

THE CULTURAL CAPITAL FUND INVESTMENT UPDATE – July 2015

www.culturalcapitalfund.co.uk

Please contact me on 07917 123341 or patrick@bobandco.co.uk if you have any questions pertaining to the fund or the assets referred to in the update below.

Patrick

That Day We Sang

(TV drama production)

This TV musical drama enjoyed an encouraging premier on BBC2 on Boxing Day 2014. The BARB audience data showed a 'live' audience of 1.991m and an audience over the first week of 2.57m larger than had been expected.

A DVD advance deal for sales in all territories other than Australia and New Zealand has been agreed with an advance of £50,000 of which the Cultural Capital Fund has received £9,700.

All3Media have been appointed as International sales agent and MIPCOM in October 2015 will be a key event.

Q Pootle 5

(Children's TV animation production)

The key news for the recent quarter for this 52 part 11 minute animation series targeting 3-5 year olds is that the audience data for the first and second runs (starting Feb and May) in the major market of Germany was encouraging. On the back of this a licensing and merchandising deal with German company WDR has been signed. The deal covers German speaking Europe and the company is also discussing expanding their representation of QPootle5 into other territories in Europe (e.g. negotiating with licensors in The Netherlands and Scandinavia).

As mentioned in the last update Universal Deutschland signed to distribute the DVD in Germany paying an advance and sales began in June.

The right to show QP5 has now been acquired and aired in 71 territories and the program. The net result is that we calculate that the ZDFE distribution advance for the 52 episodes (£400K) should be cleared in the next distribution period.

QPootle5 Christmas Special

(Children's TV animation production)

The Q Pootle 5 Christmas Special received good audience figures in the UK where the DVD also went on sale. While the program has been sold to 4 other countries including German broadcaster Kika the focus is on Christmas 2015 when awareness of the brand as a result of more countries showing the daily will be improved. The first repayment has been received.

Peggy Guggenheim: Art Addict

(Documentary film production)

This feature documentary about the life of art icon Peggy Guggenheim was premiered at the Tribeca Film Festival in New York on April 20th 2015. Reviews have focussed on her extraordinarily complex life and the legacy she has left in the form of amongst other things the massively popular Museum in Venice. This combination should lead to a sustained level of interest.

The completed documentary came in below budget and pre-sales are currently underway. DVD, pay-per-view and OTT rights will be exploited in future.

The UK premiere will be in September.

Paper Dolls

(Musical theatre development)

Paper Dolls enjoyed a successful development run at the Tricycle in February 2013. In Q1 2015 a workshop was held in the US which has led to negotiations with two Theatre companies with a view to selling the theatrical rights (most likely off Broadway) while retaining the film rights. These discussions are ongoing.

Mandela, My Dad and Me

(TV documentary production)

This documentary co-produced by Woodcut Media follows Idris Elba producing Mi Mandela, an album inspired by his time researching and portraying Nelson Mandela in Mandela : long Walk to Freedom which was released in 2014.

Just before leaving to record the album in South Africa and Mali his father passed away. The resulting program is a very watchable insight into an extraordinary year in the life of a celebrity whose profile continues to rise across the globe.

The UK Premiere was in April 2015 and Content Media began the process of distribution sales at MIPTV in April 2015. Before that good prices had been achieved for the UK and South African sales. US sales to Ovation together with a second window to Netflix have been agreed.

Beautiful - The Carole King Musical (Broadway)

(Musical theatre production)

The musical has been showing at the Stephen Sondheim Theatre on Broadway since January 2014 and has reported 18 cycles. As such the seasonality is now visible and as previously reported a marketing campaign in April and May was designed to drive footfall into the summer through to the stronger Autumn. Monthly profitability remains strong. The show is booking through January 2016.

Beautiful – The Carole King Musical (London)

(Musical theatre production)

The West End show launched at the 1,200 seat Aldwych Theatre in February 2015 to critical acclaim and strong pre-sales. Winning two Olivier Awards in April (Best Actress and Best Supporting Actress) helped support a tick up in profitability in cycles 3 and 4 although it should be noted that it is still early days in terms of building the brand. Advances are holding at over £2.5m. Booking is now through February 2016.

Beautiful – The Carole King Musical (US Tour)

(Musical theatre production)

The US Tour commences in September 2015 (currently booking through Sept 2016) and we have maintained our investment position.

Barnum

(Touring theatre production)

The Barnum tour finishes in Cardiff in August. Q2 started well but Southampton which had an extended stay came in below budget. The cost of putting on the production was below and overall sales are tracking target.

Airfields

(TV documentary production)

Fund investment Airfields is a 10 part documentary series, developed and produced by Woodcut Media. The program first appeared in Q2 2015 on History Channel 2 in the UK under the name of 'Defenders of the Sky'. The first overseas sales (Australia Pay TV and Home Entertainment), China VOD and Poland have been inline with the medium forecasts of distribution agent Flame.

