



Symvan Technology EIS Fund

Tax-Advantaged Investments

EIS Review

DECEMBER 2018

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Overview

Symvan Capital Limited (“Symvan Capital” or “the Manager”) seeks to raise up to £10 million to invest in Enterprise Investment Scheme (“EIS”) qualifying companies that are engaged in technology-focused products or services.

The offer is open to new investors and launched on 2nd December 2016.

Offer: Symvan Capital Limited (“Symvan Capital” or “the Manager”) seeks to raise £10 million to invest in Enterprise Investment Scheme (“EIS”) qualifying companies that are engaged in technology-focused products or services. The Offer was first launched on 2 December 2016.

Investment Details:

Score: 85

Offer Type Discretionary Non-Approved Portfolio

EIS Strategy Specialist

EIS AUM (Pre-Offer) £3.4 Million

Manager AUM £12.4 Million

EIS Risk Level High

Investment:

Minimum subscription £20,000 (lower amounts at Manager’s discretion)

Maximum qualifying subscription per tax year £2m (for Knowledge Intensive Companies, £1m otherwise)

Early bird discount None

Closing Date:

There is no closing date



This document verifies that *Symvan Technology EIS Growth Fund* has successfully completed our independent due diligence process, having passed through all stages of the governance process in the run-up to the report’s publication on the date listed below. It has therefore been awarded the MJ Hudson Cornerstone Trustmark.

Risk Warning for EIS Schemes

Individuals should always read and bear in mind the risk warning notices that are included within providers' investment offer literature / documentation, including prospectuses, information memorandums, securities notes, brochures and other related marketing literature. Whilst the following list is not exhaustive, some of the main risks to be aware of include:

- Investments are in small, unquoted companies and should be considered as high risk;
- Investments are illiquid and need to be held for at least three years in order to retain the initial income tax relief;
- An EIS/Seed EIS investment should be viewed as a long-term investment;
- Legislation, along with the nature and level of tax reliefs is subject to change. There can be no certainty that investments will be eligible or remain eligible for EIS/Seed EIS Relief;
- Historic investment performance cannot be used as a guide to future performance, and the value of any given investment may rise or fall;
- Many EIS/Seed EIS Schemes involve investment in a single company or sector and therefore should only be considered as a small part of an overall portfolio;
- Investors may not have independent representation on the Boards of investee companies which can mean their interests are not adequately considered relative to the executive team;
- EIS/Seed EIS investments should only be considered by sophisticated investors who understand, and have given careful consideration to, the underlying investment strategy and associated risks. For help in determining potential investment suitability, professional advice should be sought;
- Often there will be no regulatory oversight and investors will usually not be eligible for compensation if things go wrong.

Executive Summary

MANAGER:

Symvan Capital Limited (“Symvan Capital” or “the Manager”) is a fund manager which invests in technology-focused start-ups. Symvan Capital has launched three SEIS funds focused on the technology sector, as well as its EIS fund. Symvan Capital was founded in 2013 by its two directors, Kealan Doyle and Nicholas Nicolaides, who have equal shares in the company. Symvan Capital Limited is authorised and regulated by the Financial Conduct Authority.

PRODUCT:

Symvan Technology EIS Fund (“The Fund”) seeks to identify relatively early-stage, unquoted, EIS-qualifying technology companies with high-growth potential. The aim of the Fund is to focus investment on businesses which have established plans and management teams, have demonstrated growth potential with strong commercial opportunities, and whose management are planning to exit in approximately five to seven years. The Fund is focused on ‘post-seed’ financing, where companies may have already raised early-stage funding – the majority expected to be under Symvan’s own Seed Enterprise Investment Scheme (“SEIS”) Funds – and have achieved milestone developments since then, and will typically be seeking new equity funding for £0.25 million to over £2 million. This process typifies what the Manager calls its ‘Lifecycle Approach’ to investing. At the target subscription of £10 million, the Fund expects to invest in eight to twelve Portfolio Companies, with around 90% likely to be sourced from Symvan’s SEIS portfolios, and which require follow-on finance in order to scale.

SUMMARY OPINION:

Symvan Capital is a boutique investment firm. It has launched three SEIS products and one EIS product, the latter having been open for just under three years. While Assets under Management (“AUM”) remain relatively modest, there has been steady growth over the past few years; following a marketing drive and following the Patient Capital Review, Symvan believe they are at a point of inflection. Symvan is a well-run firm with a dedicated investment team. The firm’s “lifecycle” philosophy of working with investee companies into which they originally invested as part of their SEIS fund, allows investors in the EIS Service to fund opportunities which are very familiar to the investment team. Symvan’s first two positive exits¹ gives weight to the portfolio’s valuation uplifts over the last couple of years, although it is admittedly still something of a small sample. However, we do think the performance fee structure could be quite expensive if, as might be expected, some of the investments do well and others fail, which detracts somewhat from its appeal. Symvan’s development over the last few years as a Manager, underlined by its first few exits from its tax-advantaged investments, should put it on investors’ radar as a Manager who might be worth considering if looking to diversify across funds which invest in the tech-enabled sector and away from the more traditional names that have tended to dominate in this area.

Positives

AT THE MANAGER LEVEL:

- Symvan manages three SEIS funds and one EIS fund, and has been a presence in the market for a number of years now;
- Symvan has been steadily raising its profile through taking part in roadshows and building networks of IFAs across the country, as well as contributing regular thought leadership on tax-advantaged investment online and through social media and in liaising with Treasury during recent consultations on the tax-advantaged space;

¹ We note that one exit is still currently with HMRC but both sides expect the transaction to complete after their review.

- Following the Patient Capital Review, Symvan’s growth-focused strategy comfortably fits within the new rules and should benefit from the shift to higher-risk investments expected since the legislative changes;
- The Manager has struggled to reach its target fundraises in recent years, but has invested in an expanded business development team to match its ambitions, which has helped broaden market engagement with IFA networks and private banks;
- The financial success of the Manager depends entirely on the success of its tax-advantaged products which, while creating dependence on these products, also mandates a strong element of alignment with those products’ investors;
- Managers of this size typically have informal and rudimentary governance, as such it is to Symvan’s credit that there is a formal and rigorously thought-out governance structure;
- Symvan uses advisers/consultants to add expertise, rather than employing staff on an ongoing basis, thereby keeping its cost base low.

AT THE PRODUCT LEVEL:

- Both Kealan and Nicholas have sector-focused SME corporate finance experience with large institutions, rather than a background of just traditional asset management, and accordingly have significant technology, media and telecommunications (‘TMT’) transaction experience which may be helpful when seeking exits;
- As Kealan and Nicholas have invested into the funds themselves, this aligns the interests of the Manager with those of the Investors;
- The Manager has expanded the investment team to match its growing portfolio of investee companies, which is welcome, with additional hires likely to help round out the team further still in the coming months;
- The investment team is supplemented with five senior investment advisors (“Symvan Advisory Board”) who provide expertise to the pre-investment due diligence and post-investment management and monitoring;
- When evaluating the investment strategy, it is positive to note that most of the investments within the SEIS products have achieved follow-on funding from angel investors and family offices at higher valuations, and all have been able to progress towards either launching or growing commercial activity, while the Manager’s first couple of exits should add a layer of credibility to the Manager’s broader investment thesis across its funds;
- By restricting investment to companies with identified revenues, Symvan has mitigated somewhat the risk of the underlying companies ceasing to trade because of a lack of liquidity;
- The pipeline is comprised substantially of opportunities from Symvan’s SEIS portfolio, thereby helping funds to be deployed quickly and boosting investment visibility for new subscribers;
- The Fund will concentrate on investments that are commercialising an aspect of technology that may be regarded as disruptive, thereby providing an opportunity for scalable returns;
- As well as the Manager’s recent exits, there have been decent uplifts in the valuations of the investee companies. However, as these are still only on-paper returns, they should be viewed with caution;
- There are no management fees charged to investors which avoids the need for investors to suffer VAT and Symvan pays for the custodian fee and receiving agent fees from the management fee charged to the investee company. By only charging investee companies it also means that 100% of an investor’s subscription should be eligible for tax relief;

- The investment due diligence process as it relates to Symvan's Lifecycle Approach is well thought out and highly detailed.

