



HALF-YEARLY REPORT
for the six months ended 31 August 2010

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Financial Highlights

Period ended	31 August 2010	28 February 2010	31 August 2009
Net assets £'000:			
Ordinary Share	n/a	n/a	16
C Share	9,995	10,102	10,595
D Share	16,429	16,431	17,919
E Share	8,979	8,998	9,128
F Share	27,679	n/a	n/a
Net asset value per share, p:			
Ordinary Share	n/a	n/a	0.25
C Share	74.99	75.80	79.49
D Share	85.44	85.45	93.19
E Share	91.49	91.68	93.01
F Share	93.48	n/a	n/a
Dividends already paid in respect of the period, p:			
Ordinary Share	n/a	-	-
C Share	-	7.00	-
D Share	-	7.00	-
E Share	-	7.00	-
F Share	-	-	-
Net asset value total return per share, p:			
Ordinary Share	n/a	85.00	85.05
C Share	88.99	89.80	93.49
D Share	92.44	92.45	93.19
E Share	91.49	91.68	93.01
F Share	93.48	-	-
Dividends declared in respect of the period, p:			
Ordinary Share	n/a	0.20	0.20
C Share	-	7.00	-
D Share	-	7.00	-
E Share	-	7.00	-
F Share	-	-	-
Share price at end of period, p:			
Ordinary Share	n/a	n/a	12.00
C Share	71.5	71.5	90.00
D Share	77.5	77.5	100.00
E Share	85.0	85.0	100.00
F Share	100.0	-	-

Background

Edge Performance offers investors the opportunity to invest in the entertainment industry and to take advantage of VCT tax reliefs whilst combining:

- high targeted returns
- downside risk protection
- liquidity

Period Highlights

The six months ended 31 August 2010 have seen a number of important developments for the Company:

- The Company's F Share offer closed in June 2010, having raised in excess of £29 million
- The Company has completed new investments, totalling more than £5.4 million
- The Company has committed to making, or has the benefit of options to make, further investments which, once completed, will mean that the Company's D and E Share pools have met the requirement of full investment under VCT rules ahead of the key qualifying dates
- Specific investment opportunities have been identified which would result in a significant proportion of the F Share pool being invested
- The Company has declared further dividends of 7p per C Share and 7p per D Share, to be paid in November 2010, which will bring the total dividends per C Share and D Share to 21p and 14p respectively
- The Company has also now declared a maiden dividend of 7p per E share, again with payment to be made in November 2010
- The Company is now proposing to undertake further fund-raising, through a G share offer

Fundraising and Performance

The Board was very pleased with the success of the F Share offer, which greatly enhances the Company's capacity to take advantage of the current favourable investment climate.

This success has encouraged the Board to approve the G Share offer, as referred to below.

The net asset value total return of each of the Company's four share classes has remained comparatively stable during the period, despite the continuing low levels of return from cash and other non-qualifying investments.

The Board is also satisfied with the value of the Company's qualifying investments remaining strong, in the face of ongoing economic uncertainties. Further details are given in the Investment Manager's review on pages 4 and 5.

It is also noteworthy that the Company enjoys one of the lowest levels of running costs in the VCT sector. Edge has taken the pioneering approach to raising new funds each year through a separate share class, rather than through sister VCTs, so that the running costs of the Company can be spread across each of the share classes, and the low level of the Company's total expense ratio clearly vindicates this business model.

Dividends

With the declaration of further dividends to the C and D Shareholders, and of the maiden dividend to E Shareholders, the Company is demonstrating its ongoing commitment to distributing an annual income stream to shareholders.

Dealflow

The Investment Manager has reported a significant increase in the period in the quality and volume of dealflow. In the period, the Company completed five new investments to a total value of £5.4 million and secured the benefit of contractual options to invest up to a further £4 million. Additionally, specific further investments to which the Company has committed, or which the Manager has identified and is in the course of progressing, mean that it is anticipated that full investment status for the D, E and F Share funds will be attained significantly before the end of the required period under VCT rules.

Proposed G Share offer

Encouraged by the continuing quality and level of investment opportunities being seen by the Manager, the Board has decided that it would be in the best interests of the Company's shareholders to seek to raise more funds. To this end, an extraordinary general meeting is being convened for 24 November 2010, at which shareholders will be asked to approve the issue of a new class of share, G ordinary shares, through a new offer for subscription.