Girl at the Lion D'Or

(Feature film development)

Director Anand Tucker (see C4 - Indian Summers) has worked with the writers and it is generally acknowledged that the script has seen further improvement.

Producer David Parfitt and his team at Trademark Films are pleased with the vision and feel confident they have a strong package now to take to the market with the initial approach being made to BBC Films. Sales agents have been shown the script and initial reactions are positive. Simultaneously the producers and director are hiring a casting director to start making offers for the lead roles. John Hamm (Mad Men) and Aiden Turner (Poldark) have been suggested for the leads.

Hetty Feather

(Touring theatre production)

The extensive UK tour commences in Bristol on July 17th 2015, ending in Cardiff in April 2016. This incorporates a stay London's West End (Duke of York's) for 40 performances in August. Ticket sales for the London run are tracking in line with last year with 55% of the seats sold as of June 28th for a run that commences on August 5th and ends on September 6th.

Awareness of the Hetty Feather story by popular Author Jacqueline Wilson has benefitted from a 10 hour mini series shown on CBBC during in May and June.

HOOPMUSIC

(Music distribution)

To be completed

In the Night Garden Live

(Touring theatre production)

Ticket sales for the 2015 tour which commenced on May 28th at the O2 in London have started well. Ticket sales by value for the O2 run alone were around 10% above target and well above 2014 sales. Improved data analysis is enhancing the ability to target interested customers. Upselling in the form of Merchandise and 'experience' revenues were 33% of total revenues last season and an improved economic situation is a helpful backdrop. Expectations are for a rebound in profits in 2015 to the levels of 2013

The Winter Ghosts

(Feature film development)

The agreement with the writer Rory Kinnear was terminated following a serious delay in delivery of the second draft. The author of The Winter Ghosts, Kate Mosse, was contracted to deliver the next draft and this was received on April 21st. A further meeting has been scheduled for July.

The Indian Job

(Feature film development)

The latest version of the script has been delivered (version 3) and three casting directors have been approached including Seher Latif who cast the award-winning film The Lunchbox as well as The Best Exotic Marigold Hotels . Discussions with production execs are underway, predominantly focusing at this stage on the budget. A meeting has also been held with an Indian production services business. Bob and Co film head Andy Brunskill filmed Jet Trash in India last year which will help us with this assessment.

MUBI

(Digital online cinema distribution)

Much of 2014 was spent completing a \$14.4m raise which closed in January 2015 bringing the total amount raised so far to \$20 million. This round was done at 52c a share, a useful uplift on the entry price for the CCF (25c). The money raised drove the first brand awareness campaign since launch in 2007. In London this took the form of posters and merchandise on the tube as well as a significant PR and social media campaign in support.

Notwithstanding a significant increase in the monthly subscription price to £4.99 (from £2.99) sign-up rates accelerated once the campaign started (to around 2% revenue growth a week) and subscriptions at end Q1 were 54,195, up 29% on the previous quarter.

In early July MUBI closed their first studio deal with Sony which gives them access to a large library of titles they have identified as appropriate for their offer including some well known classics such as Dr. Strangelove and Taxi Driver.

The target is to achieve 120,000 subscribers by end 2015.

Lilting

(Feature film production)

The strong reputation of Writer/Director Hong Khaou (BAFTA nominated in February for outstanding debut by a British writer, director or producer for Lilting) to drive long term sales of Lilting.

Cinematic release has ended and we have entered the recoupment waterfall but the £140,000 from UK cinema release has largely gone to cover expenses and the campaign. This is often the case where the UK theatrical release is used as a tentpole piece of marketing for the film which then has a positive knock on effect for DVD, VOD, and International Sales.

Barnum Tour Dates

Cardiff Millenium Centre 11th-15th August
Tour ends

In The Night Garden Live Tour dates (www.nightgardenlive.com)

Manchester, The Trafford Centre 1st - 22nd August
Glasgow, Queens Park 29th August - 12th September
Tour ends

Hetty Feather tour dates

Duke of York London	6th August - 6th September
Exeter	16th - 20th September
Swindon	22nd - 27th September
Norwich	29th Sept - 3rd October
Newcastle	8th - 11th October
Bromley	13th - 17th October
Southend	23rd - 25th October
Leeds	27th - 31st October
Liverpool	3rd-7th November
Plymouth	11th-15th November
Malvern	18th-22nd November
Finchley, London	2nd - 6th December

2016

Manchester	8th Dec- 10th January
Nottingham	3rd-7th January
Kingston	24th-28th February
Southampton	4th-6th March
Dartford	23rd-27th March
Cardiff	30th March - 3rd April

Beautiful - The Carole King Musical (<http://beautifulonbroadway.com/>)

Broadway (Steven Sondheim)	Booking through March 2016
London (Aldwych)	Booking through February 2016
US Tour	Starts September 2015, booking through September 2016

