

To Murray VCT4
Shareholders

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UK Shareholders Association

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Murray VCT4 Changes Address Most of the Issues Raised by UKSA

As a shareholder in Murray VCT 4, you previously responded to our note concerning problems in the Murray venture capital trusts (VCTs). This note is to update you on recent news and our current view on the position of the company. Note that if you are also a shareholder in the other three Murray VCTs, their situation is somewhat different and we will be writing to shareholders in those companies separately.

Our concerns about all the Murray VCTs can be summarised as:

- Concerns about the historic fund management performance.
- Lack of information on the fund portfolio in the Annual Report.
- Poor cost structure.
- A question as to whether some of the companies should merge.
- The possible need for board changes.

In the case of Murray VCT4, the situation was different to the other companies in that the performance was historically not as bad. For example, the recently published preliminary results for the year ended February 2005, show a net asset value per share of 75.7p and a total return since launch (net asset value plus dividends) of 86.3p. The net assets have increased slightly in the past year, and it is proposed to pay a final dividend of 0.6p (an interim dividend of 0.5p has previously been paid).

As you may be aware, the fund management personnel responsible for the Murray VCT4 portfolio was changed by Aberdeen in 2004. There was an announcement by all the Murray VCTs that fund management was to be changed to Close Bros, but Murray VCT4 recently advised that a new fund management and administration agreement had after all been signed with Aberdeen. The new fund management agreement would appear to be financially advantageous in comparison with the previous arrangements, and relies more on achieving improved fund performance.

The company has also improved reporting on the portfolio in its results, and in addition changes are taking place in the board.

Bearing the above in mind, we think that the company has tackled most of our concerns and that there is no reason for us to pursue further action in this case unless it later transpires that these changes do not result in improved returns to shareholders (the new fund manager appears confident that the fund performance can be improved).

UKSA—The independent voice of the private shareholder

The United Kingdom Shareholders' Association Limited

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If you have any questions on the above, please telephone me on 020-8467-2686 or send an email to roger.lawson@btclick.com .

Note that with changes taking place at the Murray VCTs, and other venture capital trusts such as the Quester ones also responding positively (for example in the latter case the companies are discussing merger proposals), we believe this demonstrates that the UK Shareholders Association has been having a positive effect on the situation of these companies. Shareholders will surely benefit from the fact that the directors of these companies are now much more aware that any fund under-performance or other difficulties may be publicly highlighted and UKSA will take up the issues on behalf of shareholders.

If you have not already become a member of UKSA (and there are many other benefits besides being able to get involved in our campaigning activities), then please consider doing so. More information and an application form is present on our web site at www.uksa.org.uk/Membership.htm.

Note that UKSA is a mutual organisation owned by its members and we rely solely on our members to fund UKSA operations (we have no government funding and we do not accept funding from financial institutions). The more members we have the better we can represent your interests.

Yours sincerely

Roger Lawson
Communications Director