I would like to take this opportunity to thank you for your continued support.

Sir Robin Miller

Chairman

18 October 2010

Investment Overview

The Company currently has four separate investment pools under management – the C Share, D Share, E Share and F Share pools – each of which is managed separately.

For each share pool, a blended investment strategy is being applied, entailing not only investments alongside established counter-parties offering contractually guaranteed minimum returns of between 80% and 90% of the amount invested by the Company, but also other investments where the potential for significantly greater returns justifies a lower level of capital protection. This strategy is intended to achieve a targeted return to shareholders of 130p for every 70p invested (assuming income tax relief at 30%, equivalent to a return of 160p per 100p invested), whilst at the same time providing a targeted underpinned return of the shareholder's net cost of investment of 70p per Share (assuming income tax relief at 30%).

VCT Qualifying Investments

The C Share pool has already met the target of full investment as required by VCT legislation. The Company has the benefit of contractual options to make further investments and has committed to making a number of additional new investments; these investments together will mean that the D and E Share Funds will be fully invested, as required by VCT legislation, within the coming months. Furthermore, the Company has identified sufficient suitable specific investment opportunities which, when concluded, will mean that the F Share will similarly have met the requirement of full investment, well in advance of the time required by VCT regulations.

During the period, the Company invested £5,440,000 in five investments. All these investments have been retained at cost in accordance with the IPEVC guidelines and the Company's accounting policies.

Of the total investments noted above, some £3 million has been invested in businesses which will pursue the promotion of live events, a core focus of the VCT. Across the entire portfolio, promotional activity has continued to include high quality tours and concerts.

In August 2010, Global Dawn raised additional capital from the Company and other third party investors, and in the same transaction acquired a majority holding of the share capital of Enrich Social Productions. Global Dawn's trade is the creation of technology platforms and formats which enable businesses (such as Tesco) to connect with consumers, using content, gaming and social media. The first platform to be commercialised was an online talent contest branded as 1click2fame (1c2f); in its short life to date, this platform has already created good traction with consumers and talent. 1c2f has identified several talented performers who have received high levels of visitors to their promotional sites and are in negotiation with distributors for their creative output. 1c2f has arrangements with this emerging talent to benefit from the development of their music careers. The pricing of the new share issue was in excess of the cost of the Company's existing holding and there is expected to be a further round of investment in the coming six months. Due to the close proximity of the equity transaction to the period end, the Manager has recommended that the investment remain valued at cost at least until the following round of funding.

As at the period end, the value of the Company's VCT qualifying investments stood at £16.38 million, as shown on page 6. This represents a reduction of 1% from the prior year end due in the main to a reduction in net assets as initial costs have been running ahead of profits from promotional activity.

In the case of Coolabi plc, the AIM based investment, the valuation at bid price is 10% below the prior year end value, despite the company performing in line with expectations. This market movement reflects the illiquidity of the AIM Market and has enabled the Company to increase its investment, at the reduced price, after the period end.

Non-Qualifying Investments

Up to 30% of each of the C Share, D Share, E Share and F Share pools will remain in a range of fixed income securities, cash and cash equivalent assets, offering a high degree of capital preservation. Sums raised through share offers are invested in such assets pending investment in VCT-qualifying investments.

The non qualifying portfolio is managed in conjunction with Rothschild, UBS, JP Morgan and Heartwood. As at the end of the period, the total value of the Company's non-qualifying investments was £43.87 million.

The portfolio of non qualifying investments has performed well providing an average overall annualised return in the period of 3.85%. The returns from the element of the D Share portfolio have been enhanced through a long term inflation linked note from Morgan Stanley, whilst the returns from the C Share element of the portfolio are lower due to the need for a higher level of liquidity as this class of shares reaches its expected maturity.

Fundraising

The Company's offer for subscription for F Shares opened in November 2009. By the close of the offer in June 2010, applications for a total of 29.6 million F Shares had been received.

Outlook

During the period, the Manager reviewed a large number of investment opportunities in a number of different entertainment businesses, encompassing opportunities in recorded music, music publishing, radio, television, social networking, festivals, exhibitions, gaming, sports events, digital services, literary properties and character merchandising amongst others.

The period has seen a heightened level of activity in identifying specific suitable opportunities, and in negotiating investment terms for the Company in relation to those opportunities, as can be evidenced by the targeted attainment of achieving full investment mentioned above.