Issues to consider

AT THE MANAGER LEVEL:

- Symvan Capital has a relatively modest track record of raising funds in the tax-advantaged environment; while the Manager has taken steps to improve this and has gained much more visibility in the market, a fundraise which reaches close to its targets would help give confidence that the Manager's upward trajectory can be sustained;
- The Manager's financial headroom is much lower than some of the other bigger and better capitalised players in the tax-advantaged space;
- Symvan's key management activities are shared by the two co-directors, presenting key-man risk, although the Manager has plans to mitigate this through additional hires who might be able to share much of this burden;
- Symvan's two co-directors' principal remuneration incentive is from the potential carried interest from successful exits. Whether this business model is sustainable in the medium term depends on the personal resources of the directors and their ability to achieve exits, although Symvan has garnered increasing interest from panels due to length of tenure, more performance data, the Patient Capital Review etc.

AT THE PRODUCT LEVEL:

- If fundraising were to be low, the final number of Portfolio Companies invested into may be small, undermining portfolio diversification, although the Manager is much more hopeful than in years past that fundraising will pick up this year due to market conditions and new hires in their business development team;
- Where Symvan Capital source an investment opportunity external to their SEIS funds, they will have to compete for opportunities with their peers, who mainly charge investee companies ostensibly lower fees and might be more attractive to many investee companies for this reason, although these opportunities will comprise less than 25% of the portfolio and are a minority of earmarked for funding from this raise based on the pipeline seen by MJ Hudson Allenbridge;
- Acquiring interests in Portfolio Companies which are held by other funds managed by the Manager creates conflicts of interest, which are exacerbated where the directors have co-invested. These conflicts will need to be managed carefully to ensure incoming investors don't overpay and that exits are timed so as to ensure retention of EIS tax reliefs;
- The fact that the performance fee has no hurdle should be considered suboptimal for a strategy predicated on aiming for high growth;
- Considering the strategy calls for an active hands-on engagement to both maximise investee company upside and actively manage risk, the Manager's best case fundraising and plans for the future might call for additional hiring into the investment team to maintain current levels of engagement with investee company management, although we are pleased to hear that plans to this effect are already underway;

- The Manager sees their fees as value for money in terms of the returns they aim to deliver to investors; however performance fees are charged on each investment rather than the fund as a whole which means investors could suffer such fees despite incurring losses overall and that the Manager is incentivised to focus on the better performing investments, possibly at the expense of other opportunities;
- While the Manager's two positive exits to date do add credence to the Team's investment approach, some investors will be sceptical regarding an exit undertaken in cryptocurrency, and further exits over the next few months would help to further reassure investors who might be open to investing in a new Manager rather than the established names in the tech-enabled investment space.

Manager Quality

Manager Profile

Kealan Doyle and Nicholas Nicolaides founded Symvan Securities Limited (“Symvan Securities”) in 2010 to provide corporate finance advisory and private placement services to EIS companies. Kealan and Nicholas have worked together since 2005, initially at Lewis Charles Securities, the boutique stockbroker (which changed its name in 2011 to Hartmann Capital Limited). In 2013, Symvan Capital Limited (“Symvan Capital” or “the Manager”) was separately incorporated to enter the tax-advantaged investment market. Kealan Doyle and Nicholas Nicolaides both own 50% each respectively of, and are directors of, Symvan Capital and Symvan Securities. Symvan Securities offered corporate finance services alongside the team’s investment funds, but is in the process of being wound up in order to concentrate the team’s full focus to managing investments.

Symvan Capital is a small, but growing, operation. Kealan is CEO and primarily works with Nicholas offering the firm’s fund management expertise. Nicholas is also the compliance officer and finance director. Michael Theodosiou and Annie Miao work to support the investment management team, with Michael taking on a more leading role in the due diligence process as an Associate Fund Manager, while Annie will be leaving the firm shortly to pursue other opportunities. The Manager is likely to find someone to replace Annie as well as hiring an additional person to the investment team and to help Nicholas with the operational and financial management of the firm. The firm also has three further employees responsible for sales, conducting the firm’s day-to-day marketing activities and fulfilling the semi-annual client reporting obligation, and investor relations, who maintains all customer/investor information via a dedicated customer relationship management tool, with Kealan and Nicholas assisting where required. The Manager has also subcontracted two other salespeople who have strong national contacts with IFA and wealth managers.

We reviewed Symvan’s formal complaints handling procedure and found it to be robust. According to the Manager’s disclosure, as provided to MJ Hudson Allenbridge during our review, Symvan had received no complaints since its inception.

Symvan Capital launched its first SEIS fund in 2014, raising £400,000 across around 10 investors. A second SEIS fund launched in early 2015, and raised approximately £1.6 million from 70 investors. Pleasingly, most of the investments within the SEIS products have achieved follow-on funding from angel investors, family offices and institutions at higher valuations, and all but one have been able to progress towards either launching or growing commercial activity. Most recently, a third SEIS fund was launched at the end of 2017. The firm’s current EIS offering, launched in 2016, has raised approximately £3.4 million from 187 investors (with one of these being Kuber Ventures, a platform subscriber), some of whom had previously invested in the second SEIS fund. Symvan Capital has an AUM of £8.1 million and through Symvan Securities, a further total of £4.5 million of EIS funding has been raised for PlayJam Holdings and Red Lambda, Inc., with a consolidated total of £12.6 million.

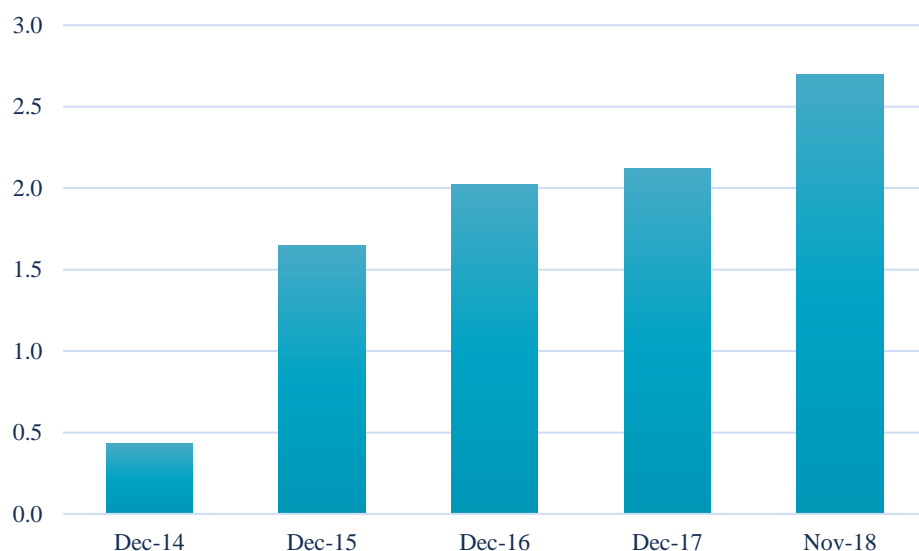
From a fundraising perspective, these are relatively modest results, although we acknowledge that raising funds as a start-up entity can be difficult, and that fundraising has been increasing steadily. It is also true to say that Symvan has passed a number of landmarks that are likely to give them further consideration from the larger IFA networks: the fact that Symvan has now been established for a number of years and has a couple of exits which help demonstrate the viability of their strategy to others who may have been waiting for this to occur.

We very much welcome that improving fundraising has become a point of emphasis for Symvan, with additional hires and increased marketing efforts to large IFA networks and private banks leading to more interest than in previous years, which bodes well for Symvan taking the next step and establishing itself as a larger player in tax-advantaged investments. We are also pleased to note that since firm inception, the firm has raised approximately

£3.1 million to invest alongside the discretionary accounts through its high net worth and angel investor networks. This should help to maintain a reasonable level of diversification.

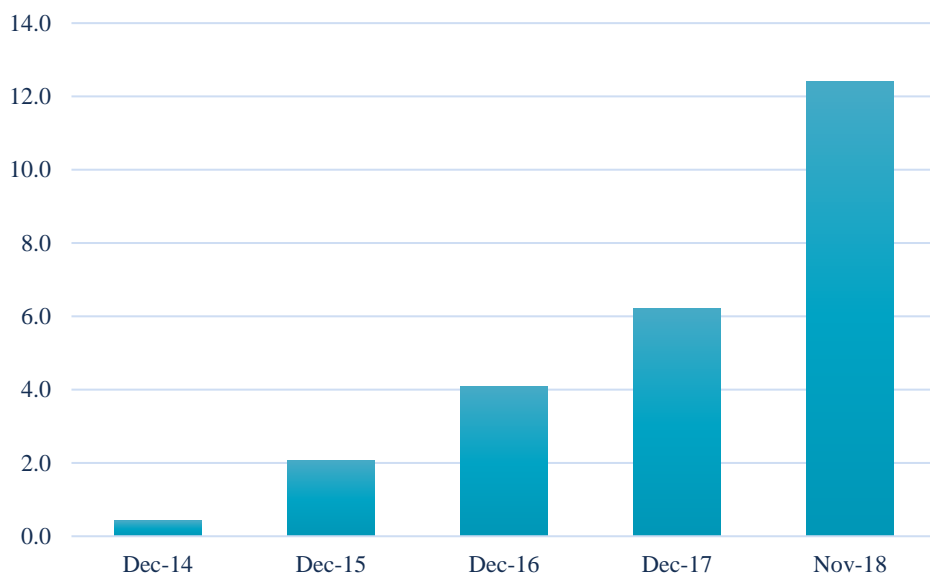
The EIS fund has a £10 million target fundraise; based on the prior track record this may seem ambitious, but will be a test of how far Symvan has come as a Manager, and the effect of Symvan’s additional hiring and focus on expanding its fundraising base. Symvan is confident that momentum in the fundraising levels will increase significantly into 2019, in part due to their recent marketing outreach push, and due to the aftermath of the Patient Capital Review, which we acknowledge is supportive of this type of fund.

CHART 1: SYMVAN CAPITAL FUNDRAISING TRACK RECORD (£ MILLIONS)



Source: Symvan; AdvantageIQ

CHART 2: SYMVAN CAPITAL AUM AS AT NOVEMBER 2018 (£ MILLIONS)



Source: Symvan; AdvantageIQ

Financial & Business Stability

Whilst previously the financial stability of Symvan Securities, also jointly owned by Kealan Doyle and Nicholas Nicolaides, was important to the stability of Symvan Capital, with the ability for both to share costs, this is no longer true. Symvan Securities is being wound down, so that all focus can be placed on Symvan Capital. This means that the financial situation of Symvan Securities does not need to be taken into account, once the process is complete.

TABLE 1: KEY FINANCIAL METRICS SUMMARY FOR SYMVAN CAPITAL LIMITED

(£'000)	2018*	2017	2016	2015	2014
Turnover	£319,000	£270,387	£238,188	£167,018	£46,900
Total Expenses	£298,000	£260,962	£227,201	£141,550	£37,310
Net Profit After Tax	£5,000	£6,535	£7,427	£19,944	£7,351
Net Assets	£60,000	£56,257	£49,722	£42,295	£7,353

Source: Symvan Capital Audited Financial Statements 2017, *Symvan Capital Unaudited Year-End Estimates

Symvan Capital revenues are derived from the initial and ongoing fees it levies for running its SEIS and EIS products. Symvan charges 6% to investee companies upfront and a 2% monitoring fee, which include director fees. Fees are budgeted for by the boards of the investee companies on which they are levied; however, given the very early stage of the companies, they are unlikely to have strong earnings (if any at all) with which to meet them. Hence, Symvan Capital's fees are partially reliant on counterparties, which are unlikely to have high creditworthiness.

We note that Symvan Capital has shown increases in both revenue and costs, which is to be expected as the firm is focused on growth, and most revenue will be reinvested into the business. This has been used to hire new staff, and to raise the profile of Symvan. The expenditure has been used to build a wider network in the UK to source more investors. The two co-directors take remuneration by way of salary. Although the salaries presently appear to be modest, it will increase as the firm expands.

Given the relatively weak profitability status of Symvan, the success of future fundraises is imperative; Symvan claim to be at a turning point, and expect revenue to grow significantly in the near future, with the current fundraiser forming part of their growth strategy. Whilst we are comforted by the aforementioned assurance of further equity from the directors if required, such contributions are not certain and their ability to live off modest salaries indefinitely must be open to some doubt. Accordingly, investors need to bear in mind the elevated risk currently evident at the corporate level, although it is worth considering that, if Symvan were to cease to exist, for financial or other reasons, the assets could be transferred to another Manager, with their value relatively unchanged and investors unaffected. Symvan seem confident that a Manager willing to take on the portfolio would be easy to find albeit since investors don't pay management fees this could prove less attractive than might otherwise be the case.

Symvan's corporate structure is straightforward: Kealan and Nicholas presently own equally Symvan Capital and Symvan Securities. The directors intend to keep the firm relatively small and specialist, but to keep growing AUM organically. Contingent on the current fundraise, the firm plans to expand personnel, and have raised the possibility of recruiting another equity investor into Symvan, or a related entity.

Quality of Governance and Management Team

As a small boutique, the systems of governance are somewhat limited by the resourcing available. Given the size of the company, the ultimate corporate decision-making rests with its two co-directors, and any decision requires joint agreement. As stated, Kealan and Nicholas have known each other a long time and have equal shareholding. On interview, their views on running Symvan Capital, its governance, and management were very much in line with one another.

The Manager has a multi-committee structure:

TABLE 2: OVERSIGHT COMMITTEES/WORKING GROUPS

COMMITTEE	DETAILS
Board of Directors	<p>Mandate: The purpose is to review, on a quarterly basis, the operational and strategic development of the business with compliance, risk and financial reviews. Interim meetings are held when required to approve specific resolutions that may be required throughout the year.</p> <p>Members: Kealan Doyle, Nicholas Nicolaides</p> <p>Frequency: Quarterly & As Required</p>
Management Committee	<p>Mandate: Review of operational business lines, projects, new business opportunities, HR issues, and risk related reviews</p> <p>Members: Kealan Doyle, Nicholas Nicolaides, Employees invited to participate</p> <p>Frequency: Monthly</p>
Investment Committee	<p>Mandate: Review recommendations for potential Investments to be made by the Fund.</p> <p>Members: Kealan Doyle, Nicholas Nicolaides, Rob Bird, Julian Sampson</p> <p>Frequency: As Required</p>
Risk Management Committee	<p>Mandate: Risk and compliance monitoring</p> <p>Members: Kealan Doyle, Nicholas Nicolaides</p> <p>Frequency: Quarterly</p>
Investment Conflicts Committee	<p>Mandate: Review potential conflicts identified by the committee or presented to it and approve proposals for conflict management and/or resolution.</p> <p>Members: Kealan Doyle, Nicholas Nicolaides, Julian Sampson, Rob Bird, Ian Pearson</p> <p>Frequency: As Required</p>

New Client Approval Committee	Mandate: Approval of new clients after due diligence, and client classification.
	Members: Kealan Doyle, Nicholas Nicolaides
	Frequency: As Required

Source: Symvan; AdvantageIQ

The Board of Directors and Management Committee are both run by Kealan and Nicholas with the structure and frequency of meetings commensurate with firm size.

The Investment Committee comprises the two principals of Symvan Capital, and two independent members of the Symvan Advisory Board: Rob Bird and Julian Sampson. Rob Bird leads the Center of Excellence in Machine Learning at Akamai Technologies, based in Cambridge, Massachusetts. He is a prominent figure in the industry, and provides technological expertise. Julian Sampson has considerable experience in financial services and is an expert in compliance. The Investment Committee reviews potential investments, and approval requires unanimous consent.

There is a good internal control framework; the Risk Committee regularly reviews internal audit, risk policies and procedures, compliance functions, counterparty risks, and business continuity.

Symvan Capital Limited is authorised and regulated by the FCA. Symvan indicated that there were no material regulatory or litigation issues at the time of writing. We found the policies and procedures presented by Symvan to be sufficiently detailed and well-maintained. Nicholas Nicolaides is, as outlined above, the compliance officer, and is in charge of most of the firm’s day to day operations, which are considerable. Impressed as we are by Nicolas’ diligence and the quality of the firm’s internal controls, we are pleased to hear that the Manager aims to hire an additional resource to assist Nicolas with his governance responsibilities, both to allow the firm to adequately cope with the greater requirements that come with more investments and investors, but also to free Nicolas’ time up to allow him to spend more time with the firm’s investment activities. We note that the Manager currently also receives some help and advice from Fulcrum Compliance Limited, of which the founder Julian Sampson is a member of the Investment Committee.

Product Quality Assessment

Investment Team

Symvan's investment team is comprised of three permanent members: the two co-directors, Kealan and Nicholas, as well as Michael Theodosiou, who assists with due diligence and was promoted recently to become an Associate Fund Manager. Kealan and Nicholas both have significant technology, media, and telecommunications ("TMT") transaction experience due to their backgrounds in sector-focused SME corporate finance with large institutions. While Michael originally trained as a lawyer and was called to the Bar, he joined Symvan a few years ago and has assisted Nicholas and Kealan for some time, leading to his promotion into the investment team.

Symvan also has access to a network of five senior advisors who each bring TMT sector and start-up experience. Senior advisors will often assist with the due diligence of an investment and, where relevant, they can also join the management of portfolio companies to bolster the team where specific weaknesses have been identified. Whilst these advisers each bring a unique skillset, their retention within the business is not guaranteed, as they are neither compelled to work exclusively for Symvan nor paid on a full-time basis. The rationale for the advisers' retention is the potential access to unique dealflow that Symvan Capital might be able to procure, and the potential to invest alongside the fund by making an equity investment using their own funds.

Symvan Capital is a small investment manager, and therefore, if the business is able to meaningfully ramp up its AUM, additional staff will need to be hired. This is because not only do the co-directors and Michael Theodosiou complete the bulk of the due diligence, but they also provide a comprehensive client service, nurture their sources of introduction and importantly, sit on the boards of the Portfolio Companies to provide "hands-on" business consulting. As such, Symvan is looking to recruit further experienced personnel to add to the investment team as well as hiring additional administrative support at the same time, so that Nicholas can spend more time on investment matters. Michael Theodosiou has also been able to bear more of the load in recent times in terms of assessing and due diligence of investment opportunities. Symvan would also look to retain some of the senior advisors on a paid, full-time basis.

Overall, despite the small size of the team, we were comfortable with its structure, credentials and ability to scale if needed. Biographies of the team can be found in the Appendix.

Investment Strategy & Philosophy

The Symvan Technology EIS Fund ("the Fund") was established to identify and invest in EIS-qualifying technology companies with high growth potential. The Fund will focus on identifying companies with the following profile:

- Already received seed financing;
- Established business plans;
- Strong and experienced management teams;
- Demonstrated growth potential;
- Scalable business model;
- Strong commercial opportunities.

Symvan Capital will also analyse a potential investment's future financing needs, and ensure the channels are available to support the company over the long term. The Fund is established as a discretionary portfolio service which is important in order to be able claim loss relief.

The Portfolio Companies will typically be seeking new equity funding of between £0.25 million and £2 million. Symvan believes this range is typically too large for angel investors but too small for venture capitalists, therefore leaving a gap in the market, in which opportunities are available at good valuations. The Portfolio Companies are expected to use the deployed funds to invest in personnel, sales and marketing, and working capital to grow revenues.

The rationale for targeting this point of a company's lifecycle is that many companies reach an inflection point in their development, where the underlying concept has been validated, but further funds are required to drive growth. In addition, these companies are at the stage where they will also benefit from external managerial/executive assistance by ensuring key internal processes and procedures (particularly for technology) have been successfully created. Symvan Capital is well equipped to provide this support through their co-directors and senior advisory network, as well as through partnering with technology incubators (as evidenced through recent relationships with Microsoft Accelerator, Telecom Italia #Wcap Accelerator, and The Garage Soho).

To qualify for investment, the management teams of the EIS Portfolio Companies must have plans to exit within five to seven years. The normal exit routes for private equity is via a trade buyer, flotation or a liquidation of assets. Given the acquisitive nature of the technology sector, where larger players look to collect intellectual property rights to defend or extend their market position, a potential sale to a rival player might be possible. Investors need to be aware that both timing and exit price are highly subjective and are unlikely to be predictable.

We were able to see some examples of the due diligence that Symvan carries out on the investee companies in the portfolio. We were impressed by the thoroughness of the research and believe that it contributes significantly to risk management process.

Given the depth in which Symvan Capital wishes to delve into understanding each portfolio company, and given team resourcing, the fund will aim for an EIS portfolio approximately ten opportunities, dependent on the success of the fundraise.

Underpinning Symvan Capital's due diligence philosophy on the aforementioned investments is what they term their "Lifecycle Approach" to investing. Symvan Capital aims to nurture and source as many of their EIS investee companies as possible through their SEIS funds, which invest in the opportunities but at an earlier stage. This enables Symvan Capital to understand and manage their investments on a far deeper level, meaning the due diligence process plays out over the evolution of the company's developmental journey, rather than at a static point in time. It is likely that, for many of Symvan Capital's follow-on EIS investments, they will have been a board member for a considerable amount of time.

We find the concept of the "Lifecycle Approach" appealing, and believe it adds credibility to the investment proposition. The success of this approach will depend on how many investee companies Symvan Capital is able to promote from its existing SEIS funds. Other EIS investment opportunities will have to be sourced externally, and all such opportunities will be required to satisfy a higher level of due diligence due to the lack of familiarity. Although we do not have an issue with how this process will be implemented, we did not observe any clear differentiating means by which these investments will be sourced and analysed relative to peers. If a large proportion of the portfolio was sourced externally, it would put the team at a slight disadvantage, given its lean structure. However, as a considerable number of the opportunities shown to MJ Hudson Allenbridge for potential investment had already been subject to investment from Symvan in an earlier investment round, we are reassured that Symvan will be able to implement its Lifecycle Approach in most cases.

Overall, given the background of the investment team and advisors, the sector focus is likely to be, but not restricted to, Software and Computer Services. However, sub-sector operations may be in markets such as education, recruitment, insurance services and IT services. Biotechnology companies will be actively avoided.

The Symvan team emphasise their focus on the people behind the companies; they provide significant support to investee companies, and will help them to navigate through any changes in direction they may need to make away from their original idea.

Finally, no investment is made unless a potential investment has obtained Advance Assurance from the Small Companies Enterprise Centre (SCEC), received confirmation that HMRC will regard the shares issued by the Portfolio Company as EIS-qualifying.

Pipeline/Prospects and Current Portfolio

By investing in an EIS portfolio service, you are not investing in any currently established portfolio, however to gain an idea of the likely future opportunities, one can look previous investments undertaken by the Service, as well as the Manager’s SEIS fund. Symvan Capital, as noted above, uses its SEIS fund as a primary source of future EIS investments, and supplements this with the Team’s contacts in accelerators, incubators, venture capital, and corporate finance. The Fund also has a history of collaborations, and co-investments with other funds.

The sourcing strategy is demonstrated in the current portfolio, which is comprised of eight companies, six of which are from the SEIS funds. The first investments were made in April 2016, followed by further tranches via its SEIS funds. Three further investments were made in early 2018. Investors into the current EIS Fund will also gain exposure to each of these companies. These seven investments are described in the table below.

TABLE 3: PORTFOLIO ACTIVITY FROM JANUARY 2016 TO AUGUST 2018

COMPANY	SECTOR	BRIEF DESCRIPTION
B.heard Limited	Value comparison & switching	<p>Incorporated in 2012 and based in London, B.Heard’s product, Savy, is a personal data account which allows individuals to save, earn & learn from their personal information. It is an ecosystem that gives individuals the benefit of owning, processing and sharing their personal data on mutual commercial terms with any third party. This personal data, produced by our ‘online’ presence, reveals our preferences and opinions in the form of websites visited, emails, tweets, likes on social media, internet searches and online purchases and bookings. As our cars, homes, and lifestyles fill up with technology, there is only an increasing amount of data we have to own or give up. The Savy account allows users to understand the full value of one’s personal data by combining it with machine learning. The possibility of such aggregation and analysis presents unprecedented opportunities for drawing insights from personal information and its derived value. Symvan Capital’s investment was followed by investments from Sir John Hegarty and Tom Teichman (founders of the Garage Soho), providing both seed capital via SEIS as well as supporting the business to raise follow-on equity.</p> <p>Uplift: 150% from SEIS Fund valuation, 21% within EIS Fund on aggregate basis.</p>
Bayncore Limited	IT Services for High Performance Computing	<p>Incorporated in 2014, Cambridge based Bayncore provides specialised consultancy and IT services to organisations that utilize their own proprietary software and code using High Performance Computing (HPC), Technical Computing (engineering, financial services, etc.), Machine Learning, Deep Learning, and Big Data Analytics. Bayncore is at the forefront of addressing the “code modernisation challenge” which is one of the most pressing issues for organisations utilising HPC and technical Computing. The newest processors provided by the likes of Intel Corp (e.g. Intel® Xeon Phi™ KNL) can have up to 71 cores (compared to the chipset in our everyday PCs, which may only have two to eight cores). As a result there is a gap emerging between the available computing power and the computing power that is actually used. This is due to a specialized requirement of programming expertise limited to a few. Bayncore was established with the tacit consent and support of Intel Corp. Following 18 months of operations, the business is generating recurring</p>

revenue and poised for growth as it seeks to capture significant market shares in the EMEA region.

Uplift: 60% from SEIS Fund valuation, 7% within EIS Fund on aggregative basis

Buying Butler
Ltd Concierge
Buying
Service

Incorporated in 2012 and based in Nottingham, and a graduate of Microsoft Accelerator in London, Buying Butler has creating the first personalized buying platform that allows users to simply tell the market what they want in a managed and secure way, helping them to select suppliers keen to meet their exact requirements. The Company has created and incubated a separate business, RightIndem, in which it holds a 32.3% stake, to combine its white-label data driven car buying service with total-loss automotive claims to create an innovative SaaS platform that delivers a brand-new concept for insurers 'Customer Managed Claims' with a digital experience for claimants that removes much of the current perceived unfairness, wasted time and bureaucracy from the current analogue process with an initial focus on motor insurers claims processes.

Uplift: 47% from SEIS Fund valuation, Held at Cost in EIS Fund.

Cognisess
Limited Predictive
People
Analytics

Incorporated in 2011 and a graduate of Microsoft Accelerator in London, Cognisess is a predictive people analytics company, headquartered in Bath (UK). It has partner offices in Australia, The Netherlands, Ireland and Israel. Its analytic engine, Cognisess Deep Learn™ helps companies better understand the current and future value of their most important and expensive asset: people. Cognisess works with global organisations of all sizes with vertical solutions designed for corporate and education sectors and are currently deployed in the enterprise market amongst with many companies including InterContinental Hotels Group (IHG), AB InBev, Volkswagen, Babcock, and Havas Media. Cognisess serves frontline HR and operational business functions with an affordable, pay-as-you-go or subscription based platform to assess and optimise both candidates and employee productivity by providing predictive people analytics. The platform harnesses the power of cognitive neuro-science, workforce Big Data, Ai/Machine Learning and predictive analytics algorithms that helps remove the bias and subjectivity around hiring, annual appraisals and organisational design allowing businesses to make better informed people decisions.

Uplift: 111% from SEIS Fund valuation, 45% within EIS on an aggregate basis.

CityZenith
Holdings, Inc. Smart Cities

CityZenith's business is centred on advanced architectural 3D modelling software for the mapping, planning, and monitoring of buildings and their associated data in cities. The company's flagship product, Smart World Pro, combines spatial modelling with a host of data to provide a 'digital twin' for architects, property managers, and property owners. Smart World Pro offers granular detail, down to data from individual floors of individual buildings, as well as real time and Internet of Things (IoT) integrations for factors ranging from energy usage and local traffic or CCTV data, to shadow studies for proposed projects and climate analysis. Crucially, it is also an aggregator for the myriad software and systems used in the Architecture, Engineering and Construction (AEC) industry, providing an agnostic platform which

unifies the diverse and fragmented tools used today, into a holistic and powerful platform driven by AI and capable of natural language searches. The company was originally founded in 2009 on the back of the success of founder Michael Jansen’s previous business, another architecture-focused venture which had been backed by Sequoia Capital. One of the creators of Google Earth was brought on at an early stage to help build the product in its initial phases. The company and product have won numerous industry awards over the intervening years, leading to the culmination of the launch of the Smart World Pro platform in 2018.

Uplift: Held at Cost

<p>Digital Clipboard</p>	<p>Wealth Management and Compliance</p>	<p>Digital Clipboard (DC) is a mobile solution for wealth managers that streamlines operations and reduces new client costs. Originally conceived and designed as a clinical notetaking application for the medical profession, the company pivoted towards a sector in which the opportunity and route to market was more favourable. The company have built an AI-powered client onboarding app which is equally applicable to wealth, insurance, and mortgage advisors, automating otherwise analogue processes, leading to potential cost reductions of 10x while also allowing advisors to provide a smoother, more dependable service to their clients, helping to improve conversion. The wealth management space is an obvious first target for such a solution, being a profession which lags significantly behind many others in terms of innovation and adoption of technology, a contrast which is even more stark given the relentless advance of ‘Fin-tech’ more broadly. Digital Clipboard is providing a solution which brings the profession into the digital age without sacrificing the personal, face-to-face element which is so pivotal to clients and advisors alike. The focus is on personalisation rather than commoditisation, removing administrative burdens and costs to allow wealth managers to offer a relevant and high-quality service which is differentiated from but does not lag behind digital services, such as robo-advisors.</p> <p>Uplift: Held at Cost</p>
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<p>Auris Tech</p>	<p>Education Software</p>	<p>Incorporated in 2015, Auris Tech is using proprietary interactive automatic speech recognition (“ASR”) software to encourage and teach children to read English via “Listening Books”. Auris is seeking to be the premier software system for ASR books targeting children aged 4 to 9years, initially in the UK, and then expanding geographically to other countries. Auris has worked in collaboration with Edinburgh University to build its own bottom-up child-based ASR system. Like Apple’s Siri, the ASR system is cloud based.</p> <p>Uplift: 95% uplift from SEIS Fund, Held at Cost within EIS Fund.</p>
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<p>Neotas</p>	<p>Open Source Cyber Intelligence</p>	<p>Incorporated in 2017, Neotas interrogate openly available sources such as social media, the deep and dark web, to connect the dots, shed light on people risk and in doing so, are setting new standards in due diligence, compliance and screening. Through a unique blend of cybersecurity, intelligence, military and financial services backgrounds, the Neotas team built and developed an advanced intelligence platform based on advanced open source intelligence (OSINT). Through their platform and experienced</p>
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analysts, Neotas connect the dots in digital trails to help their clients, mitigate reputational risk, make informed investment decisions, prevent fraud & financial crime, evidence compliance and protect their employer brands. Neotas helps answer the questions you didn't even know to ask, ultimately providing you with the full picture. Through their work Neotas have also uncovered and reported individuals to Crimestoppers, PREVENT and the UK Serious Fraud Office and work closely with charities too such as STOPTHETRAFFIK to help combat human trafficking.

Uplift: Held at Cost within EIS Fund

Source: Symvan; AdvantageIQ

The potential conflict of interest when it comes to establishing the valuation of companies for follow-on investment must be flagged. Included in this are Symvan's EIS investments into companies that are part of the SEIS portfolio at the time of investment. Symvan regularly hold an Investment Conflicts Committee, and have placed two independents on the Investment Committee, to ensure fair valuations, managing the risk of this conflict of interest. Investors will need to decide for themselves that this is sufficient to manage this conflict especially given that the directors may have invested at the SEIS stage. Situations could also arise where there is a potential exit at a point in time when the SEIS investors will retain their tax reliefs but EIS investors lose theirs.

Symvan has a well-established pipeline for the size of the Fund. They have been very forthcoming to MJ Hudson Allenbridge with information on future investment prospects for investee companies already included within the SEIS fund, for potential investments external to any current Symvan Fund who they are targeting, and follow-on funding for companies already within the portfolio. The current portfolio is broadly representative of what is included within the pipeline in terms of the type of companies being looked at. For commercial confidentiality reasons, specific information cannot be given in this report, however these plans, if they come to fruition, are very much aligned with both the Manager's strategy and in line with the types of companies previously targeted for investment.

When sourcing deals external to prior SEIS funds, as outlined above, Symvan utilises a variety of methods. They leverage their own network of contacts with incubators, accelerators, high-net-worth individuals, and VCs. It must be mentioned that very few investees are chosen come from cold approaches, with the above methods being preferred by Symvan. We note there is a robust level of investment activity should dealflow need to be ramped up if AUM grows.

Investment Process

The Manager has described its investment process as follows in AdvantageIQ:

TABLE 5: INVESTMENT PROCESS

INVESTMENT PROCESS	DETAILS
Deal sourcing/ origination	<p>Symvan Capital, together with its connected corporate finance advisory business - Symvan Securities Limited - seeks out and is approached by businesses seeking funding.</p> <p>Symvan Capital's network of advisers, contacts and connections to incubators, accelerators, high-net-worth individuals and VCs in both London and across the UK should add significant value to Investors in the Fund.</p>

Symvan Capital already has a significant pipeline of opportunities. The regional market has a well-known “equity gap” of between £250,000 and £2 million, and as such, the Symvan Capital team has been able to position itself at the core of this market. Through its relationships with incubators, accelerators, private investors and venture capital firms, the team has access to extensive and proprietary deal-flow.

The team has extensive experience in advising, investing, and raising capital for high growth companies. Symvan Capital will be sourcing, screening and negotiating investments for the Fund, preparing investment recommendations for the Investment Committee, and preparing half yearly and annual reports on the investments. Thereafter, Symvan Capital’s focus will be on monitoring and assisting Portfolio Companies.

Symvan Capital has no difficulty in finding suitable qualifying companies for investment by the Fund. Each company that is selected by Symvan Capital as suitable for investment will be considered by the Investment Committee after satisfactory due diligence before any investment is made.

Symvan Capital has already identified a small number of companies that it views as potentially suitable for consideration by the Manager. Symvan Capital expects that a number of these EIS investment opportunities will come from the more successful companies coming out of the Symvan Seed EIS Opportunities Fund, the Symvan Technology SEIS Fund 2 and the Symvan Technology SEIS Fund 3, which was launched in Jan 2018. Some of these companies have already received seed financing from either SEIS funds or angel investors, and have since proven their business models and either demonstrating revenue growth or the potential to deliver that growth through realistic commercial opportunities.

The existing Portfolio companies of the Symvan Seed EIS Opportunities Fund and the Symvan Technology SEIS Fund 2 provide an indication of the type of companies (in terms of activity, maturity, etc.) that the Fund will be seeking to invest in.

Deal filtering and selection	<p>The process begins as soon as a potential investee company has come to our attention. Companies may already be known to Symvan Capital either because one of its SEIS funds may have previously invested, or Symvan Securities may have previously engaged with the company to act as its Corporate Finance adviser and Placing Agent for an earlier EIS fundraise from Symvan's own angel investor network. In such cases, the process will have already been largely completed with the same basic steps as described below.</p> <p>Provision of investor presentation:</p> <p>The process usually begins with Symvan Capital having received an investor presentation or business plan. Companies may either submit this via the Symvan Capital website, directly to our email, or via third-parties who have made a recommendation to approach Symvan Capital.</p> <p>Initially both Kealan Doyle and Nicholas Nicolaides will review the presentation to initially ensure that the investment proposition meets the Fund's investment</p>
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criteria and an initial assessment of whether a meeting with management is justified. The majority of deals presented at this stage are rejected. Symvan Capital will on average receive 30 business plans each month for both SEIS and EIS opportunities. Of these, approximately 5-6 may lead to an initial meeting. Initial meeting with management:

The main purpose of the initial meeting with the management and founders is to ascertain the team's competency. Whilst we aim to get further insight into understanding the business merits, the management team's ability and experience is the main metric at this stage.

Most companies that we meet at this stage are put forward to our advisers.

Adviser review:

The next stage of the process is to approach one or all of our advisers for an opinion or feedback on the presentation. Depending upon the situation and the technical knowledge required, we may have already invited an adviser to join us at the initial meeting with management. At this stage we are seeking a consensus view on the technology and the market, as well as the identification of key risks or potential issues that have not been initially identified by the Company. We expect that on average 20% of the companies that are reviewed at this stage by our team will proceed.

Subsequent meetings:

Thereafter, the investment team will seek to meet several times with management and their respective teams to further understand the business. This may also involve interviews and meetings with key employees as well as site visits. Concurrently, Symvan Capital will scrutinise the company's financial history and forecasts. It is during this stage where the terms of an investment are discussed and agreed in principle.

Heads of Terms:

Once the potential valuation and amount to be invested has been agreed, Symvan Capital will prepare and present Heads of Terms summarising the investment terms. Once these Heads of Terms have been agreed to by the Company's board, Symvan Capital will proceed with detailed due diligence.

Due diligence process

Symvan Capital's due diligence process is an ongoing process and not just a snapshot in time. Once an investment has been made, we consider the process to continue on an ongoing basis.

Initially, the Company is provided a list of questions to provide written responses to. All information provided is then uploaded to a confidential and private shared data room in Box.

Once all questions have been answered, a detailed review of the entire submission is undertaken. Following this Symvan Capital will then typically revert to the Company two or three times with sets of questions for clarification. It is at this critical stage whereby any reasons not to proceed may be discovered. The data

room is made available to all members on the Investment Committee to allow a transparent and live review of progress.

Further, Symvan Capital will undertake a detailed AML check on each of the Directors of the investee companies. Directors and management are asked to complete a declaration to confirm any prior disqualifications or outstanding CCJs. During this period, Symvan Capital will also provide the company with a draft investment agreement. In the event a company has already entered into a shareholders agreement with key shareholders or strategic investors, Symvan Capital will seek to enter into a Deed of Adherence on behalf of the Fund and beneficial shareholders.

Finally, Symvan Capital requests a Disclosure Letter to accompany the Investment Agreement.

Deal approval	<p>The Investment Committee will comprise the following members consisting of the two principals of Symvan Capital, and two independent members of the Symvan Advisory Board: Kealan Doyle (Symvan Capital), Nicholas Nicolaides (Symvan Capital), Rob Bird (Advisory Board) and Julian Sampson (Advisory Board).</p> <p>The Investment Committee will review potential Investments to be made by the Fund and make recommendations to the Manager regarding Investments. Meetings of the Investment Committee will require a minimum of three members of the Investment Committee. No member of the Committee will be allowed to give a view on whether a company should be the subject of investment if that person has any shares in such company or is related to any person who is a director of such company or who has any other conflict of interest. In that way, the Manager will receive independent recommendations on the merits of each prospective investee company.</p>
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Source: Symvan; AdvantageIQ

The investment process outlined by Symvan is highly detailed and well thought-out. Symvan Capital views its due diligence as an ongoing journey; under the Lifecycle Approach, the investment process will begin at the seed stage for those incubated in the Symvan SEIS funds. This means that, relative to other firms that make their initial investment at the EIS stage, Symvan is less likely to be subject to unpleasant surprises. For the portfolio investments sourced outside its SEIS funds, the investment process will be take place over a more defined period of time, and does not have this same advantage.

Risk Management

Risk management is mostly carried out during the due diligence stage; all investee companies must meet the parameters to be selected. Therefore, the quality of due diligence is key to the Fund’s risk management. They have three core areas of interest when it comes to due diligence: management/founder history; management/founder corporate governance procedures; and whether targets are realistic. In regard to risk mitigation strategies, Symvan will seek to identify the following characteristics, which will protect the Fund from default at the underlying company level:

- There is a healthy demand and a strong market for the underlying trades of the Portfolio Companies;
- The businesses are technology companies with the potential to disrupt their sector, and the opportunity to scale significantly. These will be technologies where Symvan Capital can provide experience and contacts to accelerate growth and add significant value;

- Businesses must be able to demonstrate that they are either already achieving, or have the potential to achieve, a growth rate in excess of 30% per annum, with no over-reliance on one revenue stream or customer. Start-ups will be avoided;
- Portfolio Companies should have proven, competent management and sound corporate governance practices;
- Forecasted earnings must be defensible and budgets sound, with spending protected by shareholder agreements;
- Portfolio Companies may develop intellectual property which can potentially be monetised, thereby providing a degree of asset-backing;
- An exit strategy should be apparent from outset;
- The investee companies are EIS-eligible

In cases where investee companies had been invested in by the SEIS fund, Symvan Capital is already a corporate non-executive member of the board. In more mature companies, Symvan insists for at least observer status in cases when the level of investment does not justify board membership.

The Portfolio Companies will be requested to provide regular reports on business and financial progress, including cash flow projections, management accounts, and audited financial statements. The Symvan Capital-appointed director will review these reports and flag problems to the Investment Committee. However, if the Manager achieves the fundraising target, it will have to expand in order to maintain the same level of engagement with each investee firm.

At the Fund level, Symvan Capital will aim to diversify each investor’s holding as much as possible, although there are no formal parameters. Symvan Capital expects that the allocation per investment should not exceed 25% of any investor’s application. This level of concentration would leave investors with significant exposure to one company unless the Fund is part of a much wider portfolio of tax-advantaged products.

The Portfolio Companies will be valued semi-annually, in accordance with the International Private Equity and Venture (“IPEV”) Capital Guidelines. Symvan has recently changed its valuation process from a simple and conservative approach in favour of the IPEV guidelines. Under particular circumstances, Symvan Capital may apply impairment to the valuations. We generally suggest that investors approach with caution any valuation uplifts that are not arrived at by an independent third party.

Symvan’s strategy is clearly growth-oriented and as such does not suffer from HMRC risk.

Key Features

The following fees (number 1) are those directly payable by the investee companies. There are no fees (numbers 2-3) payable by investors other than the performance fee (number 4).

1. INITIAL AND ONGOING FUND MANAGEMENT FEE

TABLE 6: FEES TO THE MANAGER

INITIAL FEES	ARRANGEMENT FEE (% OF DEAL)	ON-GOING MONITORING FEES
-	6% of investment into company charged upon investment	2% per annum of the amount invested in the Portfolio Company

Source: Symvan; AdvantagelQ

The annual management fee is charged for the first seven years and the rate, stated above, is applied on either the Net Investment or the NAV of the portfolio, depending on which of the two is the lesser amount. The fee is charged quarterly in advance and is payable at the beginning of the month in which the application form is accepted by the Manager. The management fee is charged for each year, if the portfolio is held beyond the seven-year period and is calculated on the gross value of all investments held since the commencement of the initial investment agreement.

2. EARLY BIRD FEES AND OTHER DISCOUNTS

None.

3. SUBSCRIPTION/APPLICATION FEES

TABLE 7: SUBSCRIPTION/APPLICATION FEES

TYPE OF INVESTOR	INITIAL APPLICATION FEE (AND INITIAL COMMISSIONS/INITIAL ADVISER CHARGES)
Application through an adviser (For advised sales made via an FCA authorised financial adviser)	0%; adviser remuneration may be met by a facilitation charge paid to that adviser by Symvan, amount to be agreed between investor and Symvan.
Execution-only Application (Investors who make an application, using a FCA authorised 'execution-only intermediary')	0%

Source: Symvan; AdvantagelQ

3. PERFORMANCE FEE

A performance fee is paid of 20% of the total return in excess of the investor's original contribution. The performance fee is paid on a deal-by-deal basis, with investment distributions paid out to investors immediately upon the realisation of each investment. There is no clawback provision for investments that may subsequently lose money.

With no investment performance hurdle and a lack of a clawback provision, there is the potential for concerns over misalignment of incentives. However, Symvan emphasised that this is not the case, and that the performance fee, along with the fact that the founders have invested into the funds themselves, provides suitable incentives.

4. PRODUCT FEES

The detailed fees are listed in the following table that are recovered from the Investee Companies. The Fund will be responsible for the normal running costs of the Symvan Technology EIS Fund including custodian and nominee fees, bank charges, administration and investor reporting. Symvan charges a 6% fee on every trade.

TABLE 8: FEE DETAILS

FEES	DETAILS
Initial Fees	0%
Administration Charge*	0%
Monitoring Fee*	2%
Arrangement Fee (% of deal)*	6%
Directors' Fees*	0%

Source: Symvan; AdvantagelQ

Performance

Since 2014, Symvan Capital has seeded seventeen SEIS companies, of which six are also constituents of the current EIS portfolio. Only two constituents of the EIS portfolio have not received SEIS funding from Symvan Capital. A further eight are in the pipeline. They are discussed in the section 'Pipeline/Prospects and Current Portfolio' above and are highlighted in the table below. The uplift for the EIS fund overall in terms of implied cash on cash return is 16%, although this is not yet market-tested and skewed due to the fact that recent investments are held at cost. However, from these numbers, it conveys a sense that progress is being made in progressing the investee companies along their growth trajectory.

TABLE 9: PORTFOLIO HISTORY

(£ '000)	DATE OF INITIAL INVESTMENT	SYMVAN SEIS	SYMVAN EIS	SYMVAN FUNDS TOTAL	SYMVAN ANGEL NETWORK	OTHER	TOTAL	VALUATION UPLIFT SINCE INITIAL INVESTMENT*
Buying Butler**	Jun-14	58.5	309.4	368.0	293.5	20.0	681.4	46.9%
Wonderluk	Sep-14	150.0	-	150.0	150.0	54.1	354.1	-98.3%
Bayncore**	Dec-14	150.0	515.3	665.2	424.4	-	1,089.6	60.0%
VMS Me	Feb-15	130.0	-	130.0	-	20.0	150.0	136.1%
Auris Tech	Apr-15	125.0	74.9	199.8	20.0	592.5	812.3	94.7%
Cognisess**	May-15	150.0	643.0	793.0	230.0	-	1,023.0	110.8%
B.heard**	Jun-15	100.0	465.4	565.4	220.2	618.2	1,403.8	150.1%
iTar	Nov-15	127.5	-	127.5	-	72.5	200.0	55.1%
SnackBox Games	Mar-16	150.0	-	150.0	-	25.0	175.0	7.4%
PlayStack	Apr-17	150.0	-	150.0	-	4,840.4	4,990.4	41.0%
JLD Games	Apr-17	125.6	-	125.6	-	12.2	137.8	0.0%
Lightsource Holdings	Jun-17	100.0	-	100.0	-	50.0	150.0	0.0%
InteriMarket	Aug-17	150.0	-	150.0	-	-	150.0	0.0%
B.Heard Explore	Oct-17	150.0	-	150.0	-	-	150.0	0.0%
CityZenith**	Mar-18	-	230.1	230.1	-	-	230.1	0.0%
Digital Clipboard**	Apr-18	-	314.7	314.7	-	136.1	450.7	0.0%
iPoint Technology	Apr-18	150.0	-	150.0	-	-	150.0	0.0%
Geogram Corp	May-18	150.0	-	150.0	-	-	150.0	0.0%
Neotas**	Nov-18	150.0	100.0	250.0	-	572.3	822.3	0.0%

Source: Symvan, as at 30 June 2018. *Implied Cash-on-cash return evaluated under IPEV Guidelines. **Part of EIS Portfolio.

The most critical event for investors, where the anticipated capital gains and access to liquidity will materialise is upon exit - that is, when the underlying company is sold to a buyer and it exits the portfolio. To date, Symvan Capital experienced two exits from its SEIS/EIS investments, a good outcome considering the age of the Fund. Progress on currently held investments to date of the potential EIS inclusions appears sound. Naturally, investors need to be aware that despite this progress, failures in companies at this stage of development (both at SEIS and EIS levels) are common.

The experience of Wonderluk, which completed a Members Voluntary Liquidation and distribution to shareholders in March 2017, demonstrates this. Wonderluk aimed to build a business on customisable 3D-printed jewellery but found that the business was unable to scale, which turns out to be a hallmark of 3D-printing investments across the board.

Further valuation upgrades are likely a sign of good progress, but do not necessarily guarantee commercial success.

Appendix 1: Key Personnel

Key Investment Professionals

NAME	JOB TITLE	DATE STARTED	BIOGRAPHY
Kealan Doyle	CEO, Member of the Investment Committee	2010	After a degree from the University of Toronto, Kealan began his career with Ernst & Young Management Consultants. From 1991 to 1993, he was a senior fixed income economist at UBS. From 1993 to 1997, he worked for Merrill Lynch, in fixed income credit trading. Between 1997 and 2000, he was Securitised Products Director at Deutsche Bank, responsible for structuring and marketing derivative products. In 2000, Kealan joined HSBC as Global Head of Equity Structured Products. From 2002 to 2007, Kealan was Managing Director of Ascent Finance Limited, where he was engaged in corporate finance, and derivatives advisory services. From 2007 to 2009, Kealan was co-head of corporate finance with Nicholas Nicolaides at Lewis Charles Securities. After a short period at Beaufort International Associates as Head of Corporate Finance, Kealan co-founded Symvan Securities in mid-2010. Kealan graduated from the London School of Economics.
Nicholas Nicolaides	Director, Member of the Investment Committee	2010	Nicholas began his career with Banque Paribas (later BNP Paribas) in 1994, working in European ECM and TMT Corporate Finance, before joining Lehman Brothers' European Telecoms & Media ECM in 2000. From 2005 to 2010 Nicholas worked first for Lewis Charles Securities in equity research, and as co-head of corporate finance with Kealan Doyle, and then for Beaufort International Associates. In 2010, with Kealan Doyle, he co-founded Symvan Securities Limited. Nicholas graduated from UCL in Statistics & Economics and from Imperial College London with an MBA.
Andrew Barnie	Head of Wealth Management Services	2018	Andrew joined Symvan in 2018 bringing twenty five years' City experience in equity research, institutional equity sales and client relationship management. Technology has featured strongly throughout his career which took him first into the Japanese market as an analyst with Cazenove and several other investment houses and then later into Taiwan. He was a Japan resident for ten years. In Tokyo he set up and managed several research desks and was particularly interested in under researched smaller companies. In London, he co-founded an Asian equities business for Man Securities. More recently, at SinoPac Securities, a Taiwanese broker, he was responsible for initiating, managing and developing relationships with hedge funds, pensions funds, family offices and sovereign wealth funds, being mostly large technology investors. Andrew believes that this is one of the best times to be involved in VC and early stage investing and joining Symvan with its focus on disruptive and transformative segments of technology such as AI, is especially exciting. He notes that in recent years, the UK has established itself as the most important centre for technology start-ups in Europe and that its position looks certain to strengthen. Andrew earned his MBA from Alliance Manchester Business School and holds the Chartered Institute for Securities and Investment (CISI) Diploma. He graduated in English Literature from St. Edmund Hall, Oxford.

Michael Theodosiou	Associate	2015	Michael has a BA in English from UCL and an LLB (University of Law). He was called to the Bar in 2014, and has experience working in a technology start-up where he was responsible for market research relating to online education platforms. Michael joined Symvan in 2015, and his responsibilities include supporting the Investment Managers in the sourcing of investment opportunities, due diligence, and administrative duties relating to the Manager's role. Michael also gained the EIS Diploma, and is a member of EISA's Green Shoots.
Annie Miao	Operations Director	2017	Annie has an MSc in Economics and Finance from the University of Bath. She previously worked as an investment analyst, and also has trading experience in equities and foreign exchange. Technology sub-sector interests include FinTech, Big Data analytics, High Performance Computing, Educational software, and Environmental Tech. She joined Symvan in 2017 to support the investment management and corporate finance teams, focusing in particular on operations and financial and investment analysis. She is currently a CFA candidate.
Maria Lennon	Investor Relations	2015	Maria obtained a Bachelor of Law from University College Cork, and worked for a firm of architects before joining Symvan Capital. She has also worked as a journalist at a Dublin newspaper and as a professional actress. She is currently in charge of Investor Relations and wealth manager distribution at Symvan Capital.
Spencer Krett	Associate Director, Sales	2010	Spencer began his career as a trader at Société Générale Strauss Turnbull. At Symvan Capital, Spencer works with the marketing team, management and investee companies, and focuses on servicing the Angel Network. He studied Business & Finance at the University of Hertfordshire.
Rob Bird	Adviser, Member of the Investment and Committee	2016	Since 2014, Rob has led the Center of Excellence in Machine Learning and Big Data product architecture at Akamai Technologies, Inc. In 2006, Rob founded Red Lambda, Inc., a Florida machine learning-based network security company, as its CTO. Prior to that, Rob was the Coordinator of Network Services at the University of Florida for almost 10 years. In 2004, Rob testified as an expert witness to the US House of Representatives Subcommittee on Commerce, Trade and Consumer Protection. Rob is the author of 10 issued patents in distributed systems and machine learning and sits on the Editorial Board of the Journal of Big Data.
Ian Pearson	Adviser, Member of the Investment Conflicts Committee	2014	Ian was chief executive officer for Ballintrae, from 2009 to 2017. From 2006 to 2008, he was a management consultant for Albany Group, after spending five years as a business development director for Spring Group plc, a company he also worked for from 1997 to 2000. Ian started his career at BAT, after which he moved to Citigroup and later joined the real-time financial information division of Knight-Ridder and developed the strategy which established them into 30 European and Asian countries and the first dual listing of a NYSE quoted company onto the Tokyo Stock Exchange, after which he was appointed MD of UK & Ireland operations.

Tom Battye	Executive Mentor	2016	Tom is a highly experienced executive coach and leadership consultant. His experience is invaluable to the leaders of Symvan's portfolio companies as they manage the challenging transition from a technology start-up to growth-oriented success. Tom has been working with senior leaders and their teams for over 15 years. His experience spans the public sector, as well as private and third sector organisations. Tom's work is informed by extensive study in the field of organisational psychology. His areas of expertise include developing high performing teams; forming an effective sales strategy; managing complex and challenging relationships; working with ambiguity and change; developing authority, presence and impact; creating a personal brand; handling pressure; becoming an authentic leader; and helping high achievers manage accelerated promotion.
Julian Sampson	Regulatory and Compliance Advisor, Member of the Investment Committee	2015	Julian is the founder of Fulcrum Compliance Ltd, offering an advisory and consulting service to firms regulated by the Financial Conduct Authority. Julian was a registered Compliance/Money Laundering Reporting Officer for