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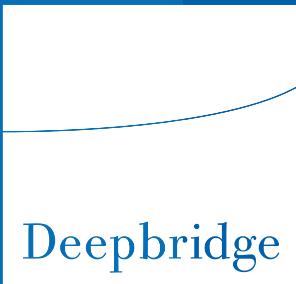

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"Deepbridge is in the vanguard of EIS Managers, the personnel are seasoned and, in some cases, eminent, bringing cross-sector expertise in technology and private equity." ALLENBRIDGE LTD: TAX SHELTER REPORT ISSUE 250

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What do we mean by "government backed"?

In the interests of clarity, any reference made by GB Investments to the point that EIS, VCTs and similar investments are government backed relates to the government's general approval of these schemes, indicated by their having granted them highly tax advantaged status. The use of this term does not imply that government would in any way act in the capacity as a guarantor or backer of last resort in connection with such schemes.

A STRONG YEAR

Gosh, how time flies. Just another couple of weeks, and it'll all be over. It would take a development of truly shocking proportions to imagine that anybody other than Theresa May will be in office after 8 June - but what are the chances of a softening political line on the economy? Will the Conservatives secure the hoped-for 100 seat majority that will enable it to force through the economic programme that it says the country needs?

And if it does, will a government with a brand new five-year mandate take the opportunity to tighten the tax net and to raise taxes, at least for higher earners? Will the existing scale of investment allowances remain untouched? Will the Chancellor refrain from tinkering with the pension system - just for once – and, if so, what will be the impact on tax-favoured investments?

A Strong Year

Questions, questions. What we do think we know is that the last tax year (2016/17) saw a second modest annual contraction of traditional EIS issues - possibly reflecting the departure of Octopus from the EIS issuance scene. The April release of solid figures from HMRC, unfortunately, relates only to 2015/16, where they showed a total £1.65 billion, compared with £1.82 billion in 2014/15. (And that in turn will almost certainly have reflected the disqualification of alternative energy from new EIS schemes.)

Should we be concerned by this apparent downtrend for EIS? Only if we ignore the fact that the proportion of money going into growth funds and Seed EIS appears to have been rising commensurately - the result, largely, of the EIS and VCT rule changes, or that VCTs appear to have had a bumper year in 2016/17. Early estimates from the Association of Investment Companies point toward a total fund-raising of £542 million, up by nearly 19% from £456 million in 2015/16 and the second strongest year on record. Many of this spring's VCT launches closed well ahead of April, which is always a good sign.

Small wonder, perhaps, that Octopus chose its moment in May 2016 to stop taking new money for EIS investments, and to strengthen its focus instead on VCTs, where it has as much as 30% of the market. As the group's Managing Director Paul Latham told the *Financial Times* at the time, the rise of VCTs was only partly due to the fact that pension restrictions were driving "the mass affluent" into a search for tax-efficient alternatives where previously the "super-rich" had sought refuge; there was also the highly attractive point that the paperwork was so much simple, because VCTs could be declared as a single investment instead of as a gaggle of separate EIS company investments.

The View Ahead

But that was then, and this is now. Will the government's desire to fill the fiscal gap fall into line with what seems to be a tougher line on small and medium cap companies? Will the Chancellor's pledge to keep up his support for new, employment-creating businesses in the provinces hold firm? (There was scant mention of the Northern Powerhouse in this year's spring Budget. Was that just a memory lapse?)

We can't know. But it falls to all of us to keep on reminding Mrs May and Mr Hammond that small, dynamic, forward-looking enterprises are still the best way forward, and also the best performers when it comes to generating wealth and jobs. And that, if larger companies are fearful of feeling the pain from a hard Brexit, then that'll be all the more reason for backing the smaller ones. There's a natural convergence of interest there which nobody can afford to ignore.

Michael Wilson, Editor in Chief

Maven boosts North West team

Private equity house Maven Capital Partners has boosted its North West team with four new appointments.

Three new investment managers and a dedicated portfolio administrator have joined its North West investment team. The appointments have been made to support NPIF Maven Equity Finance, which has a North West focus and is managed by Maven for the Northern Powerhouse Investment Fund (NPIF).

Martin Clark, James Darlington and Jeremy Thompson will be responsible for transacting new NPIF equity investments. Nikola Clarke will provide portfolio support to NPIF investee businesses.

The appointments add to Maven's established northern England investment team which has been completing SME transactions across the region for almost 20 years.

Ryan Bevington, Fund Manager for NPIF Maven Equity Finance, said: "We are very pleased to welcome Martin, Jeremy, James and Nikola to the Maven team. They will each bring valuable experience in managing high-quality SME investments across the North of England, enhancing a highly-resourced investment team and adding to the wide range of sector specialisms already established within the team."

Murray serves up three more investments

He may be a little worried about his form on the court, but tennis champion Andy Murray seems sure-footed when it comes to his investments.

The tennis star has just backed more startups on the Seedrs platform.

Murray, the world's number one tennis player, has a strategic relationship with Seedrs and he's just invested undisclosed amounts into British companies Den and Morpher, as well as exercising preemptive rights in Landbay's latest equity round.

Den is a Smart Home system that looks like a normal switch, but aims to reduce household bills, alert users if they leave the TV on and also warn if a loved one has been inactive in the house for a period of time. It has now raised over £2.1million on Seedrs from over 1,150 investors, overfunding to 219%.

Morpher is the world's first flat folding helmet, designed for cyclists and other sports enthusiasts who don't want to carry around a bulky helmet. The startup has now raised over £659,000 from almost 400 investors on Seedrs.

Landbay direct-matches investors' money to mortgages using the resource and capital efficiency of peer-to-peer. The Zoopla backed marketplace provides finance to the UK's private rented sector and has so far raised £2.3 million, overfunding to 157% in a private preemption round only open to existing investors.

Murray said: "Den is exactly the kind of innovative smart technology households around the globe will utilise in the future, and Morpher is a product that the modern cyclist should own – one that has been dutifully perfected by an award winning inventor. Investing in both of these start-ups allows me to continue to build my portfolio whilst diversifying. I also invested in Landbay for a second time, exercising my pre-emption rights. The future for the company looks good and I'm pleased to be able to maintain my shareholding as the company grows."

Seeds Chief Investment Officer Thomas Davies said: "We are delighted that Andy continues to be so active in early-stage investment and his recent investments on Seedrs into Den and Morpher reaffirm this. More exciting still is to see Andy taking advantage of the preemption rights our nominee structure facilitates with his first follow-on investment into Landbay. With our recent announcement of the upcoming launch of the Seedrs Secondary Market, Andy will also be given the opportunity to sell some of his shares and realise returns."

IRON BOX CAPITAL

5

EXCELLENT REASONS TO INVEST IN FILM

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WHY INVESTING IN FILM IS NOW BACK IN FAVOUR

It is true that in the past investing in film got a terrible reputation. They have been associated with tax evasion, and the ongoing legal battles over this linger on today.

Yet investing in film has, in reality, been transformed in recent years, and is now resurgent.

There are a growing number of companies offering investment into films, and it is now recognised as a valid investment class in its own right.

So, what has caused this transformation? And if you are interested in investing in film what should you be looking out for?

Transformation for good

There are two key reasons why there has been this change in sentiment.

The first is that the government clearly supports investment in film. After all, the British film industry is now hugely successful, and brings in many £millions into the UK economy from abroad.

The evidence of this support lies in the fact that not only has HMRC maintained qualifying EIS and SEIS status for film investments at a time when it has withdrawn its support for some types of investments, but investing in film and media is now unique. It is the only investment that benefits from two different government backed tax benefits. EIS or SEIS tax benefits for the investor and tax credits for the producer. This sends out a strong message that investing in film is wanted by the government.

Secondly, the global explosion of different media and channels that offer film to viewers has created an unprecedented demand for film content. As well as multi channels on TV, there is Video on Demand, On-flight films, Netflix, Amazon Prime and much more.

This presents a world of opportunities.

Identifying the right company to invest with

If you don't know the industry from the inside, then these pointers of what to look out for may be helpful:

The right experience

- You need the right people with the right experience, expertise and network of contacts.
- Those who know the film industry intimately, from the inside.

The right contacts

- The key to making a profitable film is the ability to negotiate both the pre sales rights and the ongoing revenues across all the different media, across the globe.
- That is why the right contacts and strong relationships with the best sales agents is key.

The right management team

- The management team is running a business, and so needs the right hard-nosed business skills as well as the disciplines of market knowledge, the experience of what works, together with the skills to deliver projects on time and within agreed budgets. The right processes are critical. It is a rare combination.

Enjoying your investment

Why do people invest in films? The main reason is to make money, of course.

But there is also a very strong secondary element. Films are glamourous and exciting.

It is our belief that anyone that invests in film should also enjoy their investment.

So, seek the opportunity to meet the cast, watch the filming, go to the premiere of the films that you invest in, or possibly have a small part as an extra.

These are all feasible, and give investors a unique bonus that is literally, without price.

This is something that no other investment can offer you.

IRON BOX CAPITAL

THE NEW KIDS ON THE BLOCK

An investment showcase bringing you the newest offerings from the sector

Investment: Deepbridge Life Sciences EIS

Aim: Investing in healthcare innovation, including biopharmaceuticals and medical technology

Tell us about the fund

The Deepbridge Life Sciences EIS represents an opportunity for private investors to participate in a selected portfolio of healthcare innovation, whilst taking advantage of the tax benefits available under the EIS. The investment strategy of the Deepbridge Life Sciences EIS is to invest in a diversified portfolio of companies that participate in one of the following:

- Biopharmaceuticals
- Biotechnology
- Medical Technology.

We live in unprecedented times, with digitalisation and decoding of the human genome, combined with sufficient computational power, providing a fertile backdrop for medical innovation to solve the biggest health problems facing the world in this century. The global healthcare spend in 2010 was $6.5 trillion, with increasing population trends, ageing populations in developed nations, improving economic wealth and education levels of emerging markets driving future growth.

Here in the UK, 30% of the population suffers from a chronic condition and the World Health Organisation estimates some $3.4 billion is lost annually from the overall economy as a result of deaths from such conditions. The management of chronic disease has been estimated to account for 70-75% of all UK healthcare costs.

With rising costs, overburdened national health systems are looking to improve efficiencies. The growing gap in the supply and demand imbalance necessitates the adoption of new models of healthcare. Healthcare IT will play an increasing role in this rapid evolution. It is often SMEs that carry the burden of innovation and they remain a significant link with academia. They are also more agile and able to take risks which result in more efficient innovation. Yet, many of these early stage companies face a funding gap with the 'Series A crunch' responsible for the destruction of significant amounts of value. Even the businesses that succeed with Series A funding, the process is often long winded and takes key personnel out of the business for considerable amounts of time. It is our opinion that this funding gap has revealed a compelling opportunity for investors to secure attractive entry terms into such businesses.

We therefore believe now is an advantageous time to invest in emerging medical technology opportunities via the EIS. Whilst the tax incentives are potentially compelling, investors should also seek to engage an investment team that can not only identify attractive pre-commercialisation investment opportunities, but also actively mentor and assist these opportunities to accelerate their journey towards full commercialisation and in doing so unlock significant shareholder value.

We believe the Deepbridge Life Sciences EIS offers investors the unrivalled expertise of the Deepbridge team and supervisory board, coupled with an opportunity to take advantage of the generous tax incentives offered through the current tax legislation.

How much is being raised?

The Deepbridge Life Sciences EIS is open-ended.

What types of investments are being sought?

Deepbridge employs strict investment criteria in preparing and reviewing the investment opportunities it sources from its wide deal-flow network. Generally, Deepbridge seeks investment opportunities that exhibit the following qualities:

- A focus on life sciences and medical device technology;
- Significant market potential with clear need and market growth;
- Provide a solution to a recognised clinical or healthcare need;
- Innovation-driven products that have the potential to create new market segments or displace current technologies;
- Medical technology businesses with a clear and realistic path to commercialisation;
- Robust intellectual property which may provide patented or patentable IP protection; Passionate, energetic, experienced and aligned founding team; and
- Clear exit strategy to be implemented within four to five years with alignment of interests with our stakeholders.

Deepbridge takes an active executive role on the board of the investee companies to utilise the strengths and commercial experience that the Deepbridge team possess in order to accelerate the growth of the investee company.

What is the minimum investment?

The minimum investment is £10,000

What is the targeted return?

The investment objective of the Deepbridge Life Sciences EIS is to generate tax-efficient mid-case capital growth of 170p for every 100p invested (excluding tax reliefs), over a minimum four year period.

Exit events will be sought at the earliest opportunity after the third anniversary of the investment made.

Provide details of the top three fund holdings

Examples of three companies within the Deepbridge Life Sciences EIS portfolio:

Metix Limited

Metix has designed and developed a portable, multi-parameter, non-invasive, hand-held emergency vital signs monitor, called COREMED X.

COREMED X measures electrocardiogram, heart rate, respiration rate, peripheral capillary oxygen saturation, capnography, blood pressure and body temperature. The vital signs data collated by the monitoring device are then relayed to a server that encloses the running of the web application and the relevant database when the device is connected either manually or via Bluetooth to an internet connection. The company has also developed a secondary device, called COREMED M, which is a mobile remote vital-sign monitoring device based on GPS/GPRS.

Stent Tek Limited

Stent Tek has created a novel catheter system that enables patients to receive haemodialysis ('HD') in an improved manner. Currently, patients receiving HD must undergo a surgical procedure to create a surgical connection between an artery and a vein, the vein then acts as a 'vascular access' through which a dialysis machine is connected.

Stent Tek has developed a minimally invasive procedure that uses a 'stent graft' (in effect, a synthetic tube) to form the fistula which is then inserted using a proprietary technology named ePATH), a process that is significantly less traumatic than surgery. The resulting fistula is ready in a shorter timeframe and less likely to fail, thus resulting in fewer patients suffering secondary infection and potentially life-threatening medical complications.

Ibis Vision Limited

Ibis Vision has developed 'Ring of Sight' (ROS), a unique eye test that is specifically designed for the early detection of glaucoma. Worldwide, glaucoma is the second most common cause of blindness and is caused by a build-up of pressure within the eye which in turn can damage the optic nerve and the nerve fibres from the retina. Once damage is detected, it is usually permanent and therefore it is vital to make the diagnosis as soon as possible to commence treatment.

The ROS product is based on patented technology covering the use of visual field testing using a cursor and LED screen: the product is currently configured for use within a Windows environment and has two developed tests in play; the Full Threshold Test and the Suprathreshold Test.

THE EXITEERS

Bringing you news of successful exits in the sector

Fund: Mercia
Exit: Allinea Software

Details of the fund

Mercia exited its holding in Allinea Software Limited when the company was acquired by ARM Limited in December 2016.

What does the company do?

Allinea Software, based in Warwick, is a leading provider of software tools for developing and optimising high performance computing (HPC) applications. Its platform is able to address high performance computing software development, debugging and performance optimisation through the use of its core products.

The Chief Executive and Co-Founder of Allinea Software, Dr David Lecomber, has over two decades of experience in parallel and high-performance computing, holding a DPhil from the University of Oxford, where his research interests include programming models for concurrency and general purpose parallel computing. He also led the development team that created the world's first Petascale debugger and profiler - the only commercial software tools to have been proven to run concurrently on over 100,000 cores - and now in production use at over 700,000 cores.

Lecomber co-founded Allinea Software in 2002 and due to the growth of supercomputing, the company's potential and existing customers now span across multiple high-growth sectors, including: automotive, oil, gas, aerospace, life sciences and research at both government and university level.

In 2015, it was awarded funding under five European Horizon 2020 Research & Development projects worth £2 million. The company was also selected as a Red Herring Top 100 company in 2011.

From climate modelling and astrophysics, to financial modelling and engine design, supercomputing is now an important part of many industries and research bodies. The cost of inefficient and incorrect code running on multi-million dollar systems is substantial, and as the uses for supercomputing continue to expand into new commercial sectors and industries, Allinea's software tools help high performance computing become more accessible to a much larger developer and scientific user community.

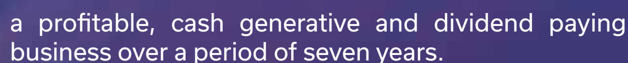
According to research by IDC, the high performance computing market is forecast to experience 8.2% yearly growth until 2019, with the market expected to reach $15.2 billion by this point.

What did the company invest the money in?

Mercia's initial seed funding supported the development of Allinea's software products as the company continued to make commercial progress and developed key partnerships. The company now has notable partnerships with many blue-chip organisations, including: Intel, Cray, IBM, Fujitsu, Atos and HP, and also has an impressive customer base, with its software used on 65% of the world's 100 largest supercomputers.

Based in the Midlands, one of Mercia's core investment regions, Allinea has grown significantly and has opened offices in the United States, Europe and Japan.

With backing from Mercia, Allinea was scaled into



a profitable, cash generative and dividend paying business over a period of seven years.

How much was raised?

Approximately £1 million in investments and grants.

How was the exit achieved?

On 16 December 2016, Allinea Software was sold to ARM Limited for a total cash consideration of up to £18.1 million. Mercia recognised an immediate realised gain of £700,000, compared with the holding value of £1.9 million as at 30 September 2016. Mercia's total investment cost was £1.54 million, so the initial proceeds of £2.6 million represents a 73% uplift.

This cash exit demonstrates how early-stage businesses can be effectively supported through Mercia's 'complete capital solution.' In 2009, Mercia identified the investment opportunity and led the funding of a management buyout of Allinea from another University of Warwick spinout. Mercia's third-party-managed funds provided early-stage investment and support. Following a period of successful trading, Allinea then became one of the group's original direct investments or 'emerging stars' at the time of Mercia's IPO in December 2014. Mercia's direct holding increased from 6.9% at IPO, to 16.6% as at 30 September 2016 via its purchase of the Mercia Fund 2 investment portfolio in 2015.

How much was returned to investors?

Mercia's managed funds (the University Challenge Fund) returned 26x the original investment cost and Mercia Technologies' later stage balance sheet investment returned 21x the original investment cost. Allinea was sold to ARM, the world's leading semiconductor intellectual property company, which was its first acquisition since its own sale in July 2016.

Alongside Mercia, there were various EIS and VCT investors, including Oxford Capital Partners, Oxford Technologies and various angels, most of whom invested prior to Mercia and did not achieve such a high multiple return on investment.

What other benefits has the company provided?

As a Midlands-based technology business, Allinea Software is a great example of the benefits of investing in a university spinout. Having been sourced from the University of Warwick, one of the most prestigious university's in the UK, the company created a total of 34 jobs at the point of exit. As well as supporting the local economy, the company was able to recruit the skills and expertise it needed from the Midlands talent pool.

There is also considerable value in developing university partnerships. Sourcing and funding attractive investment opportunities at an early stage and then scaling those businesses over a period of a time means that ultimately, they have the potential to be acquired by top-tier buyers. The sale of Allinea Software to ARM has enabled the company to accelerate its development and reach within growing high performance computing markets, as well as achieving greater exposure in adjacent sectors such as machine learning.

FILM CLUB

Turning the lens on investments with movie star qualities

Manager: Boudica Films
Fund: A number of films in production

Tell us about the fund?

The Boudica label was founded in 2013 by Ian Davies and Rebecca Long. Boudica has invested in and produced seven feature films to date with all films securing prestigious film festival launches including Carol Morley's 5-star reviewed The Falling and Iona, starring Oscar nominee Ruth Negga. We have worked with partners such as the BBC, British Film Institute, Creative Scotland and actors such as Masie Williams, Greta Scacchi and Elizabeth McGovern. We have received four BAFTA nominations / recognition awards for lead actresses in our first three films. In terms of financial returns, over the first three films, investors have exited in c.3.5 years with 40% profit.

We are currently raising for three SEIS companies and as well as the smaller singular films under our SEIS and we are establishing a larger EIS fund with the aim to raise £5 million with a similar offering, however investors will spread their risk over a large portfolio of smaller films as well as a few 'prestige' films that we invest in with A-list stars.

What films are in production?

We are currently completing raises for two SEIS companies: Boudica Indigo Limited and Boudica Navy Limited.

We are shooting both films from July 2017.

We have developed both film projects from concept. Under Boudica Indigo we are raising for 'Kat and the Band' starring Dougie Poynter from McFly. This film is targeting a teen audience and there is potential for the film to be serialised for TV and to be made into a musical. To date, we have raised two thirds of the budget and have £100,000 SEIS remaining.

Under Boudica Navy, we are raising for Rosalind Franklin, a feature documentary with recreated interviews about the race to decode DNA and the female scientist who played a significant role only to be written out of the history books. To date, we have raised one third of the budget and have £100,000 SEIS remaining.

We are also raising for another Boudica film, The Crossing, under Boudica Fuschia which has been wholly developed by Boudica and has a rising female director attached. We will be looking to go into pre production on this film fourth quarter 2017 to shoot early 2018.

Inspired by true events, The Crossing is a survival film set in real time and tells the story of a group of refugees perilously crossing from Turkey to Greece in the desperate hope of a better life based on real-life experience.

There is an opportunity for all shareholders to visit the set, attend screenings, get involved and be part of our Boudica story.

What film characteristics should investors look out for?

- The track record of the film company and producers
- The budget and target audience for the film
- The aim of the producers in respect of sales and distribution and does this model fit the budget and plans for the film
- The USP of the film in respect of story and/or talent attached
- Where the investor sits in the recoupment waterfall
- What net upside will investors see if a film is a success
- The protection downside – is this within the spirit of the SEIS/EIS regulations and is this balanced fairly with rewards and upside

What is the minimum investment?

For our SEIS companies, the minimum investment is just £2,500.

For the larger EIS company, the minimum investment is £50,000

What return can investors expect?

The minimum we aim for is a 150% return outside of tax reliefs.

What are the risks?

The risk for investors is the film may not perform in the market place. By offering a number of SEIS investment opportunities at a low entry level, investors can spread their risk.

Secondly, the risk is that investors do not know where they sit in the recoupment waterfall. They may be a third or fourth equity financier to be repaid so the film has to be a great commercial success to see any return. With Boudica, we always aim to recoup our investment first position so the film may not even require to make its budget back to make a return.

There is also the risk that the budget is too high and the returns do not generate enough capital to afford investors a return. By making small and smart films, the budgets are very low whilst production values are high so simply put there is a realistic budget to make full returns before net profits kick in.

The final risk is the importance of the team behind the companies. Do they have a track record and what is this. There are no great checks and balances in the industry so it is important that investors carry out due diligence on the team running the business itself. Are they transparent? Are they aligning their interests with investors in respect of the success of a film?

Why is the UK film industry important?

The UK film industry is a vital one providing jobs and income to numerous companies and individuals.

Boudica stands out as the only company in the UK dedicated to enabling women behind and in front of the camera.

Boudica re-branded in 2016 at the Cannes Film Festival to only finance and produce female-centric films. Our aim is to enable women behind and in front of the camera at a time where there is great debate regarding this issue.

We have had a huge amount of support for this initiative and we have a close relationship with Women in Film and TV. We have some impressive patrons including the Chief Executive of Women and Film & TV and the Director for Europe of the Academy of Motion Pictures Arts & Sciences (The Oscars). Later in 2017 we are looking to begin a program of producer training with WFTV and a leading broadcaster, as well as setting up our own distribution arm with direct links to Netflix and Amazon.

The Director's UK reported an "unconscious bias" towards male directors in the film industry and the Centre for the Study of Women in Television and Film at San Diego State University in 2016 concluded that only 7% of films had female directors, 3% had female writers, 17% had female editors and 5% had female cinematographers, and only 29% had female protagonists

Female-driven films are now often outperforming male-driven films and more women go to the cinema than men. We believe that supporting female-driven films makes both ethical and financial sense.

TOP 10 TIPS FOR GETTING THE MOST OUT OF ALTERNATIVE INVESTMENTS

Jack Rose, Head of Tax Products at LGBR Capital, sets out the 10 areas advisers need to look at when investing clients in EIS and VCTs

When all is said and done, the final fund raising figures for both VCT and EIS are quite likely to be lower for the 2016/17 tax year than they have been in the previous few years but it won't be due to a lack of interest or demand, but rather a shortage of supply and capacity in certain areas of the market.

This year there seems to have been an unprecedented interest in tax-advantaged investments such as EIS, VCT and business relief for inheritance tax (IHT) mitigation. As the EIS, VCT and IHT sectors have matured, advisers seem to have become more confident with the sector, recognising its various potential benefits for their clients. This has only been exacerbated by changes to legislation in other areas of the market that are impacting and limiting client's options; pensions for example.

For those who may be considering the sector for the first time, here are top 10 tips for using tax-advantaged investments:

1. Don't leave it to the last minute

Capacity is limited in some of the most popular products and EIS vehicles that guarantee investment this tax year (relevant for those looking for carry back to 2015/16) are in short-supply. The most popular ones will fill quickly.

The same is true of the VCT market which has seen a number of the most popular products limit their capacity and, as a result, fill within weeks. Investors who wait to March will be left with limited choice. So do your research early and get the due diligence done as soon as you can, which will mean you are in a position to move quickly when products open.

2. Diversify

Often you come across investors and advisers who tend to stick to one provider and/or product that they've used in the past. As with all investments, diversifying across multiple strategies and providers can help to reduce to risk.

3. Focus on the investment not tax relief

It's the typical cliche of the tax tail and the investment dog – investors should view tax-advantaged investment strategies in the wider context of their entire portfolio, not just as a way to mitigate tax. Any investment worth consideration should stand on its own two feet without the tax breaks. For example, a VCT can be regarded as an allocation to smaller/micro caps and this should be viewed in the context of the investor's wider investment portfolio.

4. Look beyond the tax structure at the underlying investment

Many people regard tax-efficient investments too broadly, lumping them together into an EIS or VCT. However there is a plethora of different underlying investment strategies and sectors that one can access via each structure - from media, infrastructure, leasing and lending to shipping, managed storage and AIM and the list goes on. Each vehicle will suit different investor profiles.

5. Utilise independent research

To help advisers and investors research and make decisions on tax-efficient investment, there is an increasing number of sources of independent research and due diligence on managers and products. These include but are by no means limited to: Martin Churchill's Tax Efficient Review, Allenbridge's Tax Advantaged Investment Reports, The AIC, EISA, MiCap and Hardman.

6. Look at all the charges

It is often easy to miss the additional costs that can add up. Don't just look for an initial charge and annual management fee. But check to see whether there are dealing and custodian fees. On IHT products looks for any underlying costs/charges that an investment manager might receive from an investee business for services. Also check for exit and performance fees, as these can all add up and should be considered. I try to bucket charges into the following three types; one-off upfront charges, ongoing charges and one-off exit fees.

7. Match the structure to investor/ client needs

It seems blindingly obvious – but there are key differences between an EIS and a VCT, so it's important to pick the one that will best suit the investment scenario. For instance if there is an income requirement, a VCT with tax free dividends might be better. However if a client has a large capital gains tax (CGT) liability from the sale of an asset, an EIS with its CGT deferral might be preferable. It's about understanding the benefits of each.

8. Baby steps

Advisers and investors can often be hesitant about investing in this area of the market. After all it doesn't make up the main portion of advisers' work. Having said that, tax efficient investments are becoming more and more relevant for certain clients. This type of investment can be a real value-add for the right client and the minimum investment is often reasonable, so an investor can slowly build up their portfolio without the outlay of significant capital. Most VCTs have a minimum investment size of £5,000 and some are as low as £2,000.

9. Consider exit/investment horizons

A common assumption is that EIS has a shorter investment horizon than VCT, largely because people just look at the minimum holding period for claiming the income tax relief. This is three years for an EIS and five years for a VCT. In reality, in the vast majority of cases they are both pretty much the same. People need to look at when the monies are being invested, and importantly, what is the route to exit? VCTs are on the whole more readily realisable than EIS, as they are investment in companies quoted on the London Stock Exchange, while EIS investments are usually a basket of unquoted and/or AIM stocks.

10. Don't view this as just end of tax year advice

No doubt the majority of investment in the tax-efficient sector will continue to be seasonal, as and when people know their tax positions – however, an increasing number are 'evergreen' products, open all year round and providers deal flow is not tax year seasonal. So remember, you can access many tax efficient products all year round (VCTs are a bit of an exception to this).

Much has been made of pension changes driving demand for product this tax year, however I would suggest that this year's rush and capacity issues have more to do with managers' prudent approach to raising appropriate levels of capital and ensuring they can deploy it into good opportunities. Many people still have carry-forward allowances to use with regards to pensions, which actually suggests this issue is only going to be further exacerbated in years to come unless something changes to free up more capacity in the market.

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ARE PI INSURERS A GENUINE BARRIER TO EIS INVESTMENT?

Martin Fox, Chair of the EISA Research and Education Marketing Committee, discovers what advisers need to do to satisfy PI insurer criteria when investing in EIS

At the Enterprise Investment Scheme Association (EISA) we are always interested to understand the barriers to offering EIS investments by IFAs.

A reason that is cited by some IFAs is that 'our PI insurer doesn't like it', yet others we talk to say that there is no problem with their PI Insurer. So what is the truth?

To find out we spoke to Lark, an insurance broker that specialises in the sector, as well as a leading PI insurer, Liberty Specialty Markets.

The general feeling was that PI insurance needn't be a barrier for IFAs.

We asked Liberty what they look for in an IFA firm that wants to start offering EIS business to their clients. There was a consensus that there are some very clear pointers:

- Understanding of the product. Does the adviser understand the characteristics of the product, and who it might be suitable for...and not behind the 'score' of an independent reviewer.
- An understanding of the client, and in particular their risk profile, and whether they have a need for short term liquidity.
- An understanding of the sales process, and how the product selection process is documented.
- Knowledge of the product by the compliance department, and which type of client it is suitable for.
- It also helps if the IFA can clearly articulate when they will say 'no', when this product is not suitable for a client.
- If any of the above processes are not in place then the PI insurer may not offer cover.
- If these are all in place, then there shouldn't be any problems. But if this is the case, then why is there a concern about EIS? There are probably two reasons:
- There may be a fear that HM Revenue & Customs (HMRC) might act retrospectively against EIS if they decide that there is any aspect they don't like. But how likely is this in the case of EIS? Not very in our view. In the new Brexit world there is no doubt that that smaller companies are seen as the engine room of growth for the UK economy, and EIS is seen as a very good and legitimate way of supporting smaller companies.
- There is still a fear of banned tax avoidance schemes, including the old film partnerships.

Perhaps there is not enough understanding that current EIS schemes are very different to these, and are supported by the generous tax reliefs offered by the government, and the comfort of the 'advanced assurance' process.

So, we asked, is there anything else that would help the cause of the adviser? Two things were suggested. More education about the product, and here the EIS Diploma would help. And the due diligence that the advisory firm do on the products they sell.

Finally we asked if there were any products that a PI insurer really didn't like, because of the long term consequences. Yes: UCIS products and defined benefit pension transfers.

EIS are not a problem as long as the right processes are in place.

If you are an IFA, and still concerned about how you stand, our suggestion is that you should be talking to your PI insurer. There needn't be a problem.

EIS - IN GOOD COMPANY

EIS companies are traditionally thought of as below the radar of institutional interest, being both too small and too high risk to warrant their attention. Today, however, large corporates and multinational companies are challenging that perception by actively participating in investment rounds alongside the likes of EIS Growth Funds and VCTs.

It is now commonplace to find household names investing into early stage businesses, particularly in the tech sector, to gain insights and protect their market share from disruptive newcomers. Gone are the days when economies of scale were sufficient to displace new market entrants, with today's entrepreneurs persistently seeking to discover new ways to disrupt supply chains and commandeer market share where it was previously considered unassailable. No one wants to be the hotel or taxi company owner when the next Airbnb or Uber strikes.

The MMC Ventures portfolio demonstrates this trend well, with investment into portfolio companies coming from the likes of Unilever Ventures, Halfords, Mastercard, and Salesforce Ventures, to name a few.

The involvement of these heavyweights can really move the dial for a fast growing businesses. Take Tyres on the Drive as an example – a home delivery and fitting service for car tyres – where Halfords committed £8m into the business. The market knowledge and expertise added is enormous, with new opportunities to increase revenue through cross selling other Halfords products.

Moreover, given EIS assets are typically held for a period of 4-7 years, investors and advisers are often keen to get a handle on the performance of their holdings. If portfolio companies have successfully secured investment from existing market leaders, then confidence can be taken in that they have been identified as a leading disrupter by those most knowledgeable in their sector – a promising indication of value.

Each of the above institutional investments were made alongside The MMC Ventures EIS Fund. The institutions validate the historic investment and offer independent valuation uplifts. The corporate investments demonstrate that MMC EIS clients are getting access to terms and deals not otherwise available to the public – with the added benefit of the tax reliefs available through EIS.

This 'coming of age' of EIS raises the question that, if these investments are considered sound enough for the likes of Unilever and Mastercard, then should they not warrant the attention of the private investor seeking diversification from the public markets?

So what challenges lie ahead for picking the right EIS Fund to tap into this trend? Large scale corporate interest showcases the ability of the fund manager to select businesses that draw the right kind of attention as they develop, transacting with key players. Part of the value added by fund managers is their ability to open doors to larger enterprises as the portfolio company evolves; both for more substantial funding and the benefit of a strategic partner who can offer a significant step up.

In conclusion, it is worthwhile investigating who is co-investing with an EIS provider, both as an indication of future value and the quality of the fund manager.

A NATURAL BORN INVESTOR

City Editor **Neil Martin** talks to the co-founder of Ober Private Clients on why he's now turning his attention to IFAs

Ben White, Head of Investment and founder of Ober Private Clients, started investing in companies whilst still in his teenage years, so when he became an accountant, it was a natural progression to remain interested in how companies grow and develop.

Ober is a private equity investment house specialising in EIS. It sources and monitors exclusive private equity investment opportunities for its roughly 300 clients based throughout the country.

The firm may have its roots in the north (HQ in central Manchester), but it also has an office in London and chooses investments from around the world. Ober was spun out of chartered accountancy firm White & Company, which was formed by White and his business partner about nine years ago. Prior to that he was a partner in another Manchester based accountancy firm.

His first love of investing derived from backing small cap companies on the stock market whilst aged 15. To this early interest, he added the academic knowledge that comes with training to be an accountant and corporate financier and the exposure that the profession brings to the companies and their management teams.

White explains: "I've always been involved in clients that are owner managed businesses, typically fast growth in a whole variety of sectors, and that's really stood me in good stead."

White also personally invests in every company in which Ober takes a position and he's proud of their track record in picking stocks; they might see details of 500 situations a year, but only invest in a dozen.

"It's a lot of pressure, but also we have a lot of confidence. As well as my own skills, I'm able to use the skills and experience of my staff of more than 50 in White & Company, as well as my growing team in Ober. And if we see that things aren't quite going to plan with one

of our investments, which does happen from time to time, we can step in and take action and support those companies."

White says that their confidence is reflected in their investment structure and fee structure:

"Clients never have a cap on the return they can make on the investments we arrange for them. And the charges they pay us are always limited to an initial procurement fee and a back-end performance fee. What's more, they will only pay a performance fee if their investment doubles or more on exit."

And now Ober is turning its attention to IFAs. Working with intermediaries is the next level up for Ober and it has recruited directors who know the space well. His aim is to achieve around £60million of investment throughout and White believes a select number of intermediaries will compliment Ober's private client list.

And White thinks Ober has got its timing about right with this move. He points out that although the appetite has grown nicely for EIS over the recent years, the supply side has shrunk. This is due to some of the larger EIS promotors dropping by the way side as renewable energy businesses have been taken out of HMRC's definition of qualifying activity. Therefore, more than ever, White thinks that IFAs will need a strong supply of product in the sector which is continually gaining in popularity with investors.

White looks about right with his sense of timing and may just offer the sort of hands on approach that the IFA community appreciates. But, in a still competitive sector – the number of providers may have gone down, but the quality of those remaining is high – White will know that maintaining his track record and his level of client service, will be key for Ober's future growth.

THE ROBOTS ARE COMING: AI IS A HOT SECTOR FOR VENTURE CAPITAL INVESTORS

Miles Kirby, Investment Director at Oxford Capital, details the investment opportunities from the rise of the machines

Artificial Intelligence (AI) used to feel like a futuristic technology but it is already permeating our daily lives. It underpins the search results that Google gives you, fraud detection at your bank, voice control on your smartphone, self-braking cars, and so much more.

And some of the most exciting developments are yet to come, which is why venture capital investors are increasingly interested in the sector.

What is AI and Machine Learning?

AI is best understood as technology that can make its own decisions to achieve a defined goal. Most software today is essentially written as a set of instructions for a computer to follow. When complex parameters and algorithms make the software's abilities seem somehow human-like, we refer to the technology as AI.

Machine learning (ML) refers to AI that is programmed to continually build on its experiences. The more the technology carries out a given task, the more data it collects and the better it becomes at achieving its objectives. By learning in this way, a machine may eventually draw out insights and reach a level of performance that would not have been achieved through human input alone.

Why are AI and Machine Learning so important?

AI and ML can be used to draw valuable insights from data-sets that are too large or complex for a human to process in a reasonable period of time. For example, an online retail business may be able to find the perfect way to sign up new customers, by using AI models to interrogate all the data collated online about its existing customers' behaviour.

This type of technology can also potentially be used to automate tasks that would otherwise be performed by humans. In some instances, machines may perform tasks with far greater consistency and quality than their human counterparts.

Both of these broad applications have the potential to be extremely valuable, saving companies and governments money at the same time as improving and optimising processes and improvements.

There are dozens of more specific applications, but some of the key areas of interest include:

Automated vehicles

Self-driving cars rely heavily on artificial intelligence. When the technology is eventually perfected, we can expect to see big decreases in traffic congestion and road accidents. Drivers will free up significant amounts of time to spend on more valuable tasks. The average driver in the UK spends 361 hours a year behind the wheel (source: National Travel Survey: England 2014). Imagine the travelling salesperson who can spend their journey time on the motorway preparing a sales presentation or writing emails.

Machine Vision

We are starting to see the emergence of technology that can perform visual tasks that have previously proved too difficult for machines. Self-driving cars are learning to recognise road layouts and hazards, drones can see potential obstacles, visual recognition can power augmented reality applications, and software can trawl the internet for copyright infringements.

Visual AI brings opportunities for both software companies and hardware companies, since the sensors and cameras used are critical to developing a successful solution.

Human interaction

Developing machines that can interact with people in a human-like way is extremely difficult, but also potentially highly valuable.

Some companies are developing online 'chatbots', capable of reading, understanding and responding to basic customer service queries entered by a human. Start-ups are also developing speech recognition and natural language processing that not only converts human speech to text but can understand its meaning.

Robotics

Intelligent, labour-saving robots are already a reality. iRobot makes the Roomba autonomous vacuum cleaner, as well as robots for cleaning swimming pools and clearing gutters. The company's share price has almost tripled since 2013, as improvements in AI and cost reductions have driven demand for its devices.

Personal digital assistants

Personal digital assistants aspire to be the ultimate human machine interface, where a system can simulate a human and provide a natural and personalised service to its user. Anyone who has used Apple's Siri and Amazon's Alexa will know there is scope for improvement, and we can expect to see a lot of development and integration in the sector.

With tech giants including Apple, Google and Microsoft all starting down the same path, start-ups and smaller companies that can enhance or refine digital assistant technology have a good chance of growing into substantial businesses or being acquired. It's worth remembering that Siri was created by a start-up, acquired by Apple in 2010. It's rumoured that Apple paid upwards of $200 million for the technology, giving Siri's venture capital backers a handsome return on their $24 million investment.

Contextually Aware Computing

Contextual awareness is already used by many smartphone apps. For example, when you leave your office this evening, your iPhone can use your location and the time of day to predict that you are about to drive home, and then tell you how long it's going to take and how bad the traffic is. This sort of technology will continue to get more sophisticated, with apps using your phone's speakers, GPS and light sensors, as well as data about your phone usage habits, to deliver carefully tailored content or services to you at just the right time.

What are the investment opportunities?

The potential for AI and ML to create value, cut costs and disrupt the way existing industries operate cannot be understated. The changes that lie ahead might be of a similar magnitude to those experienced during the industrial revolution.

It's therefore not surprising that investment in AI and ML has been growing at 40% per year over the last five years, with more than $2.5 billion invested in 2016 alone. Along with Europe, the US, China, India and Australia, the UK is a key player in the market. Our top universities and research organisations have spawned AI and ML companies including Dark Trace, Magic Pony, Swiftkey and Deep Mind.

Companies like these operate in an ecosystem where there is a ready-made set of potential acquirers, in the form of companies such as Apple, Google, Microsoft and Baidu. The number of acquisitions in this space has grown by five times in the last five years, and many companies have been snapped up whilst still very young. There are also opportunities to grow AI and ML companies over the longer term, building towards a trade sale or an IPO.

At Oxford Capital, we have already made a number of investments in the sector. Last year, through the Oxford Capital Growth EIS, we backed Red Sift, which has built a software platform to help businesses and consumers cope with the ever-growing volumes of data amassed through email and other communication technology. Their platform is 'open source', allowing third-party developers to independently develop apps - or 'sifts'- , for specific purposes. At the moment, Sifts are mainly focused on making sense of email data. For example, one sift can plug into Gmail in order to collate and analyse taxi receipts from services like Uber and Hailo, making it much easier to organise company expense claims. Over time, sifts will be developed for many other sources of data.

We have also invested in import.io whose technology helps to address the challenge of extracting commercially valuable information from the vast quantities of data stored on the internet and spread across hundreds of millions of websites. Many machine learning companies are using import.io's solution to extract data to be used for training algorithms.

Given the potential of this sector, we plan to add more AI and ML companies to our portfolio over the coming year.

THE AMBULANCE TAKES THE HIGH ROAD

A new company is about to shake up the world of ambulances. Neil Martin, City Editor, learns why the emergency vehicle we regularly see on the roads might well be past its sell-by date

To be honest, if you're taking a trip in an emergency ambulance, how it performs might not be your most pressing concern.

But for the operators of such emergency vehicles, there is a pressing need to have an innovatively designed and built ambulance which will be better suited to the needs of the patient.

And although the customer requirement is for a vehicle that meets requirements of the modern age, the problem is that emergency ambulances are too low a volume for original equipment manufacturers to be interested. Which means that what the customer gets is a compromise; a vehicle which has to be built up from an existing light commercial chassis with a box bolted on. This has been the case for years and the scope for innovation is extremely limited.

International Ambulances has been set up to develop an all new innovative emergency ambulance called the Aceso that is designed from the ground up to save lives and provide demonstrably better outcomes for patients, paramedics and hospitals and with a lower total life-cycle cost.

The Aceso will be supported with service, parts, repair and offered with additional services, including driver training and weekly sterilization.

The new vehicle will be designed to be faster to locations, have reduced patient shock, quicker loading, faster to treat times, better infection control, more diagnosis and onsite treatment (with the vehicle being digitally integrated into all relevant information and data flows), lower fuel costs and longer vehicle life.

The team behind the concept is led by Phil Bevan, founder and primary shareholder of International Ambulances, via his company Bevan Davidson International. The technology is founded on Bevan's portfolio of proven specialist vehicle technologies and patents. The team has accessed research from the Helen Hamlyn Trust (a five year NHS project) and has already received a letter of intent from a leading ambulance lease provider.

Bevan believes that the new vehicle is just what the global customer requires. He said: "An ambulance is the most important vehicle you don't want to be in. Following some personal experience with the poor rides over bumpy Norfolk roads, I've wanted for some time to bring my experience in innovation and vehicle design to bear in this critical area. I'm very proud to be bringing this 21st Century ambulance, designed and built in Britain, to market."

International Ambulances is seeking long term investors to support the first phase of the programme and hopes to raise £2m. The money will fund phase one which will see the completion of a vehicle prototype which will be used to demonstrate the proposition and value to end users. This will be confirmed through customer feedback, test data, letters of intent and potential first orders. The detailed manufacturing and go-to-market plans will also be created. Investment will then be secured for phase two, scheduled for Q3 2017.

The global market for new emergency ambulances is an estimated 60,000 units per annum and the UK fleet size is roughly 14,000 vehicles.

International Ambulances is one of the investments available on the GrowthInvest platform.

SITR: PAST, PRESENT AND FUTURE...

We're a few issues into GB Investments now, and it has been our commitment to the industry to challenge accepted thinking about what have typically been viewed as tax products.

Our belief is that advisers should encourage their clients to focus on the underlying investments, and with good reason. It is far easier to feel engaged with an investment that doesn't just feel like a complicated piece of financial wizardry but one that speaks to the investor and is in a product or company that is readily understood. There is real sentiment in the marketplace that initiatives that fall under Social Investment Tax Relief (SITR) have a meaningful role to play in engaging with clients who are of a philanthropic nature yet also want to see their money make good returns.

SITR was first introduced in April 2014, and follows in the same spirit of EIS by offering tax incentives for investing in desirable outcomes for UK Plc; in this case, social enterprises.

The tax implications for investors (and I won't mention tax relief again in the context of SITR!) are simple; 30% relief on income tax for eligible investments with a minimum three-year holding period. Eligibility for investments is regulated, and they must be suitably community or charity focused, with fewer than 500 employees and no more than £15 million in assets. Crucially, the companies must be aiming for financial growth as well as social good. Investments can also be made in the form of loans or bonds. This distinction ensures the need for investors to engage with SITR investments as they would any other investment.

There was a small number of early adopters to create SITR based solutions. For example, the Resonance Bristol SITR Fund was set up to tackle poverty in the Bristol region, which had its first close in early 2016 and invests in a variety of social enterprises in the Bristol region.

Similarly, Social Investment Scotland launched a community capital fund to provide to loans to Scottish communities. Nor is the impact of SITR designed to be exclusively at a local level, with Kin Capital launching the Bright Futures, with funds designed to be spread across the UK. Other success stories include Triple Point, Ethex and Big Society Capital.

The 2016 Autumn Statement announced some revisions to SITR, increasing the amounts that can be raised while limiting the scope of qualifying enterprises. Though this has meant a slight pause in some of the fundraising activities, most of the groups GB Investments has spoken to are planning new offers in 2017. We believe that this is a sector that is going to grow and grow. In a similar way to film investing, individual investors can really engage with their investments and get more benefits from doing so than simply return. The feeling of giving something back is a powerful motivator for many and they may be prepared to take higher risks to fuel philanthropic desires.

In the first of a series of features on SITR we talk to Thomas Gillan, Social Investment Scotland, about the background to this scheme and its social impact.

Will Fearnley-Whittingstall

For GBI Magazine

social investment scotland

connecting capital with communities

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Give some background on your organisation and experience with SITR?

Since 2001, Social Investment Scotland (SIS) has invested over £56 million in 275 social enterprises and charities across Scotland. Our mission is to connect capital with communities to make a real, measurable and sustainable impact on people's lives; we achieve this by working with impact-led organisations and social entrepreneurs to maximise their social and/or environmental impact.

In 2015, SIS launched Community Capital, the UK's first SITR fund aimed at mobilising private investor capital for social good. The pilot fund raised £400,000 from 26 investors which was then deployed into seven social enterprises. Crucially, SITR enables social enterprises to raise investment with equity-like characteristics; turning the tap on for significant inward investment into a sector which can struggle to scale due to the lack of equity available to sell. This really could be a game changer for an emerging sector.

What social impact have investments made to UK communities?

SIS is sector agnostic in its approach as a social impact investor so we support a broad range of organisations. A couple of examples of social entrepreneurs making waves include Alan Mahon and Josh Littlejohn from Brewgooder and Social Bite. Both organisations have significant potential to scale and create a phenomenal amount of impact on a UK and international basis. Brewgooder uses the surplus from beer sales to support clean water projects in developing countries and Social Bite helps people from homelessness backgrounds to get into employment and access to much needed support.

Both have a fantastic entrepreneurial drive and a commitment to make the world a better place.

What is the outlook for SITR?

Following the announcement to expand SITR last year, we believe SITR will play a significant role in both the investment and social enterprise sectors in the future. The idea of generating a social, as well as financial, return on an investment has continued to gather momentum with the investor community. Following on from the success of Community Capital, SIS carried out investor research with the following key findings:

- Social returns were rated more important than financial returns.
- 60% would accept greater risk if greater social impact could be demonstrated.
- Over 75% of investors viewed the availability of tax relief vital in making investment.
- Respondents did not have strong views on profit distribution, instead they encouraged social enterprises to create a sustainable business model operating for impact.

Importantly, we are starting to see more fund managers open SITR-backed funds and this will continue to provide much needed investment to the social enterprise sector. Collectively, we must ensure that advisers are well placed to access SITR products to unlock the interest from private investors.

In terms of our plans, SIS will be launching a larger SITR fund later in 2017 so we are actively engaging with the advisor community to mobilise capital to help address society's greatest challenges and needs.

GBI MAGAZINE

ROUNDTABLE

LONDON

Contributors

Andrew Aldridge - Deepbridge

Andrew is Head of Marketing at Deepbridge, overseeing all Deepbridge communications and messaging. Andrew has a wealth of experience marketing financial and professional institutions, with over a decade of experience building credible brands and delivering real growth.

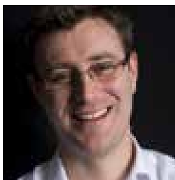
Andrew is a Member of The Chartered Institute of Marketing and holds a BSc in Business Economics and Marketing from the University of Wales, Aberystwyth. Andrew is also a trustee of the Tim Parry Johnathan Ball Foundation For Peace.

Laurence Callcut - Downing

Laurence is a Partner and Head of Sales at Downing where he has been since 2004. His financial services career spans over 30 years working previously with major insurers in management, marketing and sales roles. Laurence is a Chartered Insurer, and Member of the Securities & Investment Institute.

Stephen Drabwell - Fundamental Asset Management

Stephen co-founded Fundamental Asset Management in 2004, an independent, investment management firm with an unrivalled knowledge of the AIM market. Fundamental has successfully provided AIM Portfolio Management with Inheritance Tax planning to private investors, trusts and institutions for over 10 years. Stephen has been involved in the financial services sector since 1990. Prior to Fundamental, he was a sales trader on the portfolio trading desk with UBS for nine years then spent five years at Washington Financial Group where he was senior trader and a key member of the management team of the Washington US Fund, a successful US equity small and mid cap long/short fund.

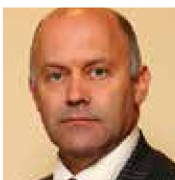


Gianpaolo Mantini - Higgins Fairbairn Advisory LLP

Gianpaolo ('GP' to everyone) is a seasoned adviser to those who wish to plan a secure financial future. His experience is reflected both in a family of long-standing clients and in his holding the prestigious Chartered Financial Planner designation since 2008. With a logical and practical mind-set honed in a Civil Engineering & Architecture degree, GP's advice is a judicious mixture of objective analysis and creativity. The result? Elegant solutions for individual circumstances and objectives, no matter how complicated. GP has specialist experience in creating strategies for post-award personal injury settlements and has acted as an independent expert witness in several litigation cases.

Jack Rose - LGBR Capital

Jack has been a key member of the team at LGBR Capital since the company was established in 2012. He works closely with each of LGBR's tax-efficient investment products, which are provided by external fund managers. Jack's role encompasses oversight of a broad range of tax advantaged products, including VCT, EIS, Seed EIS, BPR and IHT, incorporating product development, market research and distribution, which provides him with an objective viewpoint of the wider tax planning landscape.Outside of work, GP spends his 'spare' time being managed by his two young children but enjoys a hack around the golf course and catching up with friends. He sits on his local parish council and is married.



Malcolm Snook - MPL Wealth Management Ltd

I have been involved in financial services for over 25 years with experience gained within insurance companies, banks, asset management groups and self employed regarding the provision of financial planning advice to both private clients and corporate business owners. I specialise in at retirement and inheritance tax planning incorporating residential care funding as well. I have worked at MPL since August 2013 and was one of the first applicants to complete the EISA Diploma when introduced in October 2014. Outside of Financial services my time is taken up as a qualified football coach and football referee so most of the weekend you will find me at a football match for one reason or the other.

Martin Crawley-Boevey - PK Group London

A founding Partner of PK Group, Martin was one of the first to see the benefits of merging traditional accountancy services with financial advisory services to create a firm that truly serves clients' financial needs.

Martin is a Financial Planning specialist with over twenty years experience of financial services and twelve years experience in assisting high net worth individuals.

Lack of EIS hindering IHT planning

A dearth of EIS investments is limiting advisers' opportunities to plan for inheritance tax

A shortage of supply in the EIS market is having an impact on the number of IHT solutions available to advisers.

As rule-tinkering abounds and the types of qualifying investments for EIS purposes is squeezed - such as the removal of renewable energy as a qualifying investment - the number of EIS and VCTs on the market has dwindled.

In the 2014 Budget, the then Chancellor George Osborne banned the use of solar and wind investments for tax-efficient investments and went further in the Autumn Statement that year, to include all companies 'substantially benefiting' from subsidies on renewables. This included claiming the income and capital gains tax relief from tax-efficient investments invested in these areas.

At a GB Investments roundtable in London, Laurence Callcut, Partner and Head of Sales at Downing, which offers VCT, EIS and IHT investments, says advisers are 'finding a shortage of supply in the market that matches their [clients'] risk profile'.

Jack Rose, Business Development Director at LGBR Capital, says when 'the last of the renewable energies were around, something like £700 million was raised into EIS that year that year, now it's about £400 million'.

Rose adds that other investment areas haven't been as successful as the renewables investments, despite being given tax reliefs: 'The funding levels within the growth capital and media focused sectors have stayed relatively static despite the changes to the rules regarding renewable. You might have expected them to increase since the rules changed. This hasn't happened.'

Andrew Aldridge, Head of Marketing at investment manager Deepbridge Capital, says the reliance on government subsidies in the renewable sector has reduced because there is a reduced need for them.

'On renewables and tax reliefs the reason renewable energy was removed from EIS qualification was because there was effectively a double financial incentive of tax relief and subsidies. New projects rely less on subsidies because the cost of tech has gone down. Renewable energy projects still offer largely predictable returns, which is appealing for Business Relief propositions', he says.

'There isn't the same reliance on subsidies and they're being reduced.'

Gianpaolo Mantini, Chartered Financial Planner and Managing Partner at Higgins FairBairn Advisory in London, says renewables were a popular investment because of the reliability they offered. Not only did renewables attract government subsidies but the energy was sold on in advance.

'It's to do with structuring longer term,' he says. 'If you have reasonable visibility on its maturity, you can plan years in advance.'

However, he adds using IHT

mitigation solutions and EIS is not just about tax relief.

'It's a nice boost but it has to be a good underlying investment that I can understand and explain to the client,' says Mantini.

Callcut says the squeeze on EIS investments has been exacerbated by what he describes as 'messy exits' and advisers are moving back towards VCTs.

'The practicality is that, with the current crops, the exits are quite messy so the practicality of rolling over [into another investment] isn't there,' he says.

'This is why the pendulum has swung back to VCTs again - we think advisers are going to find that the market for EIS is too fragmented for consistent planning.'

Martin Fox, Founder of Bulletin Marketing, who chaired the roundtable, says at a technical conference a representative from the Treasury asked for the cameras to be turned off and said he liked EIS but 'only when done in the spirit of what's intended' and there has to be a risk element to the investment.

Malcolm Snook, Senior Financial Planning Manager at London-based MPL Wealth Management, says worries that EIS products that are marketed as lower risk and offer a regular income stream are not in 'the spirit of EIS' is why 'there have been fewer products available'.

'There is the uncertainty about if [a product] will qualify in the future,' he says.

'There is an element of having to be careful. If it's too good and too many people are doing it, that's when [the Treasury] will close it.'

Although advisers are wary of smaller providers working outside the spirit of EIS, Stephen Drabwell, Co-Founder of Fundamental Asset Management, says that HMRC is also clamping down on 'some of the bigger providers'.

Mantini says he's experienced the problems of a 'dearth of good quality investments' and 'the ones I like are few and far between'.

Part of the problem with picking an IHT solution is that the rules around what qualifies for BR and therefore IHT solutions feels complex, says Aldridge.

'BR has been left alone by successive governments because they can't untangle it,' he says.

Drabwell complains that there is 'no logic in government thinking but you hope they see the bigger picture', while Aldridge says governments are 'naturally all about the short-term'

For Rose, the key is to ensure investors and advisers remember what BR and alternative investments are for.

'It's about investment in young British companies, making sure we're supporting the heart of the UK economy,' says Rose.

Laurence Callcut - Head of Sales at Downing

IHT planning: PI insurers standing in way of EIS investment

Advisers keen to use alternative investments for IHT planning are finding themselves battling reluctant PI insurers

Advisers are being put off using EIS for inheritance tax (IHT) planning due to professional indemnity (PI) insurers' reluctance to cover it.

At a GB Investments IHT roundtable held in London, advisers expressed frustration about PI insurers' unwillingness to engage with them if they wanted to use EIS in their client tax planning.

EIS can be particularly beneficial to clients wishing to reduce their IHT bill. Shares in EIS qualifying companies also generally qualify for business property relief (BPR), although it is now known as Business Relief (BR). BR was introduced in 1976 to allow businesses to be passed on, for example to the next generation, without the business having to be sold to cover IHT bills.

After two years, shares that qualify for BR also receive up to 100% of IHT relief, meaning they fall out of a client's estate for IHT purposes and their family do not have to foot the 40% IHT bill.

In an example given by the Enterprise Investment Scheme Association (EISA), it pits an EIS investment against cash for IHT purposes.

The client has £100,000 which is put into cash and grows to £105,000. On the client's death, the 40% IHT due on the cash balance would be £42,000 meaning the value of the cash is reduced to £63,000.

If that £100,000 was placed into an EIS scheme, the client would receive £30,000 in income tax relief at 30% meaning the net cash outlay for the investment is £70,000. The £30,000 saved via income tax relief is placed in cash in the example.

In the example, the EIS investment grows to £160,000. On the client's death there would be 40% IHT to pay on the £30,000 kept in cash, meaning a bill of £12,000 but the total value of the estate would be £178,000 (£160,000 value of the EIS + £18,000 from the remaining cash) provided the investment was held for more than two years.

PI problems

The financial benefits of using EIS for IHT planning are clear but advisers are struggling to employ alternative investment in client strategies.

Gianpaolo Mantini, Chartered Financial Planner and Managing Partner at Higgins Fairbairn Advisory in London, says PI insurers are not happy with EIS schemes even if advisers have strong due diligence processes in place and they requested a 'list of every single EIS that I've done'.

However, he adds that advisers should do more of their own research when it comes to EIS and rely less on outside research.

'Advisers need to be more aware of what's out there,' he says. 'Other people rely on other advisers as they're not prepared to invest in their own research and due diligence. If you don't invest in the research tools and your business, it's not surprising that PI insurers aren't prepared to do it.'

Malcolm Snook, Senior Financial Planning Manager at London-based MPL Wealth Management, agrees that PI insurers made it difficult for advisers to use EIS.

'You have to jump through more hoops,' he says. 'There is more reporting and they put up the premium [on the insurance].'

PI insurers have not only been a sticking point for advisers, but also providers of alternative investments.

Martin Fox balanced this by saying that a PI Insurer he had spoken to had said that EIS needn't be a problem if the IFA firm has a good track record and processes.

Jack Rose, Business Development Director at LGBR Capital, which provides VCTs and EIS, says the company runs seminars about the use of EIS but PI insurers were resistant to attending.

'We ran seminars on bringing more advisers into this sphere,' he says. 'We looked at bringing a PI broker to the event. We said we'd put him up and down the UK in front of 300 IFAs and he wasn't interested.'

A lack of interest in solving the PI problem is also something Andrew Aldridge, Head of Marketing at investment manager Deepbridge Capital, has come up against.

'When I first started working in the EIS sector...I spoke to two PI providers that I historically knew,' he says. 'I asked for their criteria [for offering PI] and they stated that advisers have to be able to demonstrate their experience of having written EIS cases previously. I asked how those without experience could gain experience and what PI providers could do to support them but I was advised that it 'wasn't their problem'. It was a completely closed door.'

In the advice profession, compliance is king and advisers say that often the compliance departments are also a barrier to advisers using alternative investments.

Snook says: 'I've worked in large organisations where the brand image is the most important thing, so compliance rules. The advisers give the advice and they're liable but compliance protect the brand.'

Stephen Drabwell, Co-Founder of Fundamental Asset Management, which invests in the AIM market, agrees with Snook: 'With some of the larger firms, we've had an open conversation with the adviser, he's said one thing but then the compliance sector has overruled him.'

Martin Crawley-Boevey, Partner of London-based PK Financial Planning, says part of the problem in obtaining sign-off from compliance teams and the backing of PI insurers has been 'Unregulated Collective Investment Schemes' (UCIS) and advisers have to be careful about the companies they use.

Picking a provider

In the compliance and PI sensitive world of alternative investments, advisers have to be cautious about the providers they choose to work with and trust with their clients' cash.

Mantini says that any 'unsolicited emails from providers' are deleted but that does not mean he would rule out younger companies, including companies that have only been around for the past year on MICAP, which provides alternative investment research for advisers.

'I was at a conference last year and four different firms were doing presentations on their propositions,' he says.

'I then did research on two of those firms as I liked what they were saying. If I can understand the investment, I can then explain it to the client. I do the sniff test; if it requires lots of clever people doing clever things to make it work, I'm not going anywhere near it.'

Mantini and Snook says their starting point when researching alternative investments is MICAP, especially in the context of PI.

'MICAP is the start of our process with higher risk products and it has to be on there before we consider it from a PI point of view, otherwise we have to do extra due diligence,' says Mantini.

Snook agreeing adds: 'I'll look at various products. I have a client who's a horse trainer and wanted to do an EIS investment, and asked if there was something in the equestrian market. I found something that was high risk but it fitted him. He understood the market and was prepared to put in his money and take that risk.

'Sometimes...clients are willing to take the risk. It was not one of the investments we would usually recommend but this particular client wanted that type of investment and was happy with the risk, it was a one off and only a very small amount of his portfolio.'

The risks

While some clients are willing to put their money into risky investments and potentially benefit hugely from them, it does not mean alternative investments are right for every client or that every investment will provide a good, or any, return.

Advisers must understand the characteristics of the products they

are offering and who it might be suitable for, a client's risk profile, and any short-term liquidity needs. Importantly, advisers must be able to state when they will refuse to use a product.

Although many advisers may understand the tax benefits of an EIS, they must also understand the investment proposition and do their due diligence on this important aspect of alternative investing.

'A lot of advisers out there that don't do due diligence, and [for them, EIS] is more about the tax rates,' says Mantini.

When it comes to using EIS for IHT planning the main concern advisers have is not the products, but changes to regulation.

For advisers, the problems with choosing a suitable IHT-mitigating alternative investment lie outside of the scope of the products.

Crawley-Boevey says the HM Revenue & Customs (HMRC) changes to the legislation around 'previously owned assets' to stop people gifting property and land to loved ones to avoid IHT but continued to have benefit from that land or property, was a 'classic case'.

'One bit of legislation, you have to scrap [the IHT plan],' he says.

He adds that advisers need to explain to clients that changes in legislation can render a tax plan obsolete.

'When you give advice and charge fees for your time, you have to say to clients that 'this works now but may not in the future.' he says.

Mantini agrees that the disclaimer is 'the first caveat'.

'We've done a few QROPS, the Budget could have screwed us over,' says Mantini. 'We've gone back and checked that any we've done don't fall foul of the new rules.'

Callcut adds that there are many 'potential trip ups' for advisers and admits the government can act as a barrier to effective and consistent tax planning.

There is no one-size-fits-all IHT solution for clients and pension freedoms have provided even more options to make plans around inheritance. Since 6 April 2015, there have been improvements in the way pensions are taxed on death.

The 55% so-called 'death tax' was abolished with benefits now being paid out tax-free in an increased number of circumstances. Under the new rules, which were brought in under pension freedoms, if a person dies before age 75 their pension is passed on as a lump sum free of income tax or free of income tax via either an annuity or drawdown payments. If a person dies after age 75 then the lump sum is taxed as income at the beneficiaries' rate of income tax and any income received via an annuity or drawdown is also liable to tax at the beneficiaries' income tax rate.

While the changes to the tax of pensions on death clearly open another route for IHT planning, Snook says when it comes to estate planning it is 'horses for courses' and 'you have to understand [the clients'] objectives'.

Snook says there is a 'shift because of pension freedoms' and points to VCTs, which he says 'may become more prone as you can take the tax-free income from those'.

For wealthier clients, it may be possible to fund a retirement through alternative investments – using VCTs for income – rather than drawing down a pension, which can then be passed on to a family member at a low rate of income tax, or tax-free if a person dies before age 75, and without any IHT liability as pensions fall outside of an estate for IHT purposes.

An appetite is already being shown for VCTs, with £435 million being invested in VCTs in the 2015/16 tax year – matching the figure in the previous year even though the number of vehicles on offer had fallen by around a quarter, according to figures from HMRC.

It is not just pension freedoms exacerbating the rush – and the capacity crunch – when it comes to VCTs, the cut to the pension lifetime and annual allowances have also pushed more investors towards the alternative investment vehicle.

Mantini says the pension landscape was 'the most contentious issue' and describes the lifetime allowance as a 'moving beast'.

Tax talk

One of the main problems with tax planning, including IHT planning, is the ever-present threat that HMRC will retrospectively frown upon the investments and plans put in place despite them being perfectly acceptable under its rules at the time the planning was done.

Over recent years HMRC has tackled everything from film partnership schemes to dentists in its bid to wheedle out tax cheats. Last year it released proposals for new punishments for both individuals and companies involved in creating, marketing and distributing tax avoidance schemes, including fines up to 100% of the amount of tax avoided.

It followed the introduction of 'accelerated payment notices' where HMRC could make individuals and companies pay the tax in dispute upfront, only returning it if the dispute is settled in the individual or company's favour.

The focus on tax avoidance has, understandably, made investors wary about investing in tax-advantaged products, fearing a retrospective clampdown by HMRC.

Aldridge says that the fear of being labelled a 'tax dodger' was echoed by many clients.

'I spoke to an IFA who said life sciences SEIS would appeal to his clients, surprisingly in this case footballers,' he says.

'The adviser's rationale was that not only is SEIS a government scheme

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Laurence Callcut, Partner and Head of Sales at Downing, which offers VCT, EIS and IHT investments, says when it comes to IHT 'not much' can go wrong 'assuming you do the right things'.

'The risks are if you try to use EIS, and there is no suitable product in the market,' he says.

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but also investing in potential cures and treatments for illnesses - such as cancer - would 'tabloid-proof' his investors if they were ever questioned about how they mitigated tax.

'Such high-profile clients are fearful of being splashed across the tabloid front pages for not paying taxes, so showing that their investments are helping the greater good is reputationally beneficial as well as being sound financial planning.'

Crawley-Boevey adds that if a client is high-profile 'they're scared of being shown as tax avoiders'.

Mantini also made the point that advisers would be liable if they recommend a tax avoidance plan that is then retrospectively clamped down on by HMRC.

'If we recommend it, we're potentially liable for the tax that's been avoided,' he says.

Getting it right

Advising on alternative investments in a tax planning scenario, like IHT estate planning, can be a difficult area for advisers, who have to balance the concerns of clients, the scrutiny of their compliance department, pushback from PI insurers and fears that HMRC will once again move the goalposts.

Rose says advisers should be confident about the tax planning they do for clients as it is an area of advice that is continuing to grow.

'My tip would be...have some confidence in what [you're] doing,' he says.

'A lot of people are quite nervous, but this is a growing area and a lot are unwilling to look at it. If you have confidence, you can offer solutions to your clients – [IHT planning is also] a link in the next generation to your client bank.'

For advisers, due diligence is key when IHT planning, and they should not rely solely on third-party information when picking suitable investments.

'Get your due diligence, document, have a robust and demonstrable process so you can show how you got to where you got to,' says Mantini. 'Your client trusts you, it will be the next generation that question you.'

Snook agrees that 'due diligence is key' and advisers should not 'rely on what [information has] been given' and advisers should 'do your own due diligence'.

Snook also had words of advice for providers offering IHT planning products.

'From a provider's point of view, it would be nice if you could come up with transparent investment opportunities so it's easier to present to clients,' he says.

'[The lack of] transparency of some contracts [means it] is hard to see how it works. It's a case of being confident in what you're doing.'

Ultimately, products that provide tax advantages for those wishing to mitigate IHT should not be chosen purely based on the tax arrangement, but on the investment opportunity they offer.

It's a cliché but the tax tail should not be allowed to wag the investment dog.

Drabwell says: 'Always invest in these products for the investment gain with the tax relief as the cherry on top.'

Aldridge adds: 'The investment has to be suitable and understandable beyond just the tax relief, as well as your hard facts, look at the soft facts with providers, get to know them and do the sniff test.'

IHT planning: not just about the tax

Advisers are looking at capital preservation, income and gifting money alongside tax mitigation in client IHT planning

The increasing complexity of estate planning in later life means advisers should be looking at a range of strategies to mitigate inheritance tax (IHT).

At a GB Investments roundtable in London, advisers discussed the issues faced by clients when estate planning, their fears about higher risk products and why changes to IHT rules means there is no one-size-fits-all solution.

IHT planning is no longer about mitigating the 40% tax to ensure more of a client's estate is passed on after their death, although that is still a core role.

Gianpaolo Mantini, Chartered Financial Planner and Managing Partner at London-based Higgins Fairbairn Advisory, says clients are looking at income, preservation of capital and the current financial needs of their children as well as tax mitigation in IHT planning.

'For a lot of my clients, it's trying to have many horses in the same race as they might need income, they might want to retain control of the capital,' he says.

'They might want to do IHT planning but they might want access to [their money] if they need to. If we can get money out of them to give to the next generation, then I talk to them about equity release; they can give [money] to the kids now to get a mortgage so [their inheritance money] is still in the property market, it just not their property [being passed on].'

Martin Crawley-Boevey, Partner of London-based PK Financial Planning, agrees that there is 'no single solution to IHT' and 'any one solution isn't the panacea'.

'There are a whole series of planning options that you put on the table and discuss with your clients,' he says.

Downing Partner and Head of Sales Laurence Callcut adds: 'it's a bit like exercise, you know you should do it, but you don't know how much and then don't get round to it. People who know they should pay IHT often don't look into it.'

Malcolm Snook, Senior Financial Planning Manager at MPL Wealth Management in London, says 'very few' of his clients have just one plan for IHT mitigation and it is 'usually an accumulation of different solutions'.

'It might be a bit of life insurance, some trust arrangement; there might be a combination,' says Snook. 'It's not one single solution.'

'If you generalise the population into three groups: the wealthier ones who are aware and will do something at a younger age as they have the funding, then you have ones at the bottom end that have little in the way of funding,' he says.

'Then you have the lot in the middle that need to do [IHT planning] and have the funds but [because] the government lead on anti-tax avoidance...as soon as you say you're going to give advice on tax, they think it's avoidance and it's illegal.'

However, Snook adds that 'going back to basics' in terms of IHT planning, there is usually one aim.

'They're looking to pass on as much of their wealth to their children, so they want to preserve their wealth,' he says.

Andrew Aldridge
DEEPBRIDGE

Part of the challenge in IHT planning is getting clients to open up about what they want to happen on their death.

Jack Rose, Business Development Director at LGBR Capital, which provides VCTs and EIS, says: 'To actually plan to hand over your money to future generations is confronting that you're going to die and people can sometimes find that difficult,' he said.

Andrew Aldridge, Head of Marketing at investment manager Deepbridge, which offers IHT solutions via business relief (BR) qualifying renewable energy projects - said one adviser he spoke to 'said the older generations feel they should talk about estate planning with their family, but there's an aversion to talking about money'.

IHT solutions

Aldridge says that many advisers are looking to preserve their client's capital via IHT products. Investing in BR-qualifying investments allows clients to mitigate IHT as long as they hold the investment for at least two years.

'A lot of advisers use our asset-backed proposition as part of a portfolio,' he says. 'They want a large percentage in capital preservation focused propositions.'

There is some confusion over what companies qualify for BR and also concerns from clients about whether BR will continue to be available.

Stephen Drabwell, Co-Founder of Fundamental Asset Management, which invests in the AIM market, says many people are investing in AIM companies as part of IHT-mitigation strategies. Many AIM shares qualify for BR after being held for at least two years but not all shares qualify.

Stephen Drabwell
FUNDAMENTAL ASSET MANAGEMENT

'A lot of people are investing in AIM companies, assuming they come under BR,' he says.

'We run an online subscription service where people can check companies to see if they qualify, you'll be surprised that people that log-on are portfolio managers and they're checking.'

Drabwell adds that 'about 670 [companies] absolutely qualify'.

However, Rose says there is no 'definitive list' of qualifying companies.

'HMRC don't [have a definitive list],' he says. 'You can't know for certain [a company qualifies] until you test [it with HMRC].'

Drabwell says 'about 50 companies partially qualify' and would have to be tested by HMRC to see if they will receive BR.

'The ones that definitely qualify would qualify and it would be hard for HMRC to argue [against] it,' says Drabwell.

This confusion feeds client concerns and Mantini says that 'one thing that my clients raise is; 'what if BR goes?',' he says.

Crawley-Boevey believes IHT mitigation strategies cannot be put together by a financial planner in isolation.

'The point is, as a planner, you need to work alongside lawyers,' he says. 'A [client] sold his business and wanted to focus on IHT, the first thing we said is to look at the wills and powers of attorney. We needed

to involve the lawyer, he didn't have one so we recommended one and we attended with the lawyer.'

Risky business

The fate of BR is not the only concern clients, and advisers, have but also the high-risk nature of the investments involved in IHT-mitigation solutions.

Drabwell says: 'A big barrier is that there is a perception that it's high risk…there is a lack of understanding about the market.'

Mantini says IHT solutions aren't suitable for every client and those who are 'more cautiously minded' may question the use of them. However, he says that while educating clients about the options can help, 'there are things I wouldn't look at for an 80-year-old client'.

'I'm looking at what the clients are asking for,' he says. 'If I have a conversation with them and they don't want to risk losing money, you're naturally going towards a certain type in the market. Those that have no issues about capacity for loss, we might look at things that could give greater growth capacity but they'll be fewer than those more cautiously-minded [clients],' says Mantini.

He adds that unless the older client has 'masses of wealth' they do not want to get into 'more risky investments when they're more about capital preservation'.

While investment risk and volatility is a concern for clients, Rose says that liquidity should also be taken into consideration.

'The larger question around the risk associated to the non-AIM manufactured solution is liquidity,' says Rose. 'People need to understand this and how long it can take to exit a business.'

Liquidity needs to be communicated to clients clearly so they know that a liquidity event is likely to happen on their death, says Mantini.

'You need to understand the liquidity on each underlying sub-trade [within an investment],' he says.

'You need to have that in the research and have it documented, whether you need chapter and verse to give to the client, in the suitability letter, that's different.'

Snook agrees that 'the average age of people doing these investments are [aged] 80 upwards - they're doing it because [the investment is] going to be available on death, and that why it's being done at that age'.

'Anyone at any age can start doing it, but people are doing it at this age as they feel they can do it now as they're going to die,' he adds, 'it comes down to people's general inability to engage in financial planning. The people who do engage are usually over 80 and it's the only planning they are doing'.

Under review

The increased complexity and compliance around IHT-mitigation schemes does not just pose a risk to clients, but also to advisers.

Snook says that advisers face problems whether they offer IHT-mitigation solutions to clients, or if they don't.

'For an IFA to get involved in higher-risk products, it's higher risk for them,' he says. 'If you don't do anything and you don't consider other options, it's just as much as a risk as you'll still have claim against you for not recommending,' says Snook.

However, there is a problem for adviser business owners looking to exit in the market in advising on more complex and risky tax planning.

Mantini says his company has been looking to acquire other advisers and advisers 'haven't looked at specialist investments as they want to be attractive to buyers'.

Communication is the friend of advisers giving more complex tax planning and using investments to mitigate IHT.

Snook says regular reviews of client circumstances, investments, and legislation are crucial.

'Our review process is that you have the annual review, in some instances it might be more regular. You look at the overall situation and how it all fits in, whether it's still appropriate and whether that vehicle is doing what it said it was going to do,' he says.

'You review if legislation has changed and we have to make any changes because of that…it's case by case, some [reviews] might just be an information exercise that everything is still on track, others might be more complicated and require changes. In the worst-case scenario, something will have gone wrong with that particular product, we have to get out as soon as possible.'

Crawley-Boevey says that financial planners will look at IHT plans more regularly than lawyers, and the two should work in collaboration.

'The point around IHT planning and how often plans are going to be reviewed,' he says. 'If you go to a lawyer around powers of attorney and wills, they're often just looked at once. A client that goes to a financial planner, would have plans reviewed annually under a servicing agreement.'

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EIS | SEIS | VCT | SITR | IHT | BPR

EIS

Open
01/11/2016

Close
30/06/2017 and 29/09/2017

Amount to be Raised: £25m

Minimum Investment: £10,000

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E. hindsight@enterprise-ip.com
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The Hindsight Media EIS Fund

The Fund offers a diversified portfolio of Film, Television and Video Games production companies while targeting capital preservation through a combination of EIS tax relief, production credits and pre-sales, thus mitigating investors' downside.

The principals of Hindsight have over 10 years of media finance experience and have collectively raised over $500 million for 50 film and television projects on both sides of the Atlantic. The team has access to the top end of independent entertainment markets in the UK, EU and US, working with production houses such as Scott Free, Anonymous Content, Playground and Imaginarium.

The management team have a long-standing media track record, with an annual average return of 34% over the last 5 years, which includes 7 EIS investments which have returned an average of 1.2 x. Recent projects have included The King's Speech, The Guard, Chef and Wolf Hall.

The exit timeframe is 3 to 4 years and the Fund will be targeting a return of 1.2 x, equivalent to an IRR of 10% (including EIS tax relief).

EIS

Open
31/10/2016

Close
30/06/2017 and 29/09/2017

Amount to be Raised: £10m

Minimum Investment: £10,000

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The Imbiba Leisure EIS Fund

Investing alongside Imbiba in a series of bar, restaurant,event, catering and hospitality businesses across London, investors benefit from Imbiba's exceptional experience and high performance targets.

Imbiba have consistently delivered significant value to shareholders - over the past 18 years they have achieved an average IRR of 35% from 10 previous EIS exits, (excluding the benefit of EIS relief).

The Fund will be investing in three existing companies together with two new projects, with the result investors should receive their EIS 3 certificates shortly after investing.

The hurdle for the management incentive is believed to be the highest in the EIS sector - and is only triggered once investors have received a return of £1.50 for each £1 invested. In addition, Enterprise and Imbiba will be investing up to £200,000 per investee company.

The Fund is targeting a return to investors of 2.5 x cash, equivalent to an IRR of 34% over 4 to 5 years.

EIS

Open	**Close**
Now	Evergreen

Amount to be Raised: N/A

Minimum Investment: £25,000

T. 020 7071 3926
E. seneca@lgbrtax.com
www.lgbrcapital.com

Seneca EIS Portfolio Service

The Seneca EIS Portfolio Service is an evergreen discretionary management service that offers investors the opportunity to build a portfolio of equity investments in UK based SMEs, which are seeking an injection of capital to fund their next phase of growth.

The Service gives investors a portfolio of 4-6 investments per year diversified by sector. It targets investment returns of £1.60 to £1.80 per £1 invested (excluding tax reliefs). The EIS Service totals over £41m and has completed 58 investment rounds across 33 companies. 15 companies in the portfolio service are already AIM listed providing liquidity, market pricing and exit visibility for investors.

The Portfolio Manager, Seneca Partners, is part of the wider Seneca business, which has c. £450m invested assets and over £4bn debt under advice.

The knowledge, experience and pedigree of Seneca's investment team, combined with their individual track records of successful investing in the SME sector, is complimented by an extensive deal flow network in the UK's SME heartlands of northern England and the West Midlands.

EIS

Open 25/04/2017 | **Close** 01/11/2017

Amount to be Raised: £1m

Minimum Investment: £10,000

T. 020 7071 3945
E. enquiries@growthinvest.com
www.growthinvest.com

International Ambulances Ltd

International Ambulances Limited was formed in October 2016 by Phillip Bevan to commercialise his revolutionary new ambulance design, the "ACESO", an all new innovative emergency ambulance that is designed from the ground up to save lives and provide demonstrably better outcomes for patients, paramedics and hospitals. Bevan Davidson International, a technology design and development company has been engaged in developing a concept prototype on behalf of the Company, using the extensive experience they have gained in vehicle concept design and development.

The demands on the emergency services and ambulances have continued to grow. From a recent NAO report and Helen Hamlyn Centre for Design, there is a clear need and opportunity for an innovative ambulance that will achieve significantly better outcomes for patients.

A&E departments are often overwhelmed with demand, with ambulances waiting to drop off patients. Surprisingly 48% of patients taken to A&E are not admitted to hospital. One of the key strategies of the government, NHS and ambulance services is to increase onsite and in community treatment, called the 'See & Treat' strategy. This can provide a better outcome/experience for patients while significantly reducing the onward cost to hospitals. A next generation Ambulance must continue to save lives whilst also becoming a successful mobile diagnosis and treatment centre.

An EIS opportunity available exclusively on the GrowthInvest platform

EIS

Open 17/11/16 | **Close** N/A

Amount to be Raised: £20m

Minimum Investment: £10,000

T. 020 3667 8199
E. sales@foresightgroup.eu
www.foresightwilliams.co.uk

Foresight Williams Technology EIS Fund Takes Pole Position

The Foresight Williams Technology EIS Fund is investing into early-stage, unquoted companies pioneering innovation and developing disruptive technology. The Fund represents a unique collaboration between Foresight Group and the Williams Advanced Engineering business (WAE) of the Williams Group.

Investors in the Fund will automatically be entered into the Race Day Experience draw to win one of several exclusive money-can't-buy experiences hosted by Williams.

Williams Advanced Engineering

- Globally recognised brand founded 40 years ago
- Over 700 Group employees with 190 dedicated specifically to advanced engineering
- Headquartered in Grove, Oxfordshire, featuring cutting-edge facilities

The power of Foresight's Venture Partner

- Unique access to high-quality deal flow
- World-renowned expertise that is leveraged to improve products and technology
- Unrivalled network within the engineering and technology community, helping to maximise opportunity for growing investee companies
- Foresight Group, with currents assets under management of £2.6bn, has more than 30 years track record of fund raising and investing in, growing and exiting UK SMEs through tax efficient schemes.

EIS

Open	Close
21/09/2016	31/05/2017

Amount to be Raised: £260,000

Minimum Investment: £10,000

T. 020 7233 7602
E. info@gizmofilms.com
www.gizmofilms.com/funnycow

EIS Investment in forthcoming pre-sold Maxine Peake film

'Funny Cow' has already been acquired by Entertainment One, the distributor behind '12 Years a Slave', 'The BFG' and 'Spotlight' guaranteeing distribution of this major UK comedy drama. As well as Maxine Peake of 'Silk', 'Shameless' cast includes Paddy Considine (Hot Fuzz, The World's End), Stephen Graham (Boardwalk Empire), Alun Armstrong (Braveheart), Vic Reeves and more.

EIS investors can expect a 30% tax rebate and 20% ROI at a high position in the recoupment 'waterfall' of incoming revenue and exclusive benefits such as set visits, red carpet premiere invites and screenings. Gizmo Films, a highly experienced film finance company led by private equity & EIS specialist Peter Dunphy, has selected 'Funny Cow' on behalf of its investors due to the strong return schedule, top name cast and guaranteed distribution. Production takes place between January and May 2017.

Suitable for self certified sophisticated and HNW investors only. Gizmo Films works with HMRC approved SEIS and EIS firms only. Financial partner Brown McLeod & Legal Partner Lee & Thompson. Banking partner Barclays Bank.

EIS

Open	Close
Now	Multiple

Amount to be Raised: £4m

Minimum Investment: £10,000

T. 0203 8978 861
E. sarah@goldfinchentertainment.com
www.goldfinchentertainment.com

Goldfinch Entertainment EIS Fund

- Approved EIS Fund with 70% Protection
- Investing into qualifying Film & TV productions
- Protection is taken in the form of unsold territories, Government Tax Credits or guarantees
- £2m raised in 2015/16
- Built and run by a team with enviable business and industry experience
- Team has deployed £60m+ since inception
- Over 115 projects at various stages of development and financing
- BAFTA and Oscar winning producers and directors
- A List cast attached such as Orlando Bloom, Bill Nighy, Sir John Hurt, Charles Dance, David Tennant and Martin Freeman
- Shortlisted TWICE CONSECUTIVELY for the 'Game Changer' Growth Investor Award
- Managed by industry veterans Amersham Investment Management

EIS

Open	Close
01/08/2013	N/A

Amount to be Raised: Uncapped

T. 01244 746000
www.deepbridgecapital.com

Deepbridge - Technology Growth EIS

The Deepbridge Technology Growth EIS represents an opportunity for investors to participate in a portfolio of actively-managed growth-stage technology companies, taking advantage of the potential tax benefits available under the Enterprise Investment Scheme. The Deepbridge Technology Growth EIS is a diversified portfolio of actively managed high-growth companies seeking commercialisation funding. The Deepbridge EIS invests in companies that have a proven technology, clear intellectual property and are operating in a high growth/high value market sector.

Focused on investing in high growth companies that are seeking to commercialise and expand, specifically in three sectors:

- Energy & resource innovation;
- Medical technology
- IT-based technology

The target return for the Deepbridge Technology Growth EIS 22.9% p.a. over a minimum of three years; representing mid-case capital growth of 160p returned for every 100p invested. To ensure maximum tax efficiency for the investor, the Deepbridge EIS is entirely investor-fee free at point of investment.

EIS

Open	Close
Evergreen	Evergreen

Amount to be Raised: £10m+

Minimum Investment: £25,000

OXFORD CAPITAL

T. 01865 860 760
E. investment@oxcp.com
www.oxcp.com

Oxford Capital Media EIS

The Oxford Capital Media EIS invests in companies operating in the UK's creative sectors, focusing on business models where risks can be managed through robust commercial contracts.

The Media EIS targets a return to investors of up to £1.20 per £1 invested, not including the beneficial impact of EIS tax reliefs. The minimum holding period is expected to be four years.

The current tranche is investing in film sales agents. These companies will acquire the right to act as sales agents for a number of independent films, earning revenues from the sale of distribution rights. Using this model, the companies are entitled to be paid from some of the first revenues generated by each film. As such, the companies are not exposed to the risks of box office failure, and they can make a positive return even from films which only recover part of their production budget.

HMRC Advance Assurance of EIS qualification has been obtained for two sales agent companies, and investor subscriptions will be divided equally between both companies.

EIS	SEIS
Open January 2015	**Close** Evergreen

Amount to be Raised: Unlimited

MEDIA FUND

T. +44 (0)845 512 1000
E. nicolajohnston@chfmedia.com
www.chfenterprises.co.uk

CHF Enterprises

CHF Enterprises Ltd (CHF) presents an exciting and unique opportunity for UK tax payers to invest in both SEIS and EIS qualifying shows and concepts, whilst also benefitting from risk mitigation in the form of seed and traditional EIS reliefs and Government backed Animation Tax Credits.

The company has a strong and proven track record: over the past 40 years, Cosgrove Hall have produced iconic children's programmes such as Danger Mouse, Postman Pat, Roary the Racing Car and others, and CHF has a multi BAFTA and International Emmy award winning creative team • One of its recent shows, Pip Ahoy! was funded via CHF's own in-house EIS offering and is now on air on channel 5's Milkshake every weekday for 5 years, to great media acclaim.

The shows and concepts may have multiple revenue streams from Broadcast and License and Merchandising sales with unlimited investment returns. Shows are produced in the UK and should qualify for the Government's Animation Tax Credits.

EIS	SEIS
Open Evergreen	**Close** Evergreen

Amount to be Raised: N/A

Minimum Investment: £5,000

T. 020 7071 3945
E. enquiries@growthinvest.com
www.growthinvest.com

GrowthInvest - The Tax Efficient Platform for Advisers

GrowthInvest is a unique, independent platform which provides access to tax efficient investments to a growing network of UK financial advisers, wealth managers and investors. Originally founded by financial advisers in 2012 as the Seed EIS Platform, we rebranded as GrowthInvest in October 2016 to better reflect the wider range of products and services available:

- We permit investment into a range of single company offers, as well as Managed EIS Portfolio Services and funds, giving clients a number of different investment options.
- We offer a simplified asset transfer process which allows advisers to place all of their clients' tax efficient investments onto the platform.
- We provide intuitive online reporting tools, allowing advisers to monitor, analyse, and provide consolidated performance updates and quarterly reports to their clients.
- All investable companies go through one of 3 defined due diligence tiers, giving added peace-of-mind to the adviser.
- A single, secure online environment for all clients to review and build their tax efficient investment portfolios.

We've placed the adviser at the heart of everything we do, making it straightforward for advisers to improve the service they offer to their clients in the tax efficient investment arena. Please visit us at growthinvest.com for more details about our current open investment opportunities.

SEIS

Open	Close
Now	Multiple

Amount to be Raised: £3m

Minimum Investment: £5,000

T. 0203 8978 861
E. sarah@goldfinchentertainment.com
www.goldfinchentertainment.com

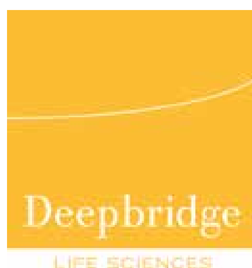
Goldfinch Entertainment SEIS Fund

- Approved SEIS Fund qualifying investment opportunities in the UK's film, TV and other entertainment sectors.
- Investing into UK Film (30%), TV (30%) and Video Games (30%)
- £2.5m raised in 2015/16
- Built and run by a team with enviable business and industry experience
- Team has deployed £60m+ since inception
- Over 115 projects at various stages of development and financing
- BAFTA and Oscar winning producers, directors and developers.
- A List cast attached such as Orlando Bloom, Bill Nighy, Sir John Hurt, Charles Dance, David Tennant and Martin Freeman
- Shortlisted TWICE CONSECUTIVELY for the 'Game Changer' Growth Investor Award
- Managed by industry veterans Kin Capital Partners

SEIS

Open	Close
01/07/2015	N/A

Amount to be Raised: Uncapped



T. 01244 746000
www.deepbridgecapital.com

The Deepbridge Life Sciences SEIS

The Deepbridge Life Sciences SEIS is an opportunity to secure potentially attractive returns by investing in a diversified portfolio of early-stage life science companies, whilst taking advantage of the considerable income tax, capital gains tax, and inheritance tax benefits available under the Seed Enterprise Investment Scheme.

The Deepbridge Life Sciences SEIS seeks to fund companies with exciting new technologies that satisfy the needs of large and growing markets. The overarching focus of the Deepbridge Life Sciences SEIS offers investors companies engaged in the development of therapeutics for the following areas:

- Anti-viral drug discovery and development
- Antibiotic drug discovery and development
- Neurodegenerative disease therapeutics
- Cancer diagnostics and therapeautics
- Autoimmune and other metabolic disorders therapies

The target return for the Deepbridge Life Sciences SEIS is >35% over a minimum of five years; representing mid-case capital growth of 250p returned for every 100p invested. To ensure maximum tax efficiency for the investor, the Deepbridge Life Sciences SEIS is entirely investor-fee free at point of investment.

BR	
Open 01/07/2015	**Close** N/A

Amount to be Raised: Uncapped

T. 01244 746000
www.deepbridgecapital.com

Deepbridge IHT Service

The Deepbridge IHT Service is designed to deliver capital preservation from a portfolio of Business Relief qualifying renewable energy companies that seek to have a high degree of asset-backing and a business model based on the Renewables Obligation, the UK Government subsidies for the generation of renewable energy. Utilising Business Relief, subscriptions may be eligible for exemption from IHT after a minimum of two years.

The Deepbridge IHT Service has a target priority return of 6% per annum after the second year.

Investment criteria:

- Attractive subsidies: The UK Government offers subsidies to the renewable energy sector, including Renewable Obligation Certificates and Feed-in-Tariffs.
- No planning risk: Investments will be made in projects with all the necessary permissions in place, providing a known cost base for the investment.
- Proven technology: The use of proven renewable energy technologies that allow levels of energy production to be forecast with a good level of accuracy.

EIS	SEIS
Open 04/04/17	**Close** 27/09/17

Amount to be Raised: £3m

Minimum Investment: £10,000

T. 07917 767 362
E. tim@capecodcellars.co.uk
www.capecodcellars.co.uk

Cape Cod Cellars Ltd

Cape Cod Cellars, "Martha's Other Vineyard" is a new company created to build Cape Cod Cellars ("CCC"), into a premier aspiration, lifestyle brand. We will deliver the Nantucket, Martha's Vineyard and Cape Cod seafood and lifestyle cuisine to London and Europe. We will deliver this feeling to our consumers through our flagship Cape Cod Cellars Café & Wine Bar, our Apparel and Merchandise and eventually, distributing our own wine brands (Chatham Chardonnay, Nantucket Red, Schooner's Sauvignon Blanc etc.).

Our online marketplace will be commensurate with the themes of the flagship Cape Cod Cellars Café & Wine Bar and, in particular, a scalable aspect of the business. Already in production, our golden silk scarves with the Cape Cod Cellars brand to cufflinks, necklaces, windbreakers, even corduroys with our logo lining the pockets, Cape Cod Cellars will be hip, smart, cool and upscale.

When a couple or a group of friends walk into our landmark CCC Café & Wine Bar, we want them to travel back to a time of their childhood or adulthood, fondly recalling great memories on Nantucket, Martha's Vineyard or Chatham. Wide brown wood floors will be complimented with nautical oil paintings, dunes, red picket fencing, images of lighthouses, and a sailboat hanging from the ceiling.

Above the circular, mahogany bar will be portholes with waves flowing behind them. It will be bright, optimistic, memorable and upscale.

For Barclays banking details, email tim@capecodcellars.co.uk

BPR

Open Evergreen | **Close** Evergreen

Amount to be Raised: Unlimited

T. 020 7391 4747
E. questions@time-investments.com
www.time-investments.com

TIME:Advance

TIME:Advance is a discretionary management service that allows investors to access Business Property Relief (BPR) to mitigate their Inheritance Tax (IHT) liabilities. The service offers 100% IHT relief in just two years, alongside a targeted return of 3.5% per annum. Importantly clients retain access and control, so have the option to withdraw a lump sum or set up regular withdrawals in the form of an income.

The service focuses on capital preservation by investing in asset backed businesses with no debt which qualify for BPR. These businesses include secured lending, renewable energy, biomass and self-storage. The product is managed by an expert team, with a proven 21 year track record of 100% success in achieving BPR for investors.

BPR

Open Evergreen | **Close** Evergreen

Amount to be Raised: Unlimited

T. 020 7391 4747
E. questions@time-investments.com
www.time-investments.com

TIME:CTC (Corporate Trading Companies)

TIME:CTC is a bespoke Inheritance Tax (IHT) solution for corporate investors, which boasts an impressive 21 year track record of delivering IHT relief for investors. TIME:CTC is aimed at business owners who have built up surplus cash in their business and could potentially lose Business Property Relief (BPR).

The focus of TIME:CTC is on capital preservation by investing in asset backed businesses which qualify for BPR. These businesses include secured lending, renewable energy, biomass and self-storage. Our strategy allows business owners to maintain control of their assets, avoiding the need for trusts or gifting to obtain relief.

Targeting a return of 3.5% and potentially immediate reinstatement of BPR qualifying assets. To date more than 1000 of our clients have already achieved BPR on their investments, a 100% success rate.

BPR

Open Evergreen | **Close** Evergreen

Amount to be Raised: Unlimited

T. 020 7391 4747
E. questions@time-investments.com
www.time-investments.com

TIME:AIM

TIME:AIM uses our unique 'smart passive' approach in selecting companies listed on AIM for inclusion within the investment portfolios we create for investors. Designed to offer lower volatility returns than the AIM market, TIME:AIM will only target AIM listed companies that qualify for BPR.

SMART because we use an innovative, defensive market screening process

PASSIVE because we remove stock picker bias and ignore market sentiment

A welcome secondary benefit of this approach is that we are able to offer this service at around half the annual management fee of many of the traditional AIM BPR fund managers. We believe our service creates a robust portfolio that will allow investors the opportunity for significant growth potential and mitigation of their IHT liability after only two years.

Available within an ISA and non-ISA wrapper

- IHT relief in just two years
- Focus on reducing volatility
- Removal of stock picker bias
- Lower cost than traditional AIM services

IHT	BPR
Open Evergreen	**Close** Evergreen

Minimum Investment: £30,000

T. 01923 713 890
E. enquiries@fundamentalasset.com
www.fundamentalasset.com

Fundamental AIM IHT Portfolio

Fundamental Asset Management is an independent, owner managed, investment management firm with an unrivalled knowledge of the AIM market. It has successfully provided AIM portfolio management with inheritance tax planning to private investors, trusts and institutions since 2004 delivering outstanding returns. Our investment ethos for AIM IHT Portfolios is conservative and value based. At its foundation is our in-depth, in-house research, which includes visiting and meeting senior management of hundreds of companies each year. As well as being available on its own broker platform the Fundamental AIM IHT Portfolio service can also be accessed through the AXA Elevate, Nucleus, Standard Life and Transact platforms.

BR	
Open Evergreen	**Close** Evergreen

Amount to be Raised: N/A

Minimum Investment: £25,000

OXFORD CAPITAL

T. 01865 860 760
E. investment@oxcp.com
www.oxcp.com

Oxford Capital Estate Planning Service

The Oxford Capital Estate Planning Service can help investors mitigate Inheritance Tax by investing in companies that should qualify for Business Property Relief, subject to the requisite holding period.

Clients can choose from five different investment options, depending on their preference for capital growth or dividend income. If a client's circumstances change, they can elect to switch to an alternative investment option. Target returns range from 3% to 5% p.a., and capital can be accessed within 1-6 months through the sale of shares.

Investors in the Estate Planning Service will acquire shares in unquoted holding companies. Managed by Oxford Capital's infrastructure investment team, these companies will make equity investments in, and loans to, companies which in turn will own and operate revenue-generating assets. The investment strategy is currently focused on small-scale power generating equipment, including renewable energy assets. Over time, it is possible that other assets will be added to the portfolio.

EIS	SEIS
Open Now	**Open** Now

Amount to be Raised: Uncapped

Minimum Investment: £5,000

T. 0203 011 0901
E. s.randall@seedmentors.co.uk
www.seedmentors.co.uk

Seed Advantage SEIS and EIS Funds

Seed Mentors have been successfully involved in Seed SEIS since it was first introduced in 2012.

Over 35 companies have now received funding through these funds. All companies continue to trade. The funds structure is a discrete investment portfolio service operated through the Fund manager, Amersham Investment Management Limited. The Funds adopt a whole of market, holistic approach.

Seed Mentors provide practical support and mentoring services to each company and a nominated director. The EIS fund, offers the opportunity to support selected companies that have previously received SEIS funding. Owing to the fact that investing is not based on any particular sector, each proposition is assessed on its merits. Each company must go through a "Dragons Den" style pitching process. Seed Mentors have already considered hundreds of business plans.

The Funds uniquely do not charge a performance fee which means any capital gains that are available to investors.

All investee companies must obtain advance assurance from HMRC and each founder must have at least 5 years' experience in their chosen sector. With a strong network of introducers, as well as direct approaches, Seed Mentors will always have a wide selection of possible investee companies.

EIS	Evergreen
SEIS	Special Opportunities

Amount to be Raised: £20m

Minimum Investment: £20,000

T. 020 7628 7857
E. info@ironboxcapital.com
www.ironboxcapital.com

Iron Bax Capital: Particle 1 Fund

Film is a fast growing industry. There is insatiable demand for film globally to provide material for all the new media that offer films. Investing in film is also approved by the government through the availability of both tax credits and EIS tax benefits. Unsurprising as it brings many millions of revenues into the UK.

At Iron Box Capital we pride ourselves in our expertise and experience, and to do all that we do very well. After all, our Chairman is Colin Brown, the ex-British Film Commissioner.

Through Particle 1 Fund, investors will participate in 3 or 4 films, all of which are closely vetted for genre, audience appeal and saleability. The target IRR before tax relief is 15%, and 25% if you include the tax relief available.

And we should mention that you can have a lot of fun with film. Every investor and their adviser can get involved in our film projects in different ways. Why not talk to us to find out more?

Please refer to the Investment Memorandum for full details and risk warnings.

IHT	BR
Open N/A	**Close** Evergreen

Minimum Investment: £50,000

Amount to be Raised: N/A

Downing

T. 020 7416 7780
E. sales@downing.co.uk
www.downing.co.uk

Downing LLP

Downing is a leading investment management firm, established over 30 years ago in 1986. Since then we have raised some £1.7 billion from more than 35,000 investors to support smaller UK businesses that may struggle to find traditional finance. We put our investors' financial wellbeing first; we seek to manage risks and to provide some diversification in our products and services by investing in a variety of opportunities.

Our estate planning solution, Downing Estate Planning Services (DEPS) enables investors to obtain full IHT relief on their subscriptions after only two years (provided the shares are held at death) by investing in a portfolio of businesses trading from freehold premises and/or renewable energy businesses that qualify for Business Relief.

We provide Downside Protection Cover on death under the age of 90, covering a loss in value of up to 20% on your net initial investment – no medical questionnaires or exclusions for pre-existing conditions, and no extra cost.

DEPS also offers an additional Life Cover option (subject to higher fees) designed to mitigate the effect of IHT for those under the age of 85 from the date the shares are acquired, for the first two years before IHT relief begins. The policy covers 40% of the gross investment upon death within two years. Subject to terms and conditions.

IHT	
Open Now	**Close** Evergreen

Amount to be Raised: Uncapped

Minimum Investment: £20,000

T. 0131 503 9100
E. rachel.lederf@amatiglobal.com
www.amatiglobal.com

Amati AIM IHT Portfolio Service

Designed to work in association with financial advisers, the Amati AIM IHT Portfolio Service is a discretionary investment management service used for the purposes of IHT planning.

The Service operates on the basis of a Model Portfolio of shares in a diverse range of profitable and well-financed AIM-quoted companies, each of which broadly fits into one of four categories: owner-managed with attractive growth dynamics; family businesses with established brands; established technology companies; and income and special situations with attractive yields and defensive qualities.

Since its launch in September 2014 the Service has returned 73.5%, as compared to the return of the Numis Alternative Markets Index (Total Return) of 28.5%. (Period 29 August 2014 – 30 April 2017. Source: Amati Global Investors Ltd.)

Key Features

- Minimum investment £20,000
- Annual Management Charge: 1% plus VAT (includes all dealing charges)
- Adminstration & Custody Charges: 0.3% per annum (£120 minimum and £3,000 maximum); £35 nominee fee
- Initial and ongoing advisory charges can be facilitated
- Shareholdings expected to qualify for 100% IHT relief after 2 years
- Shares held on client's account, not as part of a collective investment scheme
- Can be held in an ISA (no additional charge)

EIS	SEIS
Open April 2017	**Close** Evergreen

Amount to be Raised: Up to £25,000,000

Minimum Investment: £10,000

T. 020 7071 3945
E. enquiries@growthinvest.com
www.growthinvest.com

GrowthInvest Portfolio Service

A discretionary investment management service which seeks to leverage the experience and expertise of the GrowthInvest investment team to select a diversified portfolio of some of the most promising companies that have passed through GrowthInvest due diligence process.

GrowthInvest is an independent platform, which provides access to tax efficient investments to a growing network of UK financial advisers, wealth managers and investors. The platform aims to bring the advantages of early stage investing to a wider audience of investors and advisers, who are able to benefit from the potentially higher returns these companies can offer and tax efficiency via government approved schemes, such as SEIS and EIS.

From our experience working with advisers on the Platform, the Fund has been designed to consist of three sub-funds, each with a separate investment policy. The first will target Investee Companies which qualify for SEIS Reliefs only. The second will target Investee Companies which qualify for EIS Reliefs only and the third will be a mixed investment policy which will target Investee Companies which qualify for SEIS Reliefs and / or EIS Reliefs. You will be able to choose how much of your subscription to allocate to each of these three sub-funds. The Fund is aiming to exit investments after three to seven years.

THE GROWTHINVEST PORTFOLIO SERVICE.

OPEN FOR BUSINESS.

We are proud to announce the launch of our brand new GrowthInvest Portfolio Service which allows Advisers to introduce their clients to the best of our SEIS and EIS qualifying Investment opportunities in a single discretionary managed fund.

If your clients are interested in a diversified portfolio of tax-efficient investments, then contact us to find out more. We are helping UK small businesses to realise their full potential, whilst giving Advisers the tools to introduce their clients to this exciting investment category.

For more information contact us now at **growthinvest.com**

GROWTH INVEST

MAKE IT YOUR BUSINESS