Even beyond that, however, deal flow continues to be strong, with many approaches made to the Manager for good quality investment opportunities in the wider entertainment sector. Coupled with that, continued use is made of the Manager's and the Board's extensive network of contacts to seek out other investment opportunities. Moreover, the continuing reduced levels of funding generally available to businesses through borrowing means that the quality of the investment opportunities and terms of investment which the Company is able to seek have become and will remain increasingly attractive. The Manager therefore believes that there will be a good range of suitable investment opportunities for funds raised through the Company's forthcoming G Share offer.

Investment Portfolio Summary

as at 31 August 2010

C Share Portfolio

	As at 31 August 2010			As at 28 February 2010		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
Qualifying investments						
M K Ultrasound	2,008	1,912	19.1	2,008	1,868	18.5
Saravid Promotions	2,007	1,497	15.0	2,007	1,499	14.8
Enrich Social Productions	-	-	-	752	750	7.4
B & W Events	1,004	1,000	10.0	1,004	1,000	9.9
Coolabi	250	188	1.9	250	211	2.1
TRP 2009	1,000	1,000	10.0	1,000	1,000	9.9
Global Dawn	1,472	1,472	14.7	-	-	-
Total qualifying investments	7,741	7,069	70.7	7,021	6,328	62.6
Total fixed asset investments	7,741	7,069	70.7	7,021	6,328	62.6
Net current assets		2,926	29.3		3,775	37.4
Net assets		9,995	100.00		10,103	100.00

D Share Portfolio

	As at 31 August 2010			As at 28 February 2010		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
Qualifying investments						
Enrich Social Productions	-	-	-	752	750	4.5
Challi Productions	2,000	1,924	11.7	2,000	2,000	12.05
HTM Promotions	2,000	1,917	11.7	2,000	2,000	12.05
Global Dawn	1,472	1,472	8.9	-	-	-
Granon Entertainment	1,000	1,000	6.1	-	-	-
North Promotions	1,000	1,000	6.1	-	-	-
South Productions	1,000	1,000	6.1	-	-	-
Rose Productions	1,000	1,000	6.1	-	-	-
Total qualifying investments	9,472	9,313	56.7	4,752	4,750	28.6
Total fixed asset investments	9,472	9,313	56.7	4,752	4,750	28.6
Net current assets		7,116	43.3		11,854	71.4
Net assets		16,429	100.00		16,604	100.0

E Share Portfolio

E Share Portfolio	As at 31 August 2010			As at 28 February 2010		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
Qualifying investments	-	-	-	-	-	-
Total qualifying investments	-	-	-	-	-	-
Total fixed asset investments	-	-	-	-	-	-
Net current assets		8,979	100.0		8,993	100.0
Net assets		8,979	100.0		8,993	100.0

F Share Portfolio

F Share Portfolio	As at 31 August 2010			As at 28 February 2010		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
Qualifying investments	-	-	-	-	-	-
Total qualifying investments	-	-	-	-	-	-
Total fixed asset investments	-	-	-	-	-	-
Net current assets		27,679	100.0		-	-
Net assets		27,679	100.0		-	-

Responsibility Statement of the Directors in respect of the Half-Yearly Financial Report

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with the Statement “Half-yearly financial reports” issued by the UK Accounting Standards Board
- The Chairman’s Statement (constituting the interim management report) includes a fair review of the information required by DTR 4.2.7R of the “Disclosure and Transparency Rules”, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements
- The “Statement of Principal Risks and Uncertainties” on page 9 is a fair review of the information required by DTR 4.2.7R, being a description of the principal risks and uncertainties for the remaining six months of the year
- The financial statements include a fair review of the information required by DTR 4.2.8R of the “Disclosure and Transparency Rules”, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By Order of the Board

The City Partnership (UK) Limited
Company Secretary

18 October 2010

Statement of Principal Risks and Uncertainties

The Company's assets consist of equities and fixed interest investments, cash and liquid resources. Its principal risks are therefore market risk, interest rate risk, credit risk and liquidity risk. Other risks faced by the Company include economic, investment, financial and regulatory risks. These risks, and the way in which they are managed, are described in more detail in the Directors' report, the Statement of Corporate Governance and Note 18 to the Financial Statements in the Company's Annual Report & Financial Statements for the year ended 28 February 2010. The Company's principal risks and uncertainties have not changed materially since the date of that report.

