

Patrick Houston

M +44 (0)7917 123 341

T +44 (0)20 3475 4877

patrick@bobandco.co.uk

culturalcapitalfund.co.uk

Investment Update

April 2017

Theatre

Beautiful – The Carole King Musical

Musical Theatre Production



The Broadway hit musical has been showing since January 2014. With dynamic pricing in the USA the revenue effect of a 'hit' can be dramatic and gross receipts were through \$170m by March 12th 2017. At the end of March the fund received its sixteenth 10% profit distribution. The show is now booking to September 2017.

The West End production launched at the 1,200 seat Aldwych Theatre in February 2015. In February 2016 the fund received a payment taking recoupment to 40%. The producers have confirmed the period Q3/Q4 2016 was tougher than expected. Booking is currently to November 2017.

The US Tour commenced in September 2015 (currently booking through to June 2018 and we maintained our investment position. The first repayment of 25% was received in December 2015 and by end March 2017 the fund had received fifteen 10% profit distributions.

Further 2017 tours are planned for the UK (commences Sept 2017 through May 2018) and Australia.

<http://beautifulonbroadway.com/>

In the Night Garden Live

Touring Theatre



The 2017 tour begins in Blackheath on May 25th and ends in Manchester on August 28th. There are no new locations this year. Sales for 2017 are currently tracking below target.

Like for like the 2016 tour ended around 20% up on the previous year. Unfortunately the Board saw fit to take a near £110K charge against new seating stands which when delivered were not fit for purpose according to health and safety requirements. The manufacturer was found not to have the necessary insurance or personal assets to make it worthwhile to pursue the claim. The total resultant cost was in line with the next best quote.

As a consequence it is anticipated that the distribution to the fund for 2016 will be around £8,500 as opposed to the forecast £15,000 (itself up from £12,000 from the 2015 tour). Payment is due in March 2017.

In 2017, in response to demand, there will be more days at the two strongest locations and the forecast is for a further solid increase in underlying profitability with a distribution of nearer £17,000.

<https://www.nightgardenlive.com/>

Sleeping Beauty

Ballet Production



This revival of Sir Matthew Bourne's *Sleeping Beauty* commenced in Plymouth on October 17th 2015, played at the Sadler's Wells Theatre from Dec 1st to Jan 24th 2016 and ended in Wycombe in May before starting an international tour in Seoul, South Korea which ended in Q4 2016.

During Q1 2016, we received full repayment of our initial capital and while we have yet to see the final accounts we have already received a profit pay out in excess of 60%.

<http://new-adventures.net/sleeping-beauty>

Kenneth Branagh

Theatre Production



The Kenneth Branagh 'season' opened with *The Winters' Tale* on October 17th 2015 and closed with *The Entertainer* by John Osborne in November 2016 with several plays in between.

While *Red Velvet* lost money the other four plays made a profit with *The Painkiller* and *Romeo and Juliet* achieving the best returns.

We are yet to see the final accounts but have already received a profit pay out of 40%.

<http://www.branaghtheatre.com/>

Wicked (UK/International Tour)

Theatre Production



The musical *Wicked* has been a phenomenon. Seen by over 50m people in 14 countries since the Broadway premiere in 2003, the 63 week World Tour began on July 20th 2016.

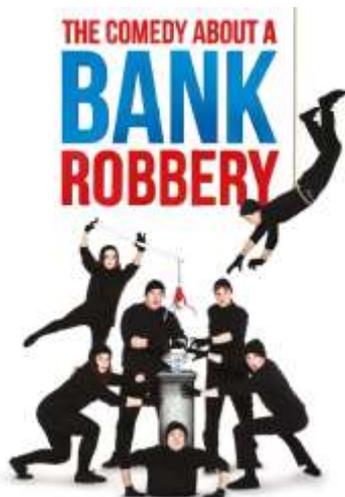
The show began with a short run at the Bradford Alhambra where 97% of capacity was sold. Singapore finished with a profit that was smaller than expected and Hong Kong and Manila have also proven more difficult than expected despite great reviews. The Asian economic situation has been blamed.

Other locations planned for later in the year (not however China where Shanghai and two other cities are booked) are also having challenges and we are awaiting an update on potential replacement dates.