DISCLAIMER

- This document constitutes a financial promotion relating to shares in The Cultural Capital Fund Limited ("the Fund"), which has been approved by Bob and Co Partners LLP, a firm authorised and regulated by the Financial Conduct Authority (FCA) for the purposes of Section 21 of the UK's Financial Services and Markets Act 2000 in accordance with the FCA's Rules relating to "financial promotions".
- The Cultural Capital Fund Limited is a collective investment scheme established in Jersey as an Expert Fund and being categorised as a Closed Fund within the meaning of the Expert Fund Guide published by the Jersey Financial Services Commission although, for the purposes of the Collective Investment Funds (Certified Funds – Prospectuses) (Jersey) Order 2012, falling with an open ended fund definition by reason of a redemption facility available to investors. The Cultural Capital Fund is regulated by the Jersey Financial Services Commission. The Jersey

Financial Services Commission is protected by the Collective Investment Funds (Jersey) Law 1988 against liability arising from the discharge of its functions under that Law.

- As the Fund is an alternative investment fund or AIF as defined for the purposes of the EU's Alternative Investment Fund Managers Directive, any marketing of the Fund (as defined for the purposes of that Directive) is being undertaken pursuant to the National Private Placement Regime as available in EU member states for a third country AIF (meaning that the Fund is neither an EEA AIF nor a UK AIF) with the small third country alternative investment fund manager or AIFM – because its AIFM is the Fund's board of directors and currently does not meet the threshold conditions in the AIFMD such that the full scope of the Directive applies. In the UK, marketing of the Fund is being undertaken pursuant to Regulation 58 of the UK's Alternative Investment Fund Managers Regulations 2013 implementing the AIFMD in the UK, and the relevant written notification has been given to the FCA by the Fund.
- Bob and Co Partners LLP provides investment advisory services to the Fund and performs some management services in respect of the Fund's portfolio. Bob and Co Partners LLP is acting exclusively for the Fund and not for anyone else in connection with this document. It provides no investment advice on the merits of subscribing for Shares of the Fund to any prospective investor.
- Bob and Co introduces investment opportunities to the Fund, pursuant to the Investment Opportunities Agreement which has been entered into between Bob and Co and the Fund, and will be involved in providing its media advisory services to the unquoted investments held within the Fund's portfolio.
- This document has been prepared solely for the information of the person to whom it has been delivered. The information contained herein is strictly confidential and is only for the use of the person to whom it is sent. The information contained herein may not be reproduced, distributed or published by any recipient for any purpose without prior written consent.
- This document is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. It is intended for distribution in the United Kingdom, Switzerland, Guernsey, Jersey and Monaco.
- The distribution of this document and other promotional documents relating to the Fund including the Private Placement Memorandum may be restricted in certain jurisdictions by law and regulations. In particular the Fund is an unregulated collective investment scheme for UK law purposes and so promotion in the UK is restricted as required by regulation 46 of the UK's Alternative Investment Fund Managers Regulations 2013, and where appropriate section 238(1) of the UK's Financial Services and Markets Act 2000. This document is not intended for distribution in the United States or for the account of U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")). Persons into whose possession this document comes should inform themselves about and observe the restrictions of any relevant jurisdiction.
- The descriptions contained herein are a summary of certain proposed terms and are not intended to be complete. The terms for the Initial Offer of Shares (and subsequent dealings in Shares) of the Fund shall be on the basis set out in the full Private Placement Memorandum. Prospective investors should review the Private Placement Memorandum, including the risk factors in the Private Placement Memorandum, before making a decision to invest. Prospective investors should rely only on the Private Placement Memorandum in making a decision to invest (although certain descriptions contained herein may be more detailed than those contained in the Private Placement Memorandum).
- Any subscription for Shares in the Fund shall be pursuant to receipt of the full Private

Placement Memorandum and completion of the Application Form in accordance with that Private Placement Memorandum's terms.

- An investment in Shares of the Fund involves a high degree of risk and in particular attention is drawn to the section entitled "Risk Factors" in the Private Placement Memorandum. Prospective investors should be aware that the value of their investments and any income produced by them can fall as well as rise. Investors may not get back the value of their original investment. Prospective investors should evaluate any tax consequences that may arise in their particular circumstances and in the relevant jurisdictions. Investors should ensure they read the Private Placement Memorandum before making an investment decision.
- The summary description of the Fund's strategy included herein and any other materials provided to you are intended only for information purposes and convenient reference. No reliance may be placed for any purpose on the information and opinions contained in this document or their accuracy or completeness. No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in this document and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions, and nothing contained herein shall be relied upon as a promise or representation whether as to past or future performance.
- This information is not intended to provide and should not be relied upon for accounting, legal or tax advice or investment recommendations. You should consult your tax, legal, accounting or other advisers about the issues discussed. Neither Bob and Co Limited nor Bob and Co Partners LLP offers any comment on the merits for a prospective investor of subscribing for Shares of the Fund. If you have any doubt as to suitability of this investment you should contact your financial adviser or a professional adviser.

