

# **MATRIX PRIVATE EQUITY PARTNERS NEW £21MILLION VCT FUNDRAISING**

- ***Attractive point in economic cycle for investing in smaller company management buyouts***
- ***Lower risk investment strategy***

Matrix Private Equity Partners (Matrix) today launches a new £21million linked fundraising across three of the VCTs it manages that focus on investing in management buyouts (MBOs) of established, profitable businesses.

Mark Wignall, CEO believes Matrix is well placed to benefit from improving investing conditions; making this offer an interesting and lower risk proposition for VCT investors: "A tried and tested investment strategy that focuses on management buyouts at the lower risk end of the market has put us in a very strong position. Our market coverage and strong deal flow enables us to invest in good businesses at good prices. At this lower point in the economic cycle company valuations have become more attractive, with positive signs that vendors want to sell believing that they won't get a better price if they wait another year or so. Also with the banks not participating in cash flow lending for smaller company mergers and acquisitions, management teams are increasingly looking to investors like Matrix for backing."

The launch follows the announcement last week of Matrix investing £5 million in the management buyout of RDL Corporation Ltd (RDL), the European recruitment provider within the pharmaceutical, business intelligence and IT sectors.

The linked offer is open for investments of between £5,000 and £200,000 to be split equally across three VCTs: Matrix Income & Growth VCT, Matrix Income & Growth 4 VCT and The Income & Growth VCT. The three VCTs provide access to a large combined asset pool of almost £100 million with a portfolio of over 50 companies. The VCTs' established portfolio offers a greater likelihood of a better dividend flow sooner.

Wignall believes that Matrix's generalist approach to investing, coupled with a focus on MBO transactions will make the issue an attractive proposition to investors. "The leading generalist VCTs will be popular this year because they can demonstrate good performance track records, significantly increased levels of tax free dividends and they actively manage their buy back and discount policies. Generalists are getting much better at ensuring that continuing and departing customers have a good experience with the product."

Matrix has a proven track record of investing successfully. Previous fundraisings for the three linked VCTs have provided returns for investors in excess of 10% pa.

Matrix is offering an incentive for 'early bird' investors of an extra 1.5% of shares for investors who choose to invest before 17 January 2011. The first of the three linked

VCTs in the Offer has also announced a dividend of 4 pence which these early investors will also be entitled to receive.

The Offer size is £21 million. Matrix has already received £1.4 million at launch that will be subscribed at the first allotment of shares in January.

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**Matrix Private Equity Partners LLP ['Matrix']**

Matrix is a leading VCT Manager in the UK and has a focus on MBO transactions. Matrix advises four Income & Growth VCTs with £120 million Funds under Management. Matrix is a stable, experienced team with an excellent record of realisations. In recent years, eight separate cash realisations have been achieved by Matrix, returning £41.5m, a 3.1 X multiple of the £13.3m cost. They are Holloway White Allom (5.2x), BBI (3.3x), Ministry of Cake (2.5x), Ruskin (3.0x), Apollo Lifts (3.0x), Gyro (3.0x), Tottel (4.0x) and Pasta King (3.2x).

Since 2004, Matrix has raised over £85m for its Income & Growth VCTs. Matrix Private Equity Partners LLP has 16 staff and is jointly owned by its management team and Matrix Group.

**Matrix Group**

Matrix Private Equity Partners LLP is part of Matrix Group, one of the most successful privately owned financial services businesses in the UK with around £4 billion of assets under management and more than 240 professionals employed across three divisions: asset management, investment banking and property. Since inception in 1987, Matrix has raised over £14 billion of assets for investments across these business areas.

**ASSET MANAGEMENT** Alternative Funds Cash Funds Investment Management Private Equity & VCT Services  
Specialised Finance

**INVESTMENT BANKING** Corporate Finance Equities  
Fixed Income  
Research  
Specialist Areas

**PROPERTY** Development Investment Management