Our investment is very modest (£20,000) and while we anticipated a good return it was also made in part to gain greater insight into the Asian tour market which will undoubtedly be a major growth opportunity in future years. We have received a first 15% recoupment payment.

The Comedy About A Bank Robbery

Theatre Production



Theatre company 'Mischief Theatre' and producer Kenny Wax are well known to Bob &Co through *The Play That Goes Wrong* which has returned a multiple of the original investment over 3 years and *Peter Pan Goes Wrong*.

A Comedy About a Bank Robbery opened at the Criterion Theatre (588 seats) in April 2016 and was very well received by the critics. The play is a step-up from the previous offers, with a larger cast and more ambitious staging. Booking has already been extended to April 1st 2018. As of February 2017 we had recouped our original investment and a profit pay out of an additional 21%.

<http://www.criterion-theatre.co.uk/home>

Paper Dolls

Musical Theatre Development



Paper Dolls (first shown at the Tricycle in February 2013 and now being developed in the US) continues to receive an encouraging degree of interest from parties spanning across various different media platforms.

Plans are underway to stage the show in the US at the Mosaic Theatre, Washington DC between March 29th and April 22nd 2018.

In addition, a search for a writer has commenced with a view to examining the options around a television series for what is an extraordinary story.

Red Shoes

Theatre Production



Sir Matthew Bourne's original ballet version of the classic Oscar-winning dance film *The Red Shoes* premiered in Plymouth in Q4 2016 before moving to the Sadler's Wells for a Christmas run which was sold 90% of capacity through the run. The reviews were very strong.

The UK tour is now booking through to October 2017 with a visit to the US.

In March 2017 we received a repayment of 100% of our original investment

<http://www.new-adventures.net/the-red-shoes>

Shrek The Musical

Theatre Production



The first UK Tour of Shrek was a commercial success and we are pleased to have invested £50,000 in the 2017 tour which commences in December 2017 and is booking through 2019.

This tour is largely visiting new locations through the UK.

Night Must Fall

Theatre Production



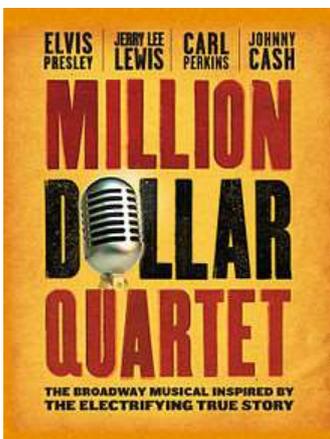
This was the first investment the fund made in a play produced by with The Original Theatre Company. The producer was confident this Emyln Williams psychological thriller would attract the theatre buying demographic and the results show he was right.

The final accounts are likely to show a return of around 15% for the investment, less than originally expected. The reason for the discrepancy is unanticipated theatre costs. We have already recouped and received a 5% profit.

<http://www.originaltheatre.com/our-productions/>

Million Dollar Quartet

Theatre Production



Million Dollar Quartet is a feel good musical with an underlying story based on a legendary jamming session at Sun Records, Memphis, in 1956. These were the studios of legendary record producer Sam Phillips and the impromptu session with Elvis Presley, Jerry Lee Lewis, Carl Perkins and Johnny Cash would become one of the seminal moments in Rock and Roll history.

The current UK tour is attractively capitalised with comparatively low weekly costs and has the extra draw of Jason Donovan as the lead. We identified the London leg as a key risk and were pleased with the final outcome.

The tour opened in Leicester September 12th 2016 and is booking to November 2017. At end March 2017 the advance was a healthy £3m.

<http://milliondollarquartetlive.co.uk/tour-dates/>

Dreamgirls

Theatre Production



Dreamgirls the musical debuted on Broadway in 1981 (6 Tony awards, 4 year run), was released as a film in 2006 (2 Oscars) and is often said to represent in some way the story of the challenges and successes of The Supremes.

This show is the UK premiere for this well-known musical and stars Amber Riley (star of TV hit 'Glee') supported by a cast of over 30 and a 14 piece band. The reviews have been very strong and it is clear that the show inhabits a unique position among the current West End shows. Some awards have already been won by the UK show and the Oliviers (April 10th) are expected to yield more success.

