Marwyn Value Investors Limited

Unaudited interim results for the six month period to 30 June 2014

Contents

Investment Objective

The investment objective of Marwyn Value Investors Limited (LSE: MVI) (the "Company") is to maximise total returns on its capital primarily through the capital appreciation of its investments.

The Company is listed on the Specialist Fund Market of the London Stock Exchange.

Investment Policy

The Company seeks to achieve its investment objective by investing up to 100% of its available capital into Marwyn Value Investors LP (the "Master Fund" or the "Fund") through the acquisition of limited partnership interests in the Master Fund. The capital of the Company's Ordinary share class is invested in Class F partnership interests of the Master Fund and the capital of the Company's B Ordinary share class is invested in Class B1 partnership interests of the Master Fund.

The Master Fund's investment strategy is to identify, support, invest in and work alongside experienced operational managers with strong and demonstrable track records for building and managing small and mid-cap UK, European and North American businesses, combining a mix of private equity and public market disciplines to create value.

In so far as it relates to the Ordinary shares, the Master Fund is permitted to make investments in new portfolio companies. The Master Fund may not make not make investments in new portfolio companies in relation to the B Ordinary shares.

The Manager

Marwyn Asset Management Limited (the "Manager"), the manager of the Master Fund, also acts as manager to the Company. The Manager is advised by Marwyn Investment Management LLP (the "Investment Adviser") in respect of both the Company and the Master Fund.

The Management Agreement between the Manager and the Master Fund allows for the investment strategies that the Manager may employ on behalf of the Master Fund to be in any securities, instruments, obligations, guarantees, derivative instrument or property of whatsoever nature in which the Master Fund is empowered to invest and as contemplated by the Investment Policy.

The Company does not pay a management fee or performance fee to the Manager in respect of the Company's investment in the Master Fund. The valuation of the Company's investment in the Master Fund takes into account the management fee and performance fee payable by the Master Fund that is applicable to the classes in which the Company invests.

Performance Summary

Key performance features for the six months ended 30 June 2014 are as follows:

Ordinary Shares

- The reported Net Asset Value ("NAV") of the Ordinary shares increased by 12.17% during the period, compared with an increase in value of the FTSE All Share Index (ex Investment Trusts) of 0.32% over the same period. The reported NAV has increased by 229.17% since inception, compared with an increase in value of the FTSE All Share Index (ex Investment Trusts) of 21.47% over the same period;

- The reported NAV figure includes a liquidity discount in respect of the investment in the Master Fund, as required by IFRS. The actual NAV stated by the Company in its NAV statement, which does not include a liquidity discount, increased by 12.46% over the period and has increased 275.17% since inception;

B Ordinary Shares

- The reported NAV of the B Ordinary shares decreased by 3.97% during the period. The reported NAV has decreased by 55.18% since inception.

- As with the Ordinary Shares, the reported NAV figure includes a liquidity discount as required by IFRS. The NAV for the B Ordinary shares stated by the Company in its NAV statement, which does not include a liquidity discount, decreased by 3.51% over the period and 51.60% since inception.

I am pleased to present to the shareholders the unaudited interim results of the Company for the six months ended 30 June 2014.

Ordinary shares

The operations of the Master Fund's underlying portfolio companies continued to perform well during 2014 and this has been reflected in the overall performance of the NAV, as detailed later in my report.

The Company has adopted a distribution policy which includes a return of capital pursuant to the new progressive distribution policy for holders of Ordinary shares. This will result in a minimum return of capital in January of each year. The first return of capital completed in January 2014 was equal to 8 pence per Ordinary share, effected by way of a partial cash redemption of the Ordinary shares. Further information regarding the annual return of capital is contained in Note 9 to these unaudited interim results.

A detailed review of the performance of the portfolio companies is set out in the Report of the Manager.

B Ordinary shares

The financial performance of the Master Fund's underlying portfolio companies related to the Company's B Ordinary share class has stabilised, having fallen behind their forecast figures in recent years. The share price of Fulcrum Utility Services Limited has increased by 8.7% over the period. We believe that there is potential for future growth in the NAV attributable to the B Ordinary shares over the remainder of the year. The performance of the of the B Ordinary shares is set out on the next page of my report.

A detailed review of the performance of the portfolio companies is set out in the Report of the Manager.

Discount

The Manager, together with the Board and the Investment Adviser, continues to monitor the discount of the share price to the Company's NAV in both share classes on a regular basis as we are committed to exploring, and where appropriate pursuing, every avenue in order to the narrow the discount.

As at 30 June 2014, before adjustment for the liquidity discount, the discount to NAV of the Ordinary Shares was 35.73% and of the B Ordinary Shares was 29.19%. The discounts, after adjustment for the liquidity discount, are 26.75% and 23.54% respectively.

New Applicable Legislation

Certain disclosures are required to be made to investors on an annual basis pursuant to the Codes of Practice for Alternative Investment Funds and AIF Services Business (the "Codes") as required under the licence held by the Manager. The Company's audited Financial Statements for the twelve months ended 31 December 2014 will include all relevant disclosures that would constitute an
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annual report in accordance with the Codes.

The Board has considered the requirements of the Foreign Account Tax Compliance Act ("FATCA") and associated jurisdictional requirements and has appointed the Manager as its Sponsor in this regard. The Manager will be responsible for ensuring ongoing compliance.

Master Fund Facility

As previously announced in June, the Master Fund has entered into a £45 million secured revolving credit facility with Credit Suisse ("Facility") to refinance its previous facility which was due to expire on 16 February 2015. The Facility is not allocated to any particular class of interests in the Master Fund and may be used to make investments for any class open for investment and for general corporate purposes. It has a three year term and is repayable in full at final maturity. Drawdown under the Facility is subject to certain covenants and other conditions precedent. The amount currently available for drawdown is approximately £18.8 million. Pursuant to the Facility, a commitment fee of 0.5 per cent. is payable on all undrawn amounts and interest at a rate of 3 month LIBOR plus 2 per cent. is payable on all drawn amounts.

Outlook

The Board believes that there is potential for further growth in the NAV of the Ordinary shares. The Board also believes that the Company offers a unique and attractive proposition for investing in actively managed investment opportunities and acquisition-led growth strategies in selected industries. Accordingly, the Board further believes that the Company is well placed to continue to deliver significant investment returns to Ordinary shareholders.

As noted in the Circular, the Board believes that the benefits of the recent restructuring of the Ordinary share class should enhance the appeal of the Company's Ordinary shares to investors and, accordingly, should attract market support for the shares over the medium to long term which should in turn lead to an improvement in the rating and liquidity of the Ordinary shares.

The Board is aware that the NAV and share price of the B Ordinary shares have not performed well in recent years. The Board, together with the Manager, will continue to explore ways to improve this performance

Performance of Ordinary shares – After liquidity adjustment

The NAV per Ordinary share of the Company (after liquidity adjustment) increased during the period by 27.7p to £2.556, an increase of 12.17%. As at 30 June 2014, the discount of the share price to NAV per share was 26.75%, an increase over the period from 19.9% as at 31 December 2013.

	NAV %	FTSE All Share (Ex - IT) %	FTSE Small Cap %	MSCI Europe Net (€) %
Period (to 30/06/2014)	+12.17%	-0.32%	+0.26%	+6.15%
Since inception [1] (1/3/2006 to 30/06/2014)	+229.17%	+21.47%	+24.41%	+31.56%

Performance of B Ordinary shares – After liquidity adjustment

The NAV per B Ordinary share of the Company (after liquidity adjustment) decreased during the period by 1.7p to £0.412, a decrease of 3.97%. As at 30 June 2014, the discount of the share price to the NAV was 23.54%, a decrease from the discount of 28.9% as at 31 December 2013.

