

Baronsmead Second Venture Trust plc

Quarterly update for the three months ended 31 December 2023

Overview

Baronsmead Second Venture Trust plc (the Company) is a tax-efficient listed company which aims to achieve long-term investment returns for private investors, including tax-free dividends.

Quarter highlights

- Net Asset Value (NAV) per share increased **5.2%** to **60.9p**
- £6.0mn** invested into three new unquoted companies and four follow-on investments into one quoted and three unquoted companies
- Declared a **2.25p** dividend payable on 8 March 2024 to shareholders on the register as at 9 February 2024, subject to shareholder approval at the AGM

Investment performance

In the three months to 31 December 2023, the Company's underlying NAV per share increased by 5.2%. Over the quarter, the unquoted portfolio valuation decreased by 2.8% and the quoted portfolio (including the WS Gresham House UK Micro Cap Fund, WS Gresham House UK Multi Cap Income Fund and WS Gresham House UK Smaller Companies Fund) increased by 9.0%.

Geopolitical turmoil continued in the quarter, dampening risk sentiment, although this was mitigated by continued reductions in headline inflation which saw markets increasingly price in rate cuts in 2024. Overall, this proved to be a net positive for quoted equity markets, with the FTSE 250 rallying by 8.6% over the period. In the unquoted portfolio, many companies are proving resilient in the challenging market, but the performance in the quarter was impacted by issues specific to two assets in the portfolio.

Fundraising

On 4 December 2023, the Company and Baronsmead Venture Trust plc launched offers for subscription (the "Offers") to raise up to £30mn in aggregate, with the discretion to utilise over-allotment facilities to raise up to a further £20mn in aggregate. Full details of the Offers are contained in the prospectus, which is available on the Company's website.

Performance summary

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 VCT legislation. The tax reliefs given at the time of subscription have varied between 20% and 40%, 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.

Analysis of total assets

% of total assets	31 Dec 2023	30 Sep 2023
Unquoted	24%	24%
AIM	40%	38%
Collective investment vehicles	31%	30%
Liquid assets	5%	8%
Total assets	100%	100%

Top ten investments¹

● Quoted ● Unquoted

Position at 31 Dec 2023	Position at 30 Sep 2023	Company		% of NAV at 31 Dec 2023
1	1	Cerillion plc	●	13.9
2	2	Netcall plc	●	5.9
3	3	IDOX plc	●	3.5
4	4	Patchworks Integration Ltd	●	3.2
5	7	Bioventix plc	●	2.3
6	6	Airfinity Ltd	●	2.1
7	5	eConsult Health Ltd	●	1.8
8	8	Popsa Holdings Ltd	●	1.5
9	12	Property Franchise Group plc	●	1.3
10	10	Scurri Web Services Ltd	●	1.3
Total				36.8

1. Direct investments only, does not include investments in funds.

Capital at risk. Past performance is not a reliable indicator of future performance

Capital return	31 Dec 2023	30 Sep 2023	Change
Total net assets	£219.5mn	£209.7mn	
NAV per share	60.9p*	57.9p*	5.2%
Share price	54.5p	55.0p	-0.9%

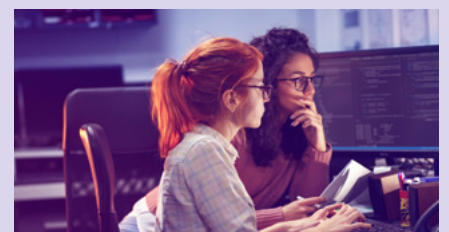
Total return	Three month	One year	Since launch**
NAV total return ²	5.2%	0.3%	235.1%

*Includes final dividend of 2.25p per share payable on 8 March 2024, subject to shareholder approval at the AGM

** January 2001

*** NAV total return = NAV + reinvested dividends

Source: Gresham House Asset Management



Publication date: 1 March 2024

Investment and realisation activity³ ● Quoted ● Unquoted

Investments made		New / follow-on	Date	Cost (£'000)
Ozone Financial Technology Ltd	●	New	Dec 23	1,847
CitySwift	●	New	Dec 23	938
Patchworks Integration Ltd	●	Follow-on	Dec 23	910
Eden Research plc	●	Follow-on	Oct 23	895
Azarc.io Inc	●	New	Dec 23	651
Metrion Bioscience Ltd	●	Follow-on	Dec 23	548
Focal Point Positioning Ltd	●	Follow-on	Dec 23	227
Total investments				6,016

Realisations		Date	Proceeds (£'000)	Total Multiple
Gresham House plc ⁴	●	Dec 23	530	3.9x
Cerillion plc	●	Dec 23	267	21.1x
Total investments			797	

3. Direct investments only, does not include investments in funds.

4. Corporate action resulting from the acquisition by Searchlight Capital Partners.

Events after the period end

Since 31 December 2023 the Company has:

- On 26 January 2024, allotted 11,055,000 Ordinary Shares of 10 pence each in the capital of the Company pursuant to the first allotment under the current Offer
- On 31 January 2024, purchased 1,160,000 Ordinary Shares of 10p at a price of 56.3p per share to be held in Treasury
- On 15 February 2024, allotted 2,414,000 Ordinary Shares of 10 pence each in the capital of the Company pursuant to the second allotment under the current Offer
- Realised Funding Xchange, receiving proceeds of £0.05mn, making a return of 0.1x cost
- Made partial realisations of Cerillion plc, realising proceeds of £3.9mn and making a return of 21.0x cost

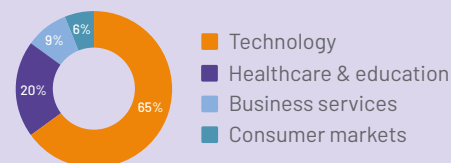
Risks to be aware of

- The value of the Company and the income from it is not guaranteed and may fall as well as rise
- As your capital is at risk you may get back less than you originally invested
- Past performance is not a reliable indicator of future performance
- Any tax reliefs are dependent on your individual circumstances and may be subject to change
- Funds investing in smaller, younger companies may carry a higher degree of risk than funds investing in larger, more established companies. Investments in smaller companies may be less liquid than investments in larger companies

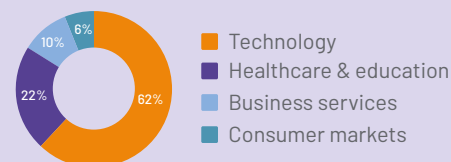
Portfolio analysis

Direct investments only, does not include investments in funds.

Portfolio breakdown by sector - 31 Dec 2023



Portfolio breakdown by sector - 30 Sep 2023



Most recent NAV

60.5p per share

Unaudited data as at 31 January 2024

Get in touch

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Baronsmead

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Sarah Fromson - Chair
Tim Farazmand - Director
Malcolm Groat - Director
Graham McDonald - Director

Brokers

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Key dates

Financial Year End: 30 September
Interim: 31 March

Dividends

September 2023 2.25p
March 2024 2.25p, subject to shareholder approval at the AGM

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