Both capitalisation costs and weekly costs are ahead of projections. Extra expenses have been seen in the area of costumes and wigs, staffing, marketing with the scale of the show being identified as the reason. Illness has also had a part to play in extra costs

The first preview at The Savoy Theatre (1150 seats) was on November 19th 2016 and booking is currently until Oct 2017 with the advance at £3.2m at the end of March 2017. Interestingly the producers say that 68% of ticket holders are first time visitors to the theatre.

A first 10% recoupment has been indicated.

<http://www.dreamgirlswestend.com/>

Minor Entertainment

Family live Events



In December 2016 the fund made an investment of £100,000 for a 5.56% shareholding in Minor Entertainment, a business that was created in 2009 to produce spectacular family theatre events in unique spaces. Their main project over that period has been the annual tour of 'In the Night Garden Live' which is hosted in their own unique inflatable tent and for which they own all of the ticketing.

We see substantial demand for the skills that the team has developed and at least two new projects are in advanced discussions.

In 2016 Minor purchased the Chichester Festival Theatre Tent (1412 seats) for an advantageous price.

www.minorentertainment.com

Footloose

Touring Theatre Production



Selladoor is a production company we have monitored for some time. They have impressed us with their attention to detail, cost control and clear focus on their position in the marketplace. They achieved excellent returns with the 2016 *Footloose* tour and are launching a 6 month tour of the same title on April 21st ending October 2017. Gareth Gates is retained as the lead.

<http://footloose-musical.com/>

Flashdance

Touring Theatre Production

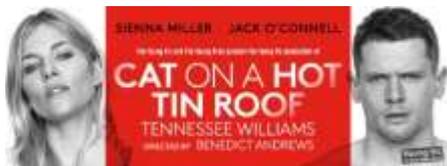


Also produced by Selladoor, the *Flashdance* revival tour starts in August in Glasgow and is booking out through July 2018.

www.flashdanceuktour.co.uk

Cat on a Hot Tin Roof

Theatre Production



This high profile production of Tennessee Williams *Cat On A Hot Tin Roof* stars Sienna Miller and Jack O'Connell. This will be the first Young Vic production to open straight to the West End (July 13th – Oct 7th, Apollo Theatre).

Initial sales have been very strong and as of March 27th gross sales of £847K had been achieved.

<http://www.theatrepeople.com/shows/cat-on-a-hot-tin-roof>

Wait Until Dark

Touring Theatre Production



The fund invested in The Original Theatre companies touring production of thriller *Night Must Fall* in 2016. Ticket demand was strong and we have followed on with an investment in this play of a similar genre whereby a blind housewife is terrorized by a group of criminals who believe she is in possession of a doll stuffed with heroin.

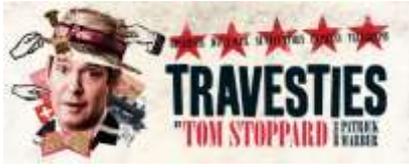
Wait Until Dark was written by the author of *Dial M For Murder* Frederick Knott. The 1967 film version starring Audrey Hepburn and Alan Arkin (*Catch 22*) was a dark psychological thriller and the staging lends itself to a play.

The tour commences in the Autumn of 2017.

<http://www.originaltheatre.com/>

Travesties

Theatre Production



The fund was fortunate to be able to invest in Tom Stoppard's *Travesties*, starring Tom Hollander, only days before opening. This not only minimises the length of time that money is tied up in the investment but also allowed us excellent visibility on the sales advance for the 12 week run.

Critically praised and subsequently nominated for 5 Olivier awards (announced April 9th) any success here should provide a nice boost for the final three weeks of sales (which are already at a high level).

Television

The Day We Sang

TV Drama Production



This TV musical drama starring Michael Ball and Imelda Staunton was the first and last to be written and directed by comedian Victoria Wood who tragically died in April 2016.

The show premiered on the BBC at Christmas 2014 and revenues have accrued from TV, Airlines and DVD sales, albeit more slowly than expected. The television distribution market is undergoing very significant change and demand is currently for series rather than a 'one-off' musical film. Appearances at the Chicago Film Festival and other events have yet to lead to a major sale, however the recent success of La La Land suggests the format is not without fans.