	NAV %	FTSE All Share (Ex - IT) %	FTSE Small Cap %	MSCI Europe Net (€) %
Period (to 30/06/2014)	-3.97%	-0.32%	+0.26%	+6.15%
Since inception[2] (30/11/2009 to 30/06/2014)	-55.18%	+35.63%	+63.46%	+61.83%

The NAV figures presented above include a liquidity discount as required by IFRS whereas the comparative performance figures for the relevant indices are as published to the market. A reconciliation of the NAV reported per these financial statements in accordance with IFRS and the NAV reported by the Company in its NAV release for 30 June 2014 is provided in Note 7 to these financial statements.

Robert Ware
Chairman
29 August 2014

[1] Illustrative performance excludes issue costs and takes into account the performance of the respective share classes prior to the amalgamation and the impact of the amalgamation. If issue costs are taken into consideration the equivalent performance would be 212.7%.

[2] The calculation is based on capital raised before issue costs. If issue costs are taken into consideration the equivalent performance would be -58.8%.

DISCLAIMER

The report of the Manager ("Manager's Report") is issued by Marwyn Asset Management Limited (the "Manager") which has been registered as a fund service business provider under the Financial Services (Jersey) Law 1998 by the Jersey Financial Services Commission (the "Commission"), in connection with Marwyn Value Investors L.P. (the "Master Fund"), a limited partnership with one or more feeder vehicles at any time, including the listed feeder Marwyn Value Investors Limited (the "Company") whose shares are listed on the Specialist Fund Market of the London Stock Exchange. The Commission is protected by the Financial Services (Jersey) Law 1998 against liability arising from the discharge of its function under that law. This Manager's Report does not constitute a prospectus or offering document relating to the Master Fund or the Company, nor does it constitute or form part of any offer or invitation to purchase, sell or subscribe for, or any solicitation of any such offer to purchase, sell or subscribe for, any securities in the Master Fund or the Company (an "Investment") nor shall this Manager's Report or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

Persons who wish to make an Investment are reminded that any such Investment should only be made on the basis of the information contained in materials provided for that purpose for your consideration and not on the information contained in this Manager's Report. No reliance may be placed, for any purposes whatsoever, on the information contained in this Manager's Report or on its completeness and this Manager's Report should not be considered a recommendation by Marwyn Investment Management LLP, the Manager or any member of the Marwyn group or any of their respective advisers or affiliates, the Master Fund or the Company (the "Relevant Entities") in relation to an Investment. No representation or warranty, express or implied, is given by or on behalf of the Relevant Entities or any of their respective directors, partners, officers, employees, advisers or any other persons as to the accuracy, fairness or sufficiency of the information or opinions contained in this Manager's Report and none of the information contained in this Manager's Report has been independently verified by the Relevant Entities or any other person. Save in the case of fraud, no liability is accepted for any errors, omissions or inaccuracies in such information or opinions.

The distribution of this document in certain jurisdictions may be restricted by law and the persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This Manager's Report includes "forward-looking statements" which includes all statements other than statements of historical facts, including, without limitation, those regarding the Master Fund's and the Company's financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "believes", "estimates", "expects", "aims", "intends", "can", "may", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Master Fund's and the Company's control that could cause the actual results, performance or achievements of the Master Fund or the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Master Fund's and the Company's present and future business strategies and the environment in which the Master Fund or the Company will operate in the future. These forward-looking statements speak only as at the date of this Manager's Report.

Investing in the Company involves certain risks, as detailed in these Financial Statements, and as described more fully in the admission document published by the Company at the time of admission of its shares to trading on the Specialist Fund Market of the London Stock Exchange..

The Manager is pleased to present its 2014 interim report to the shareholders of the Company.

We manage both the Company and the Master Fund into which the Company invests all of its available capital. The review that follows refers to the portfolios of the Master Fund, in which the Company is invested, except where noted.

We have engaged Marwyn Investment Management LLP as the Investor Adviser to the Manager in relation to the Master Fund and the Company. We work very closely with the Investment Adviser in executing the investment strategy of the Fund.

What the Master Fund invests in

One of the founding principles of the Master Fund's investment strategy has been to focus on companies and sectors that allow mid-term profitability to be forecast with a reasonable degree of confidence given the resilience of the underlying revenue streams. The Master Fund is also attracted to situations where structural or regulatory changes within an industry are creating opportunities for established market-leading companies to create and capture value in new ways.

How the Master Fund invests

These investment criteria help to identify opportunities with potential, but it is management teams that ultimately deliver that value. There is the conviction to take a contrarian view and back a proven management team that has demonstrated a thorough understanding of how to create value within their sector.

The Investment Adviser works extremely closely with the management teams of the Master Fund's portfolio companies. The Investment Adviser's role is to act in support of management teams where appropriate, providing additional financial and advisory resources not ordinarily available to the portfolio companies.

The Manager believes this provides significant benefits to the portfolio companies and forms an integral part of the Manager's risk management process.

Investment performance

To date, the Master Fund's investee companies (both current and exited investments) have together delivered an average equity IRR to all investors (including the Master Fund and third party investors) of 25.4% on a total of approximately £1.2 billion of invested equity.

Ordinary shares

We are pleased with the performance of the Master Fund during the period. The performance has again demonstrated the resilience of an investment model that concentrates on working closely with management and adding operational value to our investee companies.

Global equity markets have experienced positive returns during the six month period to 30 June 2014, yet the NAV of the Master Fund has still significantly outperformed all of its comparative indices.

The Investment Adviser continues to evaluate new investment opportunities with a view to the Master Fund making new investments in due course.

B Ordinary shares

The performance of the Master Fund's underlying portfolio companies related to the Company's B Ordinary shares has stabilised, having fallen behind their forecast figures in recent years. The share price of Fulcrum Utility Services Limited has increased by 8.7% over the period. We believe that there is potential for future growth in the NAV attributable to the B Ordinary shares over the remainder of the year.

Allocation of Marwyn Value Investors Limited NAV by company

Based upon the Company's investments in the Master Fund, the Company's total NAV is broken down across the following companies in the following percentages as at 30 June 2014:

Ordinary Shares

Company	Ticker	Sector	% of NAV
Advanced Computer Software plc[3]	ASW LN	Healthcare Software	0.00%
Entertainment One Limited	ETO LN	Entertainment Rights	95.83%
Breedon Aggregates Limited	BREE LN	Construction Materials	24.29%
Marwyn Management Partners plc	MMP LN	Financial Services	0.23%
Silverdell plc (In Administration)	SID LN	Asbestos Services	0.00%
Other assets of the Master Fund			4.52%
Liabilities of the Master Fund			-24.87%
Net assets			**100.00%**

B Ordinary Shares

Company	Ticker	Sector	% of NAV
Fulcrum Utility Services Limited	FCRM LN	Support Services	70.65%
Paragon Entertainment Limited	PEL LN	Leisure and Entertainment	35.90%
Other assets of the Master Fund			5.73%
Liabilities of the Master Fund			-12.28%
Net assets			**100.00%**

[3] The Master Fund has retained an interest in ASW of 5 ordinary shares, with an aggregate market value as at 30 June 2014 of £5.75. Any proceeds from the sale of these shares will be donated to charity.

