

To Shareholders in the
Singer & Friedlander AIM VCTs

13 January 2006

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UKSA Comments on the Proposed Merger of the Singer & Friedlander AIM VCTs

As a shareholder in the one of the three Singer & Friedlander AIM VCTs you will recently have received the merger proposal documents. The following are some comments on this proposal.

As you are probably aware, the UK Shareholders Association (UKSA) commenced a campaign to stimulate changes in these venture capital trusts during last year. Our view was that a merger of these companies was one step that would help to tackle the problems of these companies and would also enable other changes such as the composition of the boards to be addressed at the same time. In general terms we support the merger of Venture Capital Trusts where the circumstances appear to be appropriate as there are significant advantages in terms of a better cost structure and better spread of investments in most cases - a full commentary on the problems of such trusts and our guidelines for how they should be managed has been published by UKSA and is available on our web site at www.uksa.org.uk/VCTs.htm .

Although we cannot for legal reasons give you advice on how you should vote in respect of the proposed merger or comment on the specific terms (not that we have any comments of significance), we do strongly recommend that you read the documents carefully, and ensure that you return the proxy forms. It is important that as many shareholders as possible express their opinions on this merger. We would also urge you to attend the General Meeting of your company if you have any questions about this merger. Alternatively contact the company or call us on the above number if you have any queries.

Note that the United Kingdom Shareholders Association represents the interests of private shareholders and the Singer & Friedlander AIM VCT campaign is just one example of how we help to fight for shareholders rights. Please look at the benefits of membership in UKSA on our web site www.uksa.org.uk/Membership.htm if you have not already joined. And please bear in mind that UKSA incurs considerable costs in running these kinds of campaigns so the more members we have the better we can represent your interests.

Yours sincerely



Roger Lawson
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