While the untimely death of Ms Wood has been a blow, our investment in this film was made on the basis of a long term and multi-faceted approach to a timeless story.

Progress on the development of a stage musical will begin in 2017.

Q Pootle 5

Children's TV Animation Production



This 52x11 minute animation series targeting 3-5 year olds has been introduced to over 100 countries by international distribution agent ZDF and sold to over 90. A typical contract is 5-7 years. CBeebies began airing the program in Sept 2013. ZDF expanded their team by two people in 2016 in order to cope with the increased demands of selling to a proliferation of platforms.

As previously mentioned Licensing and Merchandising (L&M) has been disappointing. For children's programs this is the key long term revenue driver and as a result the in 2016 Board agreed to appoint Larkshead Media on a retainer to help improve the commercial position.

Clare Piggott of Larkshead (previously Mattel, Nickelodeon, BBCWW) is driving L&M opportunities.

Rob Doherty (previously Aardman, Disney, Fox Kids) is working on further series one sales opportunities (alongside with ZDFE), as well as investigating second season potential.

The toy fair season is well underway and the team is attending all events to represent the brand and scope the market.

While it is probably fair to say that the first sales were not properly exploited any future sales to territories such as the USA and China are 'new' and consequently fresh.

It is not irrelevant that manned space travel appears to back on the agenda.

Q Pootle 5 Christmas Special

Children's TV Animation Production



Sold separately as a 27 minute 'one-off', the international sales for the Christmas Special are to some degree dependant on the reception for the brand where the 52 episodes of the daily are aired.

Mandela, My Dad and Me

TV Documentary Production



This documentary co-produced by Woodcut Media follows Idris Elba during the year he produced music album *Mi Mandela in Africa* and portrayed Nelson Mandela in *Mandela: Long Walk to Freedom*. Idris' profile continues to rise across the globe.

Steady progress is being made in terms of international sales which were \$181,000 at the end of September 2016.

Defenders of the Sky

TV Documentary Production



Fund investment Airfields is a 10 part documentary series, developed and produced by Woodcut Media. The first showing was on the History Channel in the UK under the name of *Defenders of the Sky*. International Sales have been slower than anticipated but where they have been made are in line with forecasts

Demand for history based factual series is solid however subtle differences can impact the ability to sell to certain countries. Furthermore, contracts tend to be struck for periods of only a few years, allowing owners of the rights to sell programmes again, which provides valuable future income.

The distributor for this program was put on notice in H2 2016 as it is felt that another contact we have is better positioned to sell this type of program. At the present time the original distributor is negotiating a

deal in the USA (and as I write the annual MIP television gathering is underway) so we await the outcome.

Woodcut Media

Loan



In September 2015 a £50,000 loan with a term of 3 months was extended to Woodcut Media, a factual and documentary maker connected to the Bob & Co family. The loan is secured against pre-sales for Combat Trains, a documentary series comprising 8x60 minute programmes which has sold well and spawned further similar series.

Currently, there is little competition in the space for such lending as financing companies find the relatively small size and short lending term unattractive.

The loan is likely to be repaid in Q2 2017.

Combat Ships

Documentary loan



A loan for £115,000 was extended to Woodcut Media in January 2017 secured against the pre-sales for Combat Ships. The repayments will be in tranches over the next year. This is the latest in the 'Combat' series which have found good demand for the programmes around the world.

The UK series began on the History channel in February 2017.

Film

Peggy Guggenheim – Art Addict

Documentary Film



This feature documentary about the life of art icon Peggy Guggenheim was shown at the Tribeca Film Festival in New York on April 20th 2015, premiered in the US in October and in the UK on November 30th.

The cinema release was extensive and beat expectations. Sales to television sales are underway and the DVD has been released.

One of the reasons we are attracted to the Peggy Documentary is that the unique content and narration by Peggy herself suggests this piece will never be bettered. Satisfying this 'long tail' demand is a major focus for the producer.