INVESTMENTS – ORDINARY SHARES

Company:	**Entertainment One Limited ("ETO")**
Sector:	**Entertainment Rights**
Ticker:	**ETO LN**
% ownership by the Master Fund:	**27.3%**

ETO is a leading international entertainment group incorporating international film distribution and independent television content production. ETO's international footprint covers Canada, the US, the UK, Australia, Benelux and Spain. Its global network is further extended with partnerships in France, Germany, Scandinavia, South Africa and South Korea.

Today, ETO has a market capitalisation close to £1.0bn and is a member of the FTSE 250. The business is still run by the same executive management team who led the business following the Master Fund's original investment in 2007 and the Master Fund remains the company's largest shareholder.

Alan Leighton was appointed a non-executive director and Chairman of ETO on 31 March 2014 with James Corsellis, a director of the Manager and a managing partner of the Investment Adviser, standing down as Chairman but remaining as a non-executive director of ETO.

Management Biographies:

Darren Throop (CEO) has over 20 years of executive management experience in the entertainment industry. Darren has been CEO of ETO since July 2003 and has been in the Group since 1999.

Giles Willits (CFO) joined the board of ETO in May 2007. He was formerly director of Group Finance at J Sainsbury plc from 2005 to 2007 and group corporate development director and interim group finance director at Woolworths Group plc.

Progress over the Period:

ETO announced its results for the financial year ended 31 March 2014. Revenue growth of 30% to £819.6m and underlying EBITDA growth of 48% to £92.3m reflected a strong overall performance of the Group including the impact of the first full year of the Alliance acquisition. However, analysts noted that pro-forma revenue at a constant currency grew by only 2% and investment in content contributed to negative free cash flow of £(24)m. The directors announced an inaugural dividend of 1p per share.

ETO acquired Phase 4 Films, a leading independent film and TV distributor based across Canada and the United States for C$27 million (71% cash, 29% shares). Phase 4 generated revenues of C$51.7 million (c.£28m) and PBT of C$4.1 million (£2.3m) in the year to March 2014.

On 23 July 2014 ETO released its interim management statement for the three month period to 30 June 2014. Group revenues were up 4% on a pro forma and constant currency basis. Film revenues were 4% lower than the same period in the prior year on a pro forma basis reflecting the timing of releases and phasing of production deliveries. Television revenues were up 67% on a constant currency basis over the comparative period, driven by increased content delivery and strong licensing revenues. Full year earnings remain in line with management expectations.

Investment Performance:

During the six month period to 30 June 2014, ETO's share price increased from 259.2p to 310.0p, an increase of 19.6%.

Company: **Breedon Aggregates Limited ("BREE")**
Sector: **Building Materials**
Ticker: **BREE LN**
% ownership by the Master Fund : **14.4%**

BREE is now the largest independent aggregates business in the UK with a market capitalisation of approximately £400m. The business operates across Central England, East Anglia, Eastern England and Scotland, supplying a wide range of products and services to the construction sector.

BREE is still led by the same executive management team with whom the Investment Adviser launched the company in 2008 and as at the end of the period the Master Fund was the second largest shareholder with c.14% of the shares in issue.

Management Biographies:

Peter Tom CBE (Chairman) has more than 50 years' experience in the aggregates industry, latterly as CEO of Aggregate Industries plc and Holcim.

Simon Vivian (Group Chief Executive) has over 20 years' experience in aggregates and construction, most recently as CEO of Mowlem plc where he negotiated the takeover of Mowlem by Carillion plc in 2005.

Progress over the Period:

Following the acquisition of Aggregate Industries' northern Scottish operations at the end of April 2013, the Office of Fair Trading ("OFT") conducted a review of the transaction and subsequently referred the acquisition to the Competition Commission ("CC"). The CC published their findings on 6 February 2014, following which BREE entered into discussions with them regarding the required remedies which were to be agreed between the parties by the end of April 2014. The Board of BREE believes that the overall impact of the anticipated remedies is not significant to the value of the acquisition.

On 9 April 2014, BREE released an announcement noting the final report of the CC which confirmed their provisional findings that BREE would be required to dispose of a ready-mixed concrete plant in the Peterhead area and an asphalt plant in the Aberdeen area, and to give undertakings in respect of its asphalt plants in the Inverness area. BREE confirmed their intention to work with the CC to finalise the terms of these divestments and undertakings with the intention of reaching agreement as quickly as possible in order that it can expedite the sale of the assets concerned and intends to pursue the full integration of the remaining operations with its existing business in Scotland and expects to deliver synergy benefits during 2014.

The macroeconomic background for BREE's industry is better than it has been for some years with UK GDP forecast to grow by 2.7% in 2014. The outlook for the UK construction market is robust for 2014 and 2015 and BREE expect the improved market conditions to allow some cost recovery through increased pricing.

BREE announced its full year results to 31 December 2013, reporting figures ahead of market expectations. Revenue was up 29.5% to £224.5m, underlying EBITDA up 40.1% to £28.3m at an improved margin of 12.6% and EPS up 67.2% to 1.12p. The company further reported that sales volumes across all products on a like-for-like basis were significantly ahead of the prior year – aggregates up by 12%, asphalt up by 11% and concrete up by 11% (all ahead of industry MPA figures). Management commented that the business continues to seek acquisition opportunities and is in on-going discussions with a number of parties. Demand in core markets is also set to increase during 2014 with government infrastructure spending plans and a strong recovery in the housing market.

Breedon released a trading update in advance of its AGM. Management reported that trading in the first quarter had been helped by generally mild weather conditions and the contribution from assets acquired from Aggregate Industries and Marshalls last year. Management remains optimistic about the outlook for the construction industry in 2014 and is confident of performing in line with market expectations.

On 2 June 2014, BREE announced the acquisition of Huntsman's Quarries, an aggregates company based in the North Cotswolds, for a cash consideration of £15m. The consideration will be funded from BREE's existing facilities, and the company will also assume £2m of Huntsman's debt. The acquisition includes a limestone quarry and ready-mixed concrete plant in Naunton, a ready-mixed concrete plant at Evesham and three mothballed quarries. The acquired business generated approximately £8m of revenue and £2m of EBITDA in 2013, representing an historical EV/EBITDA multiple of c.8.5x. The acquisition gives BREE access to the affluent and buoyant Cotswolds market and a new presence in the north Worcestershire concrete market.

BREE announced on 3rd June 2014 that its associate company, BEAR Scotland Ltd, had been awarded the road maintenance contract for the North East of Scotland for a further six years, with a possible two year extension. BEAR has held the North East contract since 2001, which includes responsibility for overseeing the maintenance of 613 miles of trunk roads. BREE is a major supplier of aggregates, asphalt and contract surfacing to BEAR.

Investment Performance:

During the six month period to 30 June 2014, BREE's share price increased from 40.0p to 40.13p, an increase of 0.3%.

Company:	**Marwyn Management Partners plc (“MMP”)**
Sector:	**Financial Services**
Ticker:	**MMP LN**
% ownership by the Master Fund:	**22.1%**

MMP is a holding company listed on AIM, a market of the London Stock Exchange, established to acquire interests in one or more operating companies or businesses. The Master Fund is MMP’s largest shareholder with a 87.7% stake following the debt for equity swap and placing in July, as detailed below.

