

MATRIX INCOME & GROWTH VCT PLC



MIG 4 VCT UPDATE

SHARE PRICE: 100.5 PENCE, NET ASSET VALUE: 116.3 PENCE

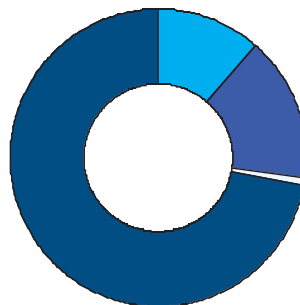
Welcome to the first Matrix Income & Growth 4 ("MIG 4") VCT Newsletter, providing an update of activity since the annual report sent out in April. Net Asset Value (NAV) per share remains at 116.3 pence, but the share price has risen from 91.0 pence to 100.5 pence. This in part reflects the Company's commitment to manage the level of discount to NAV subject to prevailing market conditions and portfolio circumstances.

The highly successful fundraising has increased your Company's total assets to £24.8 million. This larger pool of funds has created a new platform of confidence for future performance, dividend policy and discount management. The Company's assets are currently heavily weighted in cash and money market funds. Over the next three years, your Manager will be deploying this liquidity into investments primarily to support the buyouts of established profitable companies. However we will be taking a cautious view on new investment, particularly as current valuations of privately owned businesses are at such high levels.

Company data, portfolio valuations and portfolio breakdown are all as latest published.

MIG 4 VCT PORTFOLIO BREAKDOWN AS AT JUNE 2007

Total Assets - £24.8 million



Unquoted loan stock	11.4%
Unquoted equities	15.8%
Aim quoted equities	0.9%
Cash & money market funds	71.9%

LATEST INVESTMENT

Shortly after the end of the update period, the Company invested £1 million in equity and loan stock in the management buyout of Digico Limited.

Digico is a global market leading manufacturer of digital sound mixing consoles for the live performance, theatre, post production and broadcast markets. Its consoles are sold through distributors into over 50 countries and are used by leading live performers such as Madonna, Rod Stewart and Kylie Minogue. As part of a MBO, MIG 4 VCT invested alongside other Matrix-advised VCTs and has acquired a 6.5% stake in the company.



The MBO team is led by Bob Doyle, Chairman and James Gordon, Managing Director. The business formed in 1992, operates from bases in Chessington and in Glenrothes. Digico has annual revenue of £8 million and employs around 60 people. Digico's products were recently showcased at two of Wembley Stadium's high profile events, the Concert for Diana and Live Earth, in which 17 of the 19 performing artists used Digico equipment.

CONTACT MATRIX

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4



CURRENT INVESTMENT PORTFOLIO

Company	Business	Investment Cost £	Investment Valuation £	% of the Investment Portfolio
Ten Largest Investments				
Higher Nature	Vitamins & Natural Medicines	500,127	1,589,348	22.7%
Youngman	Building Products	500,026	1,490,960	21.3%
Pinewood Structures	Timber frame housing components	584,088	584,088	8.4%
Tottel Publishing	Publisher of Legal & tax titles	235,200	408,755	5.8%
Racoon International	Hair Extensions	406,805	406,805	5.8%
Stortext FM	Document Management Software & Services	561,816	375,968	5.4%
Ministry of Cake	Food Manufacturing	328,720	356,981	5.1%
VSI	Software for CAD/CAM Vendors	177,217	318,554	4.6%
Blaze	Sign Manufacturing & Installation	164,510	259,521	3.7%
British International	Helicopter Services	250,000	250,000	3.6%
Ten Largest Investments		3,708,509	6,040,980	86.4%
Other Investments		2,947,220	953,998	13.6%
TOTAL		6,655,729	6,994,978	100.0%

MANAGER'S COMMENTARY

The portfolio is now focused on investments in established profitable companies. Almost all of the legacy technology portfolio previously constructed by other Managers has now been realised. Two thirds of the portfolio by value is invested in MBO transactions across a wide range of market sectors.

In the period Maven Management was sold to another market research firm for £429k cash and up to £171k additional deferred, conditional consideration. This compared with the last carrying value of £482k.

Overall, the portfolio continues to perform well with particularly encouraging performance at Youngman Group. We expect a number of companies to actively consider a trade sale later in the year and there are good prospects for a number of realisations.