoted portfolio valuation increased by 5.4% and the quoted portfolio (including Wood Street Microcap Fund) decreased by 0.3%.

Top ten Investments

BSVT Position at 31 Mar 2016	Company	BSVT Percentage of NAV as at 31 Mar 2016
1	IDOX plc	3.4
2	Kingsbridge Risk Solutions Ltd	3.1
3	Netcall plc	2.9
4	Create Health Ltd	2.9
5	Crew Clothing Holdings Ltd	2.8
6	Tasty plc	2.7
7	TLA Worldwide plc	2.5
8	Happy Days Consultancy Ltd	2.5
9	Dods (Group) plc	2.2
10	Pho Holdings Ltd	2.1
Total		27.1

Analysis of Total Assets

	BSVT Percentage of total assets 31 Mar 2016 %	BSVT* Percentage of total assets 31 Dec 2015 %
Unquoted investments	33	35
AIM and collective investment vehicle	40	42
Interest bearing securities	14	10
Net current assets	13	13
Total liquid assets	27	23
Total Assets	100	100

* For comparison combined BVCT3 & BVCT4 as at 31 Dec 2015

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Analysis of Investment Portfolio by Sector (excluding cash and interest bearing securities)

	BSVT Percentage of total investments at 31 Mar 2016 %	BSVT* Percentage of total investments at 31 Dec 2015 %
Business Services	30	28
Consumer Markets	20	21
Healthcare & Education	11	13
Technology, Media & Telecommunications	39	38
Total	100	100

* For comparison combined BVCT3 & BVCT4 as at 31 Dec 2015

Investment Activity

Investments made

Investments made	Date	Cost (£'000)
Eden Research plc (placing)	Mar 16	900
Total investments		900

Realisations

During the period, losses were realised on the sale of the Company's investments in Independent Community Care Management Ltd as well as Tangent Communications plc. Following a final earn out dividend from Carnell Contractors the company is now fully realised. The final payment resulted in a 1.0x return after an initial recovery of 0.6x cost in 2011.

Company	Date	Cost* (£'000)	Proceeds* (£'000)	Multiple**
Independent Community Care Management Ltd	Feb 16	2,716	1,096	0.5
Tangent Communications plc	Mar 16	1,045	500	0.5
Total investments		3,761	1,596	

* Combined BVCT3 + BVCT4

** Includes interest/dividends received, loan note redemptions and partial realisations accounted for in prior periods.

Dividend Declaration

Following recent profitable sales of investments, in particular, the sale of Nexus Vehicle Holdings in December 2015, the Directors have declared an interim dividend of 7.0p per share. This dividend will be paid on 3 June 2016 to shareholders on the register as of 20 May 2016.

Net Asset Value as at 30 April 2016

The net asset value as at 30 April 2016 was 108.48p per share.

Events after the period end

Other than the events described above, the Board is not aware of any significant events or transactions which have occurred between 1 April 2016 and the date of publication of this statement which would have a material impact on the financial position of the Company.

Investment objective

Baronsmead Second Venture Trust plc is a tax efficient listed company which aims to achieve long-term investment returns for private investors.

Further information

Further information regarding the Company, including net asset values published since the end of the period and quarterly factsheets, can be found at the Company's website www.baronsmeadvcts.co.uk

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Baronsmead Second Venture Trust plc is managed by Livingbridge VC LLP, which is Authorised and regulated by the Financial Conduct Authority (FCA). Livingbridge VC LLP manages three Baronsmead VCTs.

All information sources are provided by Livingbridge VC LLP and all figures are as at 31 March 2016 unless otherwise stated. Livingbridge VC LLP does not give investment advice. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and income from, the investment. Investors should take their own financial and tax advice before investing, based on their own individual circumstances. VCTs should be regarded as a long term investment and are only suitable for private investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result.



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