

# Foresight 4 VCT "C" Shares

## Third Quarter

1st October to 31st December 2012



### INVESTMENT MANAGER'S REPORT

The performance the portfolio in the quarter under review continues to be encouraging, notwithstanding the fall in Net Asset Value (NAV), the generally weak UK macroeconomic environment and the recent "double-dip" recession. Most portfolio companies are trading well, especially those serving export markets and should this continue, it will be reflected in NAV improvements in due course.

There has been an overall decrease in net asset value from 93.0p (at 30/09/12) to 89.8p (31/12/12).

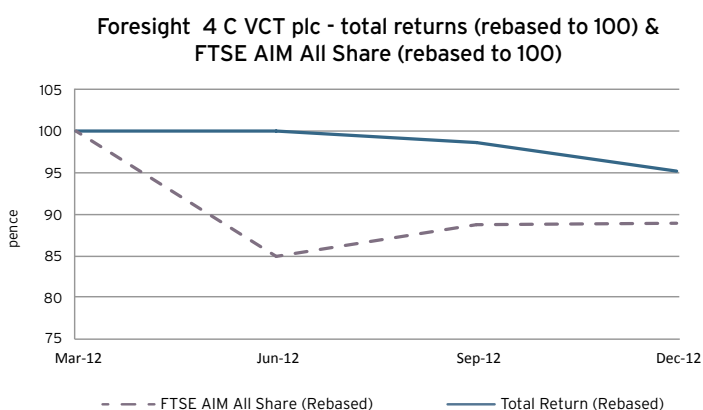
Revaluations of portfolio companies have been driven by changes in comparator multiples and revenues which led to decreases in the valuation of Defaqto and Connect2Media, while movements in underlying P/E sector multiples depressed the valuation of The Fin Machine despite its continuing improved performance.

### PORTFOLIO ACTIVITY

Over the period there was one follow-on investment into The Fin Machine (£500k) while the Company capitalised loan interest of £12k from Flowrite.

There were no purchases or realisations during the period.

### PERFORMANCE HISTORY



### SUMMARY

#### KEY INFORMATION

Merger Date	March 2012
Net Assets (£'000)	£16,837
Share Price	56.0p
NAV per Share	89.8p
Premium / (Discount)	(37.6%)
Change in Share Price since last Quarter	3.7%
Change in NAV since last Quarter	(3.4%)
No. of Investee Companies	10
TER	2.90%
Total Returns since Merger Feb 2012	(10.2%)

#### PORTFOLIO

No.	COMPANY	% OF INVESTMENT (by Value)
1	The Fin Machine Ltd	37.5
2	Defaqto Group Ltd	21.6
3	Leisure Efficiency III Ltd	12.8
4	Blackstar Amplifications Holdings Ltd	6.4
5	Wholesale Efficiency Ltd	6.4
6	Leisure Efficiency II Ltd	4.3
7	Hallmarq Veterinary Imaging Ltd	3.5
8	Flowrite Refrigeration Holdings Ltd	3.2
9	Connect2Media Ltd	2.2
10	Biofortuna Ltd	2.0
<b>TOTAL</b>		<b>100.0</b>

#### SECTOR WEIGHTINGS

SECTOR	% OF INVESTMENT (by Value)
Business Services	46.06
Electronic and Engineering	40.96
Consumer	6.41
Environmental	4.33
Information Technology	2.24

#### DEFINITIONS

**NAV - Net Asset Value** - the value of the company's assets minus the value of its liabilities

**TER - Total Expense Ratio** - a measure of the total costs associated with managing and operating an investment fund divided by the fund's total assets expressed as a percentage.

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### INVESTMENT OBJECTIVE

Foresight 4 VCT plc is a generalist fund aiming to provide investors with attractive returns from a portfolio of investments in fast-growing, unquoted UK companies.

### FORESIGHT 4 VCT PLC "C" SHARES

The "C" share class of Foresight 4 VCT plc was created following the merger of Foresight 5 VCT plc and Acuity 3 VCT plc. Foresight took over management of these two VCTs (formerly known as Acuity Growth VCT plc and Acuity 3 VCT plc) in February 2011 and April 2011 respectively from their former manager.

### ABOUT FORESIGHT GROUP

Formed in 1984, Foresight built its reputation amongst investors by delivering strong performance from unquoted UK investments. Our investment approach has evolved to encompass Private Equity, Infrastructure and Environmental investments in the UK, Spain and Italy. We are one of the largest VCT managers with over £230m VCT Funds Under Management. As a fully independent alternative asset manager, we are owned by our partners, who together have more than 200 years' combined experience across a wide range of sectors, and our three investment teams are fully collaborative with a pro-active and pragmatic style.

### PORTFOLIO MANAGERS

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### THE BOARD

#### PHILIP STEPHENS (CHAIRMAN)

Philip retired from Williams de Broe plc in 2002 where he was joint head of corporate finance. He was previously a Managing Director at UBS, which he joined in 1989. He was involved in corporate finance and corporate broking for over 35 years. He is currently Non-Executive Chairman of Egdon Resources plc and Neptune-Calculus Income & Growth VCT plc.

#### PETER DICKS

Peter was a founding director of Abingworth plc in 1973, a successful venture capital company. He is currently a director of a number of quoted and unquoted companies, including Private Equity Investor plc where he is Chairman, Polar Capital Technology Trust plc and Graphite Enterprise Trust plc. In addition, he is a Non-executive Director of Foresight VCT plc, Foresight 2 VCT plc and Foresight 3 VCT plc. He is also Chairman of Unicorn AIM VCT plc.

#### RAYMOND ABBOTT

Raymond is the former Managing Director of Alliance Trust Equity Partners (ATEP). He has over 20 years experience in private equity, including direct and fund investing. He has been responsible for strategy and investment for over fourteen years and has built and sold his own venture capital business. Within ATEP, Raymond was responsible for implementing the fund investment strategy while retaining an active role within investments. Raymond's background encompasses fund investments, divestments, direct venture and development capital. He has also acted as non-executive director in public and private businesses. Raymond is a member of the Audit, Nomination and Remuneration Committees.

### CURRENT OFFERS

#### SHARE BUY BACK

There is currently an Enhanced Buy Back offer available for existing "C" shareholders but this is due to close on 30th June 2013.

**Foresight**  
group

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