Related Parties

Edge Investment Management Limited ("Investment Manager") has been appointed as the Company's investment manager and administrator. The Investment Manager receives (a) an annual investment management fee of 1.75% of the net asset value attributable to the C shares, D shares, E shares and F shares, in each case plus VAT (if applicable) and (b) a performance fee. The Investment Manager also bears any excess of the total annual operating expenses of the Company over a cap of 3.0% of the asset value of the Company. These arrangements are described in more detail in Note 3 to the Financial Statements in the Company's Annual Report & Financial Statements for the year ended 28 February 2010. During the period the Company has incurred investment management fees of £542,000 (exclusive of VAT), a performance related incentive fee of £nil (exclusive of VAT), an administration fee of £63,000 (exclusive of VAT) and an offer fee of £1,425,000 (exclusive of VAT). The Investment Manager does not owe the Company any payment in respect of the cap on the Company's annual running costs.

Income Statement (Unaudited)

for the six months ended 31 August 2010

	Six months ended 31 Aug 2010			Six months ended 31 Aug 2009			Year ended 28 February 2010		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised/unrealised gains on investments	-	181	181	-	147	147	-	(98)	(98)
Income	525	-	525	95	-	95	156	-	156
Investment manager's fees	(135)	(407)	(542)	(88)	(265)	(353)	(168)	(502)	(670)
Other expenses	(245)	-	(245)	(283)	(117)	(400)	(477)	(118)	(595)
Return on ordinary activities before tax	145	(226)	(81)	(276)	(235)	(511)	(489)	(718)	(1,207)
Taxation on ordinary activities	(31)	31	-	-	-	-	-	-	-
Return attributable to equity shareholders	114	(195)	(81)	(276)	(235)	(511)	(489)	(718)	(1,207)
Transfer to reserves	114	(195)	(81)	(276)	(235)	(511)	(489)	(718)	(1,207)

The total column of this statement represents the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits. The Company has no gains and losses other than those recognised in the Income Statement above and has not therefore prepared a separate statement of total recognised gains and losses.

Non-Statutory Analysis (Unaudited) between the C, D, E and F Share Funds Income Statement

for the six months ended 31 August 2010

	Revenue £'000	Capital £'000	C share fund Total £'000
Realised/unrealised gains on investments	-	20	20
Income	4	-	4
Investment manager's fees	(22)	(67)	(89)
Other expenses	(44)	-	(44)
Return on ordinary activities before tax	(62)	(47)	(109)
Taxation on ordinary activities	13	(11)	2
Return attributable to equity shareholders	(49)	(58)	(107)
Transfer to reserves	(49)	(58)	(107)
Return per share, p	(0.37)	(0.44)	(0.81)

Revenue £'000	D share fund		Revenue £'000	E share fund		Revenue £'000	F share fund	
	Capital £'000	Total £'000		Capital £'000	Total £'000		Capital £'000	Total £'000
-	(14)	(14)	-	74	74	-	101	101
238	-	238	27	-	27	256	-	256
(36)	(109)	(145)	(19)	(60)	(79)	(57)	(171)	(228)
(78)	-	(78)	(42)	-	(42)	(82)	-	(82)
124	(123)	1	(34)	14	(20)	117	(70)	47
(26)	23	(3)	7	(6)	1	(25)	25	-
98	(100)	(2)	(27)	8	(19)	92	(45)	47
98	(100)	(2)	(27)	8	(19)	92	(45)	47
0.51	(0.52)	(0.01)	(0.28)	0.08	(0.20)	0.35	(0.17)	0.18

Non-Statutory Analysis (Unaudited) between the Ordinary, C, D and E Share Funds Income Statement

for the six months ended 31 August 2009

	Revenue £'000	Ordinary share fund Capital £'000	Total £'000
Realised/unrealised gains on investments	-	(58)	(58)
Income	5	-	5
Investment manager's fees	(7)	(23)	(30)
Other expenses	(53)	(117)	(170)
Return on ordinary activities before tax	(55)	(198)	(253)
Taxation on ordinary activities	-	-	-
Return attributable to equity shareholders	(55)	(198)	(253)
Transfer to reserves	(55)	(198)	(253)
Return per share, p	(0.85)	(3.10)	(3.95)