More recently demand has been identified for a television series based upon her life and the fund has made a contribution towards the first treatment of a script

<http://www.guggenheimfilm.co.uk/>

Girl at the Lion D'Or

Feature Film Development of a book by Sebastian Faulks



Since early 2016 we have had a script that Director Anand Tucker, producer David Parfitt (Trademark Films) and writer Sebastian Faulks were all happy to take forward. Initial financing talks were also encouraging and a distributor has demonstrated their interest.

The challenge since then has been with casting (especially the crucial leading lady). In Q4 the casting agent was changed to Jenny Duffy which has injected a new energy into the process. It has apparently become harder in the current environment to get 'A' list actors to commit to a 6 week film shoot when they could get a longer and as well paid contract from television.

Once filming commences' the Fund will not only receive its capital and premium, but will be in line for producer fees.

The Winter Ghosts

Feature Film Development



The first draft of the script by Kate Mosse was received and the conclusion was generally positive. The second draft has been received and undergone further assessment with the likelihood being that a further reworking is needed.

It is felt that a successful completion of *The Girl at the Lion D'Or* project will help the process with respect to *The Winter Ghosts*.

The Indian Job

Feature Film Development

Following the completion of the latest version of the script in Q3 2017, approaches were made to various financing and casting organisations. Feedback has been that the script needs to have a more authentic Indian voice and producer David Parfitt is leading this discussion.

Lilting

Feature Film Production



Following UK theatrical release in September 2014, critically acclaimed film *Lilting* entered recoupment for investors in early 2015. The profile of lead Ben Whishaw continues to rise (*James Bond*, *London Spy*, *The Crucible* (Broadway)) which is helpful.

A meeting was held with the sales agent Protagonist in February 2017 to encourage a more proactive approach.

We await the next statement.

Finding Your Feet

Feature Film Production



Finding Your Feet is a feature length comedy drama unashamedly targeting the grey pound but which is appropriate for all ages and demographics. Funny and heart-warming, there have been two test screenings to date which show that the Director is not scared of addressing real life issues.

Filming ended in December 2016 and the premiere is expected in Q4 2017.

The Cultural Capital Fund is positioned at the top of the waterfall with a significant coupon and critically acquired a one third share in the stage rights with the investment. This was because the underlying theme is one that will translate well onto the stage.

Digital Media

MUBI

Digital Online Cinema Distribution



MUBI 'The stay at home film festival' is ten years old and ended 2016 with approximately 60,000 subscribers.

2016 was a disappointing year. CEO Efe Cakarel spent a lot of time on corporate activity initiated by the January 2016 offer of investment from Chinese media company Huanxi Media at a post money valuation substantially above the previous round. On June 18th the transaction was terminated as a result of 'the regulatory environment in China'.

While MUBI did in fact raise \$2m from Huanxi Media Group in Q4 at a substantially higher price (\$1.40 per share) we expect a funding down round during 2017.

The strategic reason for MUBI to exist has never been clearer. While previously released 'classics' are hard to find an increasing number of independent and arthouse movies are also failing to get distribution. For movie fans it has never been tougher to access films outside the blockbusters and MUBI has the technology to enable this.

Two new Directors were appointed in early 2017 and the CEO is being encouraged to focus on cash control and subscriber acquisition.

www.MUBI.com

Investments completed in the period

Photograph 51

Theatre Production

This West End drama starring Nicole Kidman ran from September 5th to November 21st 2015. Our investment was entered into in August 2015, and in late November we received full repayment of our original £10,000 investment. A further payment of £9,721 has since been received representing a very successful return.

Barnum

Touring Theatre Production

The extensive 11 month long Barnum UK tour finished in Cardiff in August. Costs were overall below budget and revenues largely in line resulting in a profit of £18,544 over 14 months (21%). Should any international deals be signed there is further potential for licence fees to be earned.

Hetty Feather 2014/2015/16

Touring Theatre Production

The first tour of *Hetty Feather* returned a £13,608 profit on an investment of £29,250.

The second tour returned a £21,575 profit on an initial investment of £60,180.

Animal Antics

Non-scripted entertainment loan

A loan of £98,221 was extended to Woodcut Media documentary project *Animal Antics* in April 2016. This was against a distributor guarantee.

Repayment in full of £109,260 was received in January 2017.

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