During 2014 MMP has restructured its operations following the evaluation of strategic and financing options for the group. The aim of this restructuring has been to recapitalise the group and enable MMP to focus on the development opportunities for its Le Chameau business which the Board of MMP believes can generate long-term value for all of its shareholders. As part of the restructuring MMP sold its investment in Metropolitan European Transport, cancelled the listing of MMP’s Ordinary shares on the standard segment of the Official List and has had its Ordinary shares admitted to AIM. Further information regarding these transactions are contained below.

Mark Watts and James Corsellis, are directors of MMP as well as being non-executive directors of the Manager and partners in the Investment Adviser.

MMP completed the acquisition of Le Chameau, the French premium rubber boot company, in October 2012. Le Chameau represents an opportunity to develop a global footwear brand, built upon its unique 85 year heritage and handmade products. The business continues to make considerable progress across key components of its strategy, including product development, distribution, marketing and the UK market, which is a key immediate priority for the business.

MMP Strategy

During the period MMP reached an agreement with the Master Fund to swap the total outstanding debt provided by MVI LP, amounting to approximately £12.0 million, for Ordinary shares in MMP, at a price of 4.25 pence per Ordinary share (the ''Debt for Equity Swap''). The MMP Board proposed a placing of at least £5 million of Ordinary shares also at 4.25 pence per Ordinary share to provide additional working capital to the group (the ''Placing'').

The Debt for Equity Swap, the Placing and the admission of MMP’s Ordinary shares to trading on AIM completed on 12 July 2014.

While the current focus of the MMP Group is on developing Le Chameau, MMP will continue to assess new acquisition opportunities where the MMP Board believes that the opportunity exists to increase shareholder value and if it is able to identify experienced management teams with proven sector experience.

Sale of MET

In June 2014 MMP sold its stake in Metropolitan European Transport (“MET”) to a consortium led by the management team. The terms of the sale included nominal initial consideration followed by an earn-out of up to €3.25m based on receipt of additional investment into the MET group or material disposals within 24 months from the date of the sale of MET by MMP. In addition, MMP agreed to provide a 24 month €0.4m vendor loan note to finance short term working capital.

Performance:

During the six month period to 30 June 2014, MMP’s share price decreased from 8.75p to 4.25p, a fall of 51.4%.

Company: **Silverdell plc (“SID”)**
Sector: **Asbestos Services**
Ticker: **SID LN**
% ownership by the Master Fund: **18.1%**

Further to the information provided in the Report of the Manager contained in the Company’s audited financial statements for the year ended 31 December 2013, SID has appointed an administrator to wind down its operations. Due to the outstanding debts of SID the Manager does not anticipate that the Master Fund will receive any return for the shares it holds. As previously advised, the Master Fund wrote down the value of its investment in SID to zero in early December 2013.

INVESTMENTS – B ORDINARY SHARES

Company: **Fulcrum Utility Services Limited (“FCRM”)**
Sector: **Support Services**
Ticker: **FCRM LN**
% ownership by the Master Fund: **13.2%**

FCRM is an independent gas transportation and connections business, which until July 2010 was a subsidiary of National Grid plc. At the time of acquisition the business was significantly loss-making. Under new management, the business is undertaking a turnaround strategy to return to revenue growth and profitability.

Management Biographies:

Martin Donnachie (CEO) was appointed as Interim CEO in May 2013 following the departure of John Spellman and was subsequently appointed as permanent CEO in October 2013. Martin has considerable experience gained from a range of interim leadership roles and, prior to that, 12 years of experience in the house building and construction services sectors, most recently with George Wimpey plc and Rok plc.

Philip Holder (Chairman) has over 30 years’ experience in the utilities sector, latterly as Managing Director of East Surrey Holdings, the water and gas utilities business and as an Operational Adviser for JO Hambro Capital Management Group which manages the Trident Private Equity funds.

Progress over the Period:

On 3 June 2014, FCRM announced preliminary results for the year ended 31 March 2014 in line with market expectations and the resignation of Mark Watts as a non-executive director. The business reported revenue of £38.3m for the year (down 1.2% from the prior year) and underlying EBITDA of £0.6m (down from £1.3m on the prior year). Administrative expenses were reduced by 22.6% from the prior year to £10.2m, and the sale of pipeline assets contributed towards a closing net cash position of £4.9m.

Management commented that the business was now in a robust position and well-positioned to take advantage of substantial growth opportunities from a reinvigorated housing market, a developing multi-utility offering and enhancements to the company’s web-based sales channel.

Investment Performance:

During the six month period to 30 June 2014, FCRM’s share price increased from 7.13p to 7.75p, a rise of 8.7%.

Company: **Paragon Entertainment Limited ("PEL")**
Sector: **Leisure & Entertainment**
Ticker: **PEL LN**
% ownership by the Master Fund: **10.7%**

PEL is a visitor attraction design, production and fit-out business working with a broad range of customers including museums, theme parks, shopping malls, retail and corporate clients.

Management Biography:

Mark Pyrah (CEO) has over 20 years' experience working in the entertainment industry including film and media, theming and attractions and has spent three years as the UK director of the Themed Entertainment Association. Mark originally developed Paragon Creative into a market leading theming business with an extensive global client base.

Progress over the Period:

PEL now has three clearly defined business divisions: Creative; Attractions; and Leisure and Licencing. The Creative division designs and builds attractions for operators of theme parks, museums and attractions and this division forms the majority of the PEL Group's results. The Attractions division builds and operates attractions for the PEL Group and opened its first attraction in Westfield's Merry Hill in November 2012. This division continues to implement a number of strategies to refine its existing offering with the aim of achieving profitability in 2014. Leisure and Licencing has been created since 31 December 2013 to capitalise on the worldwide appeal of certain IP rights to themed attractions such as Nerf, YuKids and HiLo. The Board of PEL believes that Leisure and Licencing has demonstrated good potential with its existing IP deals and that the new structure will allow for greater focus to develop this area of the business.

During the period PEL announced the completion of its £7m flagship design and build project for the Olympic Museum in Lausanne, both on time and within budget.

On 10 February 2014, PEL provided a trading update for the 12 month period to 31 December 2013 noting a strong H2 performance in line with expectations, a revenue increase by c.60% on the prior year from £6.1m to £10.0m, that EBITDA is in line with expectations of £0.6m, a robust balance sheet with cash at year end of c.£930k and debt free.

The Creative division of PEL forms the majority of the Group's results and had a very strong performance, with work successfully completed on over 20 major projects plus a number of smaller ones. The Group reported that there is a strong pipeline of orders going into 2014/15, and an order book of £10.2m.

During February 2014 Martin Barratt joined the Board as a non-executive Director. Martin has over 25 years of management, operational and development experience in the attractions industry, with hands on experience developing and running a variety of visitor attraction businesses from museums to theme parks.

PEL announced that it has entered into an agreement with Dubai-based Incorp Group for representation in the GCC (Gulf Cooperative Council). PEL is expected to benefit from improved access to businesses, materials and licenses in the region. In turn, PEL will provide marketing and design and build services to Incorp.

Investment Performance:

During the six month period to 30 June 2014, PEL's share price decreased from 4.75p to 4.0p, a fall of 15.8%.

Directors' Responsibilities

The directors are responsible for preparing the unaudited interim results in accordance with applicable law and IAS 34 'Interim Financial Reporting'.

We confirm to the best of our knowledge that:

- The interim report gives a true and fair view of the assets, liabilities and financial position at 30 June 2014 and total comprehensive income for the period then ended; and

- The information contained in the interim report includes:
  - a fair review of important events that have occurred during the period and their impact on the unaudited interim results as required by DTR4.2.7; and
  - a fair review of related party transactions that have taken place during the period that have had a material effect on the financial position or performance of the Company, together with disclosure of any changes in related party transactions in the last annual financial statements that have had a material effect on the financial position or performance of the Company in the current period as required by DTR4.2.8.

By order of the Board

Robert Ware
Chairman

29 August 2014

For the period ended 30 June 2014 (unaudited)

	Notes	For the six month period ended 30 June 2014 £	For the six month period ended 30 June 2013 £
INCOME			
Interest income		90	131
Net gain on financial assets at fair value through profit or loss	5	18,320,068	15,345,688
TOTAL NET INCOME		18,320,158	15,345,819
EXPENSES			
Bank charges		17	22
Loan interest		73	109
TOTAL OPERATING EXPENSES		90	131
PROFIT FOR THE PERIOD		18,320,068	15,345,688
TOTAL COMPREHENSIVE INCOME/(EXPENSE)		18,320,068	15,345,688
RETURNS PER SHARE			
Attributable to holders of Ordinary shares		18,405,379	16,680,414
Ordinary shares in issue at 30 June	9	64,065,256	66,106,473
Return per Ordinary share - Basic and diluted		28.73p	25.23p
Attributable to holders of B Ordinary shares		(85,311)	(1,334,726)
B Ordinary shares in issue at 30 June	9	5,008,870	5,008,870
Return per B Ordinary share - Basic and diluted		(1.70p)	(26.65p)

These condensed interim results are unaudited and are not the Company's statutory financial statements.

All items in the above statement derive from continuing operations. There was no other comprehensive income in the period.

The notes 1 to 15 form an integral part of these unaudited interim results.

At 30 June 2014 (unaudited)

	Notes	30 June 2014 (unaudited) £	31 December 2013 (audited) £
NON CURRENT ASSETS			
Financial assets at fair value through profit or loss	5	165,841,255	152,809,664
CURRENT ASSETS			
Cash and cash equivalents		264,042	263,969
TOTAL ASSETS		166,105,297	153,073,633
CURRENT LIABILITIES			
Loan payable	6	(250,000)	(250,000)
Accruals		(14,042)	(13,969)
TOTAL LIABILITIES		(264,042)	(263,969)
NET ASSETS ATTRIBUTABLE TO EQUITY HOLDERS		165,841,255	152,809,664
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital	9	85	87
Share premium		47,032,446	48,384,287
Special distributable reserve		26,346,979	26,346,979
Exchange reserve		54,386	54,386
Capital reserve		93,640,219	82,293,087
Revenue reserve		(1,232,860)	(4,269,162)
TOTAL EQUITY		165,841,255	152,809,664

Net assets attributable to Ordinary shares	5	163,777,758	150,660,857
Ordinary shares in issue at 30 June	9	64,065,256	66,106,473
Net assets per Ordinary share	7	255.64p	227.91p
Net assets attributable to B Ordinary shares	5	2,063,497	2,148,807
B Ordinary shares in issue at 30 June	9	5,008,870	5,008,870
Return per B Ordinary share - Basic and diluted	7	41.20p	42.90p

These condensed interim results are unaudited and are not the Company's statutory financial statements.

The notes 1 to 15 form an integral part of these unaudited interim results.

For the year ended 30 June 2014 (unaudited)

	Notes	For the six month period to 30 June 2014 £	For the six month period to 30 June 2013 £
Cash flows from operating activities			
Interest received		90	131
Bank charges paid		(17)	(22)
Cash received on redemption of interests in MVI LP		5,288,479	-
Net cash inflow from operating activities	8	5,288,552	109
Cash flows from capital transactions			
Cash paid to investors on partial redemption of Ordinary shares	9	(5,288,479)	-
Net cash flow from capital transactions		(5,288,479)	-
Net increase in cash and cash equivalents		73	109
Cash and cash equivalents at the beginning of the period		263,969	263,743
Cash and cash equivalents at the end of the period		264,042	263,852

These condensed interim results are unaudited and are not the Company's statutory financial statements.

The notes 1 to 15 form an integral part of these unaudited interim results.

For the period ended 30 June 2014

	Share capital	Share premium	Special distributable reserve	Exchange reserve	Capital reserve	Revenue reserve	Total
	£	£	£	£	£	£	£
Opening balance	87	48,384,287	26,346,979	54,386	82,293,087	(4,269,162)	152,809,664
Redemptions (note 9)	(2)	(1,351,841)	-	-	(3,936,635)	-	(5,288,478)
Result for the period	-	-	-	-	15,283,767	3,036,302	18,320,068
Closing Balance	85	47,032,446	26,346,979	54,386	93,640,219	(1,232,860)	165,841,255

For the year ended 31 December 2013

	Share capital	Share premium	Special distributable reserve	Exchange reserve	Capital reserve	Revenue reserve	Total
	£	£	£	£	£	£	£
Opening balance	87	48,384,287	26,346,979	54,386	43,276,573	(4,269,162)	113,793,150
Result for the year	-	-	-	-	39,016,514	-	39,016,514
Closing Balance	87	48,384,287	26,346,979	54,386	82,293,087	(4,269,162)	152,809,664

These condensed interim results are unaudited and are not the Company’s statutory financial statements.

The notes 1 to 15 form an integral part of these unaudited interim results.

1. General information

Marwyn Value Investors Limited is a closed-ended investment fund registered by way of continuation in the Cayman Islands (registered number MC-228005). The rights of the shareholders are governed by Cayman Islands law and may differ from the rights and duties owed to shareholders in a UK incorporated company. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

These unaudited interim results, which have not been reviewed by an independent auditor, have been prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting*. They do not include all the required information for full financial statements and should be read in conjunction with the Company's financial statements for the year ended 31 December 2013.

The unaudited interim results were authorised for issue by the Board of Directors (the "Board") on 29 August 2014.

2. Accounting policies

The accounting policies applied in these unaudited interim results are the same as those applied in the Company's financial statements for the year ended 31 December 2013.

2.1 New standards, amendments and interpretations

A number of new standards, amendments and interpretations are effective for annual periods beginning after 1 January 2014. None of these have had a significant effect of the financial statements of the Company.

3. Segment reporting

The Company is organised and operates as one segment by allocating its assets to investment funds managed by managers, which are not actively traded.

4. Critical accounting estimates and judgements

The Company makes estimates, judgements and assumptions that affect the reported amounts of assets and liabilities. Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The fair value of the investments held in the Master Fund is determined by the Directors on the basis of the NAV of the Master Fund as provided by the Master Fund administrator at the period end, adjusted for a liquidity discount. The liquidity discount involves making significant estimates, judgements and assumptions. It has been further explained in note 5.

The significant judgements made by the Directors in applying the accounting policies and the key sources of estimation uncertainty were made using the same approach as those applied to the financial statements for the year ended 31 December 2013.

5. Financial assets at fair value through profit or loss

As at 30 June 2014, 100% (2013: 100%) of the financial assets at fair value through profit or loss relate to the Company's investment in the Master Fund that has been fair valued in accordance with policies set out herein. The limited partnership interests in the Master Fund are not publicly traded; redemptions can only be made by the Company subject to the requirements specified in the offering document and pursuant to the terms of the distribution policy adopted on 19 November 2013 as detailed in the circular sent to shareholders on 1 November 2013 (the "Circular"). The offering document and the Circular are both available on the Company's website. As detailed in this note 5, a redemption of interests in the Master Fund was made in the period in order to fund the January 2014 return to Ordinary shareholders as discussed in note 9.

The fair value of the investment in the Master Fund is based on the latest available valuation price reported by the administrator of the Master Fund adjusted for a liquidity discount which is discussed in detail below.

As a result, the carrying value of the Master Fund may not be indicative of the value ultimately realised on redemption. In addition, the Company may be materially affected by the actions of other investors who have invested in the portfolio companies in which the Master Fund has invested.

5. Financial assets at fair value through profit or loss - continued

Net Asset Value – investment movements

	30 June 2014	31 December 2013
Marwyn Value Investors L.P.	£	£
Opening cost	77,776,366	77,776,366
Redemption relating to the January return to Ordinary shareholders	(2,252,177)	-
	75,524,189	77,776,366
Unrealised gain brought forward	95,804,635	49,691,118
Movement in unrealised gain	17,566,409	46,113,517
Unrealised gain carried forward	113,371,044	95,804,635
Net asset value per Master Fund administrator	**188,895,233**	**173,581,001**
Class F	186,667,121	171,271,677
Class B1	2,228,112	2,309,324
Net asset value per Master Fund administrator	**188,895,233**	**173,581,001**
Fair value adjustment - liquidity discount	(23,053,978)	(20,771,336)
At fair value in accordance with IFRS 13	**165,841,255**	**152,809,664**
Class F	163,777,758	150,660,857
Class B1	2,063,497	2,148,807
At fair value in accordance with IFRS 13	**165,841,255**	**152,809,664**
Net gain recognised in the statement of comprehensive income	**18,320,068**	**39,016,514**

The net gain on financial assets at fair value through profit or loss reported in the Statement of Comprehensive Income consists of the movement in both the unrealised gain and the fair value adjustment – liquidity discount.

In order to effect the partial redemption of Ordinary shares as detailed in note 9, the Company redeemed interests in the Master Fund to the value of £5,288,479. A realised gain of £3,036,302 is included within net gain on financial assets at fair value through profit or loss and has been taken to the Revenue reserve in the condensed statement of changes in net assets attributable to equity holders of the Company.

No shareholders exchanged into or out of the B Ordinary shares during the period.

The Company holds 100% of the Class F interests which represent 69.18% of the net asset value of the Master Fund and 100% of the Class B1 interests which represents 0.83% of the net asset value of the Master Fund. As the Company has no control over the Master Fund's activities and has no voting power in its affairs, the Master Fund is not considered to be a subsidiary.

Fair value adjustments for IFRS purposes

The fair value of investments in the Master Fund, which are not quoted in an active market, is determined primarily by reference to the latest NAV, as determined by the administrator of the Master Fund. The Company may make adjustments to the reported NAV based on considerations such as (i) the liquidity of the Master Fund or its underlying investments, (ii) the value date of the NAV provided, (iii) any restrictions on redemptions, and (iv) the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the Master Fund's advisers.

Some of the inputs to these models may not be market observable and are therefore based on assumptions. The output of a model is always an estimate or an approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the investment in the Master Fund. The carrying value of the Master Fund may be materially different to the values ultimately realised on redemption.

The fair value of the investments recorded in the above table includes a fair value adjustment for a liquidity discount. The liquidity discount encompasses estimates of the expected dates upon which realisations are made by the Master Fund and received by the Company from the Master Fund and a judgement of the appropriate discount rate which best reflects the timing of shareholders' expected returns. The approach taken to quantify the liquidity discount to be applied at 30 June 2014 is consistent with the approach taken at 31 December 2013.

6. Loan payable

The Master Fund has made a loan to the Company of £250,000 (2012: £250,000) for which the Company pays interest received on the corresponding cash amount held. The loan will be repaid by set-off on the date that all of the Company's interests in the Master Fund are redeemed. As a cash balance is held to the value of the loan payable and all interest earned on the cash balance is added to the amount payable, the effect of discounting is not material to the cash flows or balance sheet position.

7. Reconciliation of NAV per share per financial statements to reported NAV per share

The following table reconciles the NAV per share as reported by the Company and the NAV per share reported in these financial statements.

	Ordinary shares £	B Ordinary shares £
Net asset value per financial statements	163,777,758	2,063,497
IFRS fair value adjustment - Liquidity discount (as described in note 5)	22,889,363	164,615
Net asset value used in reported NAV per share	186,667,121	2,228,112
Shares in issue at 30 June 2014	64,065,256	5,008,870
Net asset value per share per financial statements	255.64p	41.20p
Net asset value per share per reported NAV	291.37p	44.48p

8. Reconciliation of net profit for the year to net cash outflow from operating activities

	30 June 2014 £	30 June 2013 £
Profit for the period	18,320,068	15,345,688
(Gain) on investments held at fair value through profit or loss	(18,320,068)	(15,345,688)
Proceeds on redemption of interests in the Master Fund	5,288,479	-
Increase in accruals	73	109
Net cash inflow from operating activities	5,288,552	109

9. Share capital and distributions

On 13 January 2014, the Company completed its first return of capital pursuant to the new progressive distribution policy for holders of Ordinary shares equal to 8 pence per Ordinary share which equated to a value of £5,288,479. Following a partial redemption of the Company's interests in Class F of the Master Fund to the value of £5,288,479 the distribution to Ordinary shareholders was effected by way of a partial redemption of 2,041,217 Ordinary shares which were subsequently cancelled. As required by IAS32, this has been reflected through the statement of changes in equity and the net redemption cost is included in the redemption reserve.

Accordingly, the issued share capital of the Company is as follows:

	At 31 December 2013	Redemption	At 30 June 2014	£
Ordinary shares	66,106,473	(2,041,217)	64,065,256	64
B Ordinary shares	5,008,870		5,008,870	5
Exchange shares	16,050,000		16,050,000	16
				85

10. Instruments and associated risks

The Company invests substantially all its assets in the Master Fund, which is exposed to market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk arising from financial instruments it holds.

As at 30 June 2014, the Company owned 70.01% (31 December 2013: 71.21%) of the net assets of Master Fund. There has been no significant change in the risks associated with the Company's investment.

11. Material contracts and related-party transactions

In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no ultimate controlling party.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, or the parties are under common control or influence, in making financial or operational decisions.

Under the Management Agreement dated 29 November 2013, Marwyn Asset Management Limited, the Manager shall not receive any fees from the Company to the extent that it invests its assets only in the Master Fund. In respect of any assets of the Company not invested in the Master Fund, the Manager shall receive aggregate performance and management fees on the same basis as those to which it would have been entitled if such assets had been those of the Master Fund. The Company has not made any such investments during the six months to 30 June 2014 and as such no fees were paid by the Company or payable at the year end (2013: Nil).

Under the Master Fund Management Agreement, the Manager will receive monthly management fees from the Master Fund not exceeding 2% per annum of the NAV of each class of share in the Master Fund, payable monthly in arrears. The total management fee expense and payable by the Master Fund for the period ended 30 June 2014 was £2,432,239 (30 June 2013: £1,691,314). The Manager is also entitled to reimbursement of certain expenses incurred by it in connection with its duties.

During the period to 30 June 2014, the Investment Adviser to the Manager, Marwyn Investment Management LLP earned a fee of £2,066,619 for providing investment advisory services (30 June 2013: £1,437,617 for investment management fees).

The incentive allocation to be borne by the Class F and B1 Interests in the Master Fund will only be payable on Returns being made, however, in relation to Class F Interests, there are provisions allowing for the acceleration of incentive fee payments due to retired partners (subject to performance criteria being met). For these purposes "Returns" shall mean any distribution, dividend or return of capital by the Master Fund to holders of the Class F and B1 Interests (either directly or indirectly through the Company) and purchases of Ordinary shares by the Company or the Master Fund (which are subsequently cancelled through the Exchange procedure or otherwise).

The incentive allocation recognised by the Master Fund relating to the Ordinary shares in the Company for the period ended 30 June 2014 was £5,341,605 (30 June 2013: £4,005,088). The total incentive fee accrued as at 30 June 2014 amounted to £40,679,885 (30 June 2013: £26,182,891).

There has been no incentive allocation recognised by the Master Fund relating to the B Ordinary shares in the Company for the period ended 30 June 2014 (2013: nil).

As noted in the 31 December 2013 financial statements, investors can assess remuneration and incentives by reference to the disclosure of the basis of calculation of the incentive fee which was made in the Circular dated 1 November 2013 in relation to the Company's investment in Class F of the Master Fund, and the Registration Documents issued in 2009 in relation to the Company's investment in Class B1 of the Master Fund. Both documents are available on the Company's website.

(b) Administration fee

The administration is carried out by Fund Corporation of the Channel Islands Limited with outsourced administration and exchange administration services provided by Axio Capital Solutions Limited. Fund Corporation of the Channel Islands Limited and Axio Capital Solutions Limited are considered related parties.

Fund Corporation is paid an annual fee of £5,000 (2013: £5,000) and Axio Capital Solutions Limited is paid an annual fee of £30,000 (2013: £30,000) for the administration of the Ordinary shares and £15,000 (2013: £15,000) for the administration of the B Ordinary shares, monthly in arrears. Axio also receives an exchange administration fee of £5,000 (2013: £5,000) for each series of Ordinary shares, payable six monthly in arrears. The administrator is entitled to reimbursement of certain expenses incurred by it in connection with its duties. These fees continue to be paid by the Master Fund as they were in 2012.

(c) Board of Directors' remuneration

Director fees are paid by the Master Fund. The directors of the Company received the following annual fees:

	Annual Fee	Payable from 1 January 2014 to 30 June 2014
Robert Ware[1]	£30,000	£15,000
Paul Everitt	£40,000	£20,000
Ronald Hobbs	£40,000	£20,000
Louisa Bonney	£40,000	£20,000

[1] As at 30 June 2014, Robert Ware owned 444,550 Ordinary shares in the Company.

All Directors are entitled to receive reimbursement for all travel and other costs incurred as a direct result of carrying out their duties as Directors.

12. Capital Management Policies and Procedures

The Company's capital management objectives are to ensure that it will be able to continue as a going concern and to maximise capital return to its equity shareholders.

The Board, with the assistance of the Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. The Company's objectives, policies and processes for managing capital remain unchanged from the previous year.

13. Ordinary shares - by series

The Company has issued two series of Ordinary shares, the proceeds of which have been invested in two separate classes of the Master Fund. Distributions on each series of Ordinary shares may only be paid from proceeds received from the corresponding class of interests in the Master Fund. The surplus capital and assets of the Company will on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) be paid to the holders of each series of the Ordinary shares pro rata to their holding of such Ordinary shares out of the proceeds of the corresponding class of interests in the Master Fund. The information on the following three pages sets out the risks applicable to those two series of Ordinary shares in issue.

14. Commitments and contingent liabilities

There were no commitments or contingent liabilities outstanding at 30 June 2014, or 30 June 2013 that require disclosure or adjustment in these financial statements.

15. Subsequent events

There were no material events after the 30 June 2014 that required disclosure in these unaudited interim results.

Risks applicable to investing in the Company and the Master Fund

Past performance

The past performance of the Company, Manager and Investment Adviser may not be indicative of future performance.

Dependence on key individuals

The success of the Company and the Master Fund depends upon the ability of the Manager and Investment Adviser to develop and implement investment strategies that achieve the Master Fund's investment objective. If the Manager or Investment Adviser were to become unable to participate in the investment management of the Master Fund, the consequence for the Company and the Master Fund would be material and adverse and could lead to the premature winding-up of the Company and/or Master Fund.

Terrorist action

There is a risk of terrorist attacks in Europe and elsewhere causing significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

Exchange Administrator's consent required to utilise the Exchange Procedure

Use of the Exchange Procedure is at the sole and absolute discretion of the General Partner of the Master Fund who has delegated that authority to the Exchange Administrator. The Exchange Administrator may refuse consent to a proposed exchange for any reason or no reason and is not required to give any reasons for such a refusal. The Exchange Notice which will be required to be completed and delivered by any investor wishing to effect an Exchange includes certain warranties and representations which are required to be made by such investors. Investors who are unable to make such warranties and representations or for whom the Exchange Administrator refuses to give consent will be unable to effect an Exchange.

The Exchange Procedure is only available for investors in B Ordinary shares.

Handling of mail

Mail addressed to the Company and/or the Master Fund and received at their respective registered offices will be forwarded unopened to the administrator or Master Fund administrator as the case may be, to be dealt with. None of the Company, the Master Fund, the General Partner or any of its or their directors, officers, or service providers will bear any responsibility for any delay howsoever caused in mail reaching the Company's administrator or Master Fund administrator as the case may be.

Net asset value considerations

The net asset value per share of both the Master Fund and the Company is expected to fluctuate over time with the performance of the Master Fund's and/or Company's investments. A shareholder may not fully recover his initial investment when he chooses to redeem his shares or upon compulsory redemption if the net asset value per share of the relevant class of shares at the time of such redemption is less than the subscription price or purchase price paid by that shareholder.

In addition, where in relation to the calculation of the net asset value there is any conflict between IFRS and the valuation principles set out in the Articles and any Admission document(s) in relation to the Company or US GAAP, and the valuation principles set out in the limited partnership agreement of the Master Fund or its offering memorandum in the case of the Master Fund, the latter principles shall take precedence.

Gearing

The Master Fund has in place a loan facility which may be drawn down as deemed appropriate to fund working capital and/or investment opportunities. In the event that the Master Fund does draw down on this facility, the Company will be exposed to this borrowing through its investment in Class F interests. Whilst borrowings may enhance the net asset value of the Class F interests and therefore the net asset value of the Company when the value of investments attributable to Class F is rising. It will, however, have the opposite effect where the underlying asset value is falling. The Master Fund will pay interest on its borrowings and will therefore be exposed to interest rate risk due to fluctuations in the prevailing market rates. The facility contains certain covenants typical for a revolving credit facility which, if breached, could accelerate its repayment and require investments to be sold immediately to avoid default. There is no guarantee that any borrowings of the Master Fund will be refinanced on their maturity either on terms which are acceptable to the Master Fund or at all.

Risks applicable to investments in the Company

Sole purpose

The Company has been established with the sole purpose of investing in the Master Fund. The success of the Company therefore depends on the success of the Master Fund and its ability to successfully implement its investment strategy. Identification and exploitation of the investment strategies to be pursued by the Master Fund involve a high degree of uncertainty.

Limited redemption rights

The Company has no right of redemption in relation to the Class F Interests or Class B1 Interests. Returns relating to Class F will be in accordance with the distribution policy adopted on 19 November 2013.

Directors

The Company is highly dependent on the expertise and continued service of the Directors. These individuals could terminate their agreements for service or service contracts at any time, and their loss may have an adverse effect on the Company's business. Furthermore, the ability to attract and retain individuals may be critical to the Company's ongoing business. The failure to attract and retain such individuals may adversely affect the Company's operations and performance.

Cayman Islands registration

The Company is registered in the Cayman Islands. As a result, the rights of the shareholders are governed by the laws of the Cayman Islands and the Articles. The rights of shareholders under Cayman Islands law may differ from the rights of shareholders of companies incorporated in other jurisdictions and the enforcement of such rights may involve different considerations and may be more difficult than would be the case if the Company had been incorporated in England and Wales or the jurisdiction of a shareholder's residence. The following are examples: (i) subject only to the Articles, the allotment and issue of securities is under the exclusive control of the Directors and there are no pre-emption rights under the Cayman Islands law; (ii) there is no statutory prohibition on the Company providing financial assistance on the acquisition of its own shares; (iii) subject only to the Articles, there are no shareholder interest disclosure requirements under the Cayman Islands law; (iv) there is no express restriction on the Company making loans to Directors nor the equivalent of substantial property rules for transactions involving Directors under the Cayman Islands law; and (v) assets of the Company are under the exclusive control of the Directors and the Companies Law does not expressly restrict the powers of the Directors to dispose of assets. Examples (i) to (v) above are intended for the purposes of illustration only and are not an exhaustive list. Investors should take appropriate independent legal advice to determine if they are afforded protections they consider are necessary for their specific circumstances.

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (i) an act which is ultra vires the company or illegal, (ii) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (iii) an irregularity in the passing of a resolution which requires a qualified (or special) majority. In the case of a company (not being a bank) having a share capital divided into shares, the courts may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and to report thereon in such manner as the courts will direct. Any shareholder of a company may petition the courts which may make a winding-up order if the courts are of the opinion that it is just and equitable that the company should be wound up. Generally, claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

United Kingdom tax considerations

Although the Directors intend that, insofar as it is within their respective control, the affairs of the Company are conducted so that the Company does not become subject to United Kingdom tax on its profits or gains, there can be no guarantee that all of the requirements to ensure this will at all times be satisfied.

Control over the Master Fund

The Company, in its capacity as an investor in the Master Fund, has no opportunity to control the day-to-day operation, including investment and disposition decisions, of the Master Fund. The Company does not have the opportunity to evaluate the relevant economic, financial and other information that is utilised by the Manager in its selection of investments and does not receive the detailed financial information regarding investments that is available to the Manager.

Class consents

Certain actions by the General Partner in respect of the Master Fund require the written consent of investors in that class. Where the Directors allow holders of shares of a series which has invested in the corresponding class to vote on a matter for which the General Partner is seeking investor consent and, if the resolution is passed by a simple majority of those voting in person or by proxy at a meeting of the holders of the relevant series of shares, the Directors will give consent to the General Partner in respect of all of the Company's interests in the relevant class. The Company will not split its consent in accordance with the votes of the holders of the relevant series of shares.

Value and liquidity of the shares

An investment in shares traded on the Specialist Fund Market is perceived to involve a higher degree of risk and be less liquid than an investment in companies whose shares are listed on the Official List of the Financial Conduct Authority. It may be difficult for an investor to realise his or her investment. The shares of publicly traded emerging companies have limited liquidity and their share prices can be highly volatile. The price at which the shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its operations, and others which may affect companies operating within a particular sector or quoted companies generally. Investors should be aware that the value of the shares could go down as well as up, and investors may therefore not recover their original investment. Furthermore, the market price of the shares may not reflect the underlying value of the Company's net assets.

If the Company issues further classes of ordinary shares, whilst these will not dilute the economic interests of the existing classes in the Master Fund, the additional ordinary shares will carry rights to vote at general meetings of the Company and will therefore dilute shareholders' voting rights accordingly. The Directors may seek debt finance to fund the expansion of the Company. There can be no assurance that the Company will be able to raise such debt funds, whether on acceptable terms, or at all. If debt financing is obtained, the Company's ability to raise further finance, and its ability to operate its business, may be subject to restrictions.

Registration under the US Investment Company Act and the US Advisers Act

The Company has not been and it is extremely unlikely it will ever be registered under the US Investment Company Act. In addition, the Manager and the Investment Adviser have not been and it is extremely unlikely that they will ever be registered as "Investment Advisers" under the US Investment Advisers Act.

Depository Interests

Securities issued by non-UK registered companies, such as the Company, cannot be held or transferred in the CREST system. However, to enable shareholders to settle such securities through the CREST system, a depository or custodian (the "Depository") can hold the relevant securities and issue dematerialised Depository Interests representing the underlying shares which are held on trust for the holders of these Depository Interests.

Voting rights

Under the Articles, only those persons who are shareholders of record are entitled to exercise voting rights. Persons who hold shares in the form of Depository Interests will not be considered to be record holders of such shares that are on deposit with the Depository and, accordingly, will not be able to exercise voting rights. However, the agreement governing the terms relating to the issue of the Depository Interests (the "Deed Poll") provides that the Depository shall pass on, as far as it is reasonably able, rights and entitlements to vote. In order to direct the delivery of votes, holders of Depository Interests must deliver instructions to the Depository by the specified date.

Neither the Company nor the Depository can guarantee that holders of Depository Interests will receive the notice in time to instruct the Depository as to the delivery of votes in respect of shares represented by Depository Interests and it is possible that they will not have the opportunity to direct the delivery of votes in respect of such shares. In addition, persons who beneficially own shares that are registered in the name of a nominee must instruct their nominee to deliver votes on their behalf.

Neither the Company nor any nominee can guarantee that holders of Depository Interests will receive any notice of a solicitation of votes in time to instruct nominees to deliver votes on behalf of such holders and it is possible that holders of Depository Interests and other persons who hold ordinary shares or exchange shares through brokers, dealers or other third parties will not have the opportunity to exercise any voting rights.

Limitation of liability

The Deed Poll contains provisions excluding and limiting the Depository's liability to holders of Depository Interests. For example, the Depository will not be liable to any holder of Depository Interests or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or the fraud of any custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent. Furthermore, except in the case of personal injury or death, the Depository's liability to a holder of Depository Interests will be limited to the lesser of the value of shares and other deposited property properly attributable to the Depository Interests to which the liability relates; and that proportion of £10 million which corresponds to the portion which the amount the Depository would otherwise be liable to pay to the holder of the Depository Interests bears to the aggregate of the amounts the Depository would otherwise be liable to pay all such holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such amounts, £10 million. The Depository is entitled to charge fees and expenses for the provision of its services under the Deed Poll without passing any such profit from such fees to holders of Depository Interests.

Indemnification

Each holder of Depository Interests is liable to indemnify the Depository and any custodian (and their agents, officers and employees) against all costs and liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of Depository Interests held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depository, or the custodian or any agent, if such custodian or agent is a member of the Depository's group, or, if not being a member of the same group, the Depository has failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent.

United States ownership and transfer restrictions

There are restrictions on the purchase of securities by or to investors who are located in the United States or who are US Persons or who acquire securities for the account or benefit of US Persons. In the event that securities are acquired by persons who are not qualified to hold the securities, such securities are subject to provisions requiring forfeiture and/or compulsory transfer.

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