Non-Statutory Analysis (Unaudited) between the Ordinary, C, D and E Share Funds Income Statement

for the six months ended 28 February 2010

	Revenue £'000	Ordinary share fund Capital £'000	Total £'000
Realised/unrealised gains on investments	-	(58)	(58)
Income	5	-	5
Investment manager's fees	(7)	(21)	(28)
Other expenses	(55)	(118)	(173)
Return on ordinary activities before tax	(57)	(197)	(254)
Tax on ordinary activities	-	-	-
Return attributable to equity shareholders	(57)	(197)	(254)
Transfer to reserves	(57)	(197)	(254)
Return per share, p	(0.90)	(3.08)	(3.98)

Revenue £'000	C share fund		Revenue £'000	D share fund		Revenue £'000	E share fund	
	Capital £'000	Total £'000		Capital £'000	Total £'000		Capital £'000	Total £'000
-	190	190	-	11	11	-	4	4
44	-	44	40	-	40	6	-	6
(23)	(69)	(92)	(40)	(119)	(159)	(18)	(54)	(72)
(51)	-	(51)	(138)	-	(138)	(41)	-	(41)
(30)	121	91	(138)	(108)	(246)	(53)	(50)	(103)
-	-	-	-	-	-	-	-	-
(30)	121	91	(138)	(108)	(246)	(53)	(50)	(103)
(30)	121	91	(138)	(108)	(246)	(53)	(50)	(103)
(0.23)	0.91	0.68	(0.72)	(0.56)	(1.28)	(0.61)	(0.56)	(1.17)

Revenue £'000	C share fund		Revenue £'000	D share fund		Revenue £'000	E share fund	
	Capital £'000	Total £'000		Capital £'000	Total £'000		Capital £'000	Total £'000
-	(178)	(178)	-	84	84	-	54	54
60	-	60	73	-	73	18	-	18
(45)	(136)	(181)	(79)	(237)	(316)	(37)	(108)	(145)
(102)	-	(102)	(229)	-	(229)	(91)	-	(91)
(87)	(314)	(401)	(235)	(153)	(388)	(110)	(54)	(164)
-	-	-	-	-	-	-	-	-
(87)	(314)	(401)	(235)	(153)	(388)	(110)	(54)	(164)
(87)	(314)	(401)	(235)	(153)	(388)	(110)	(54)	(164)
(0.65)	(2.36)	(3.01)	(1.23)	(0.79)	(2.02)	(1.24)	(0.62)	(1.86)

Balance Sheet (Unaudited)

as at 31 August 2010

	As at 31 August 2010 £'000	As at 31 August 2009 £'000	As at 28 February 2010 £'000
Fixed assets			
Investments	16,382	6,200	11,078
Current assets			
Debtors	1,488	713	157
Corporate bond & other liquidity funds	43,874	31,370	23,744
Cash at bank	1,480	489	793
	46,842	32,572	24,694
Creditors: amounts falling due within one year	(142)	(1,114)	(241)
Net current assets	46,700	31,458	24,453
Net assets	63,082	37,658	35,531
Capital and reserves			
Called up share capital	7,198	4,877	4,237
Share premium account	24,716	8,294	45
Special reserve	32,855	25,893	32,855
Capital reserve – realised	(1,095)	(2,125)	(1,194)
Capital reserve – unrealised	(341)	827	(47)
Revenue reserve	(251)	(108)	(365)
Equity shareholders' funds	63,082	37,658	35,531

Non-Statutory Analysis (Unaudited) between the C, D, E and F Share Funds Balance Sheet

as at 31 August 2010

	C share fund £'000	D share fund £'000	E share fund £'000	F share fund £'000
Fixed assets				
Investments	7,069	9,313	-	-
Current assets				
Debtors	152	266	234	884
Corporate bond & other liquidity funds	3,020	9,666	6,232	24,956
Cash at bank	(191)	(2,763)	2,557	1,877
	2,981	7,169	9,023	27,717
Creditors: amounts falling due within one year	(55)	(53)	(44)	(38)
Net current assets	2,926	7,116	8,979	27,679
Net assets	9,995	16,429	8,979	27,679
Capital and reserves				
Called up share capital	1,333	1,923	981	2,961
Share premium account	-	45	-	24,671
Special reserve	9,834	14,841	8,180	-
Capital reserve – realised	(883)	(111)	(35)	(66)
Capital reserve – unrealised	(181)	(170)	(11)	21
Revenue reserve	(108)	(99)	(136)	92
Equity shareholders' funds	9,995	16,429	8,979	27,679
Net asset value per share, p	74.99	85.44	91.49	93.48

Non-Statutory Analysis (Unaudited) between the Ordinary, C, D and E Share Funds Balance Sheet

as at 31 August 2009

	Ordinary share fund £'000	C share fund £'000	D share fund £'000	E share fund £'000
Fixed assets				
Investments	-	3,450	2,750	-
Current assets				
Debtors	44	189	1,272	225
Corporate bond & other liquidity funds	-	7,600	15,164	8,606
Cash at bank	10	1,337	(1,184)	326
Creditors: amounts falling due within one year	(38)	(1,981)	(83)	(29)
Net current assets	16	7,145	15,169	9,128
Net assets	16	10,595	17,919	9,128
Capital and reserves				
Called up share capital	640	1,333	1,923	981
Share premium account	-	-	45	8,249
Special reserve	(71)	9,834	16,130	-
Capital reserve – realised	(541)	(1,400)	(135)	(49)
Capital reserve – unrealised	(1)	830	(2)	-
Revenue reserve	(11)	(2)	(42)	(53)
Equity shareholders' funds	16	10,595	17,919	9,128
Net asset value per share, p	0.25	79.49	93.19	93.01

Non-Statutory Analysis (Unaudited) between the Ordinary, C, D and E Share Funds Balance Sheet

as at 28 February 2010

	Ordinary share fund £'000	C share fund £'000	D share fund £'000	E share fund £'000
Fixed assets				
Investments	-	6,328	4,750	-
Current assets				
Debtors	32	63	16	46
Corporate bond & other liquidity funds	-	3,416	13,905	6,423
Cash at bank	(2)	369	(2,160)	2,586
Creditors: amounts falling due within one year	(30)	(74)	(80)	(57)
Net current assets	-	3,774	11,681	8,998
Net assets	-	10,102	16,431	8,998
Capital and reserves				
Called up share capital	-	1,333	1,923	981
Share premium account	-	-	45	-
Special reserve	-	9,834	14,841	8,180
Capital reserve – realised	-	(804)	(283)	(107)
Capital reserve – unrealised	-	(202)	102	53
Revenue reserve	-	(59)	(197)	(109)
Equity shareholders' funds	-	10,102	16,431	8,998
Net asset value per share, p	-	75.80p	85.45p	91.68p

Reconciliation of Movement in Shareholders' Funds (Unaudited)

for the six months ended 31 August 2010

	Six months ended 31 August 2010 £'000	Six months ended 31 August 2009 £'000	Year ended 28 February 2010 £'000
Opening shareholders' funds	35,531	33,091	33,091
Capital per share issue	29,240	9,716	9,716
Expenses of issue	(1,608)	(490)	(545)
Expenses of share premium account cancellation	-	-	(10)
Expenses of O share conversion and cancellation	-	-	(8)
Return on ordinary activities after tax	(81)	(511)	(1,207)
Dividends	-	(4,148)	(5,506)
Closing shareholders' funds	63,082	37,658	35,531

Non-Statutory Analysis (Unaudited) between the C, D, E and F Share Funds

Reconciliation of Movement in Shareholders' Funds

for the six months ended 31 August 2010

	C share fund £'000	D share fund £'000	E share fund £'000	F share fund £'000
Opening shareholders' funds	10,102	16,431	8,998	-
Share capital subscribed for in the year	-	-	-	29,240
Expenses of issue	-	-	-	(1,608)
Expenses of share premium account cancellation	-	-	-	-
Return on ordinary activities after tax	(107)	(2)	(19)	47
Dividend	-	-	-	-
Closing shareholders' funds	9,995	16,429	8,979	27,679

Non-Statutory Analysis (Unaudited) between the Ordinary, C, D and E Share Funds Reconciliation of Movement in Shareholders' Funds

for the six months ended 31 August 2009

	Ordinary share fund £'000	C share fund £'000	D share fund £'000	E share fund £'000
Opening shareholders' funds	4,422	10,504	18,165	-
Share capital subscribed for in the year	-	-	-	9,716
Expenses of issue	-	-	-	(485)
Expenses of share premium account cancellation	-	-	-	-
Expenses of O share conversion and cancellation	(5)	-	-	-
Return on ordinary activities after tax	(253)	91	(246)	(103)
Dividend	(4,148)	-	-	-
Closing shareholders' funds	16	10,595	17,919	9,128

Non-Statutory Analysis (Unaudited) between the Ordinary, C, D and E Share Funds Reconciliation of Movement in Shareholders' Funds (Unaudited)

for the year ended 28 February 2010

	Ordinary share fund £'000	C share fund £'000	D share fund £'000	E share fund £'000
Opening shareholders' funds	4,422	10,504	18,165	-
Share capital subscribed for in the year	-	-	-	9,716
Expenses of issue	-	-	-	(545)
Expenses of share premium account cancellation	-	-	-	(10)
Expenses of O share conversion and cancellation	(8)	-	-	-
Return on ordinary activities after tax	(254)	(402)	(388)	(163)
Dividend	(4,160)	-	(1,346)	-
Closing shareholders' funds	-	10,102	16,431	8,998

Cash Flow Statement (Unaudited)

for the year ended 31 August 2010

Period ended	31 Aug 2010 £'000	31 Aug 2009 £'000	28 Feb 2010 £'000
Operating activities			
Investment income received	-	54	60
Deposit and similar interest received	5	1	1
Other cash receipts (VAT recovery)	-	-	92
Investment manager's fees paid	(1,075)	(797)	(888)
Administration and company secretarial fees paid	(139)	(144)	(173)
Cash paid to and on behalf of directors	(44)	(46)	(85)
Other cash payments	(116)	(69)	(108)
Net cash outflow from operating activities	(1,369)	(1,001)	(1,101)
Financial investment			
Purchase of unquoted investments	(319)	(1,500)	(6,776)
Sale of unquoted investments	-	6,093	4,122
Loans	(775)	-	(347)
Purchase of liquidity funds	(25,000)	(8,600)	(8,600)
Sale of liquidity funds	746	-	10,189
Net cash outflow from financial investment	(25,348)	(4,007)	(1,412)
Tax & dividends			
Tax	-	-	-
Equity dividends paid	-	(4,596)	(6,887)
Net cash outflow from tax & dividends	-	(4,596)	(6,887)
Net cash outflow before financing	(26,717)	(9,604)	(9,400)
Financing			
Cancellation of share premium accounts	-	-	(10)
Conversion and cancellation of O shares	-	-	(2)
New share issues	28,827	9,604	9,730
Share issue expenses	(1,425)	(445)	(459)
Net cash inflow from financing	27,402	9,159	9,259
Increase/(decrease) in cash	685	(445)	(141)

1. Accounting Policies

The unaudited interim financial statements which cover the six months ended 31 August 2010 have been prepared in accordance with applicable accounting standards and adopting the accounting policies set out in the statutory financial statements of the Company for the year ended 28 February 2010.

2. Return per Share

The return per share has been calculated based on a weighted average number of shares in issue for the six months ended 31 August 2010 of: C share fund – 13,328,599; D share fund – 19,228,838; E share fund – 9,813,732; and F share fund – 25,982,813. (31 August 2009: O share fund – 6,400,640; C share fund – 13,328,599; D share fund – 19,228,838; and E share fund – 8,806,980. 28 February 2010: O share fund – 6,400,640; C share fund – 13,328,599; D share fund – 19,228,838; E share fund – 8,806,980 and F share fund – n/a.)

3. Net Asset Value per Share

The net asset value per share has been calculated based on the number of shares in issue as at 31 August 2010: C share fund – 13,328,599; D share fund – 19,228,838; E share fund – 9,813,732; and F share fund 29,611,437. (31 August 2009: O share fund – 6,400,640; C share fund – 13,328,599; D share fund – 19,228,838; and E share fund – 9,813,732. 28 February 2010: C share fund – 13,328,599; D share fund – 19,228,838, E share fund – 9,813,732; and F share fund n/a.)

4. During the six months ended 31 August 2010 the Company did not buy back any shares.

5. The financial information for the six months ended 31 August 2010 has not been audited and comprises non-statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The statutory accounts for the year ended 28 February 2010 were unqualified. No statutory accounts in respect of any period after 28 February 2010 have been reported on by the Company's auditors or delivered to the Register of Companies.

6. Printed copies of this Half-Yearly Report will shortly be mailed to shareholders and will be available to the public at the Company's registered office. A copy is now available on the Company's website – www.edge.uk.com/edgeperformancevct.

Directors

Sir Robin Miller (Chairman)
Michael Eaton
David Glick
Julian Paul FCA
Frank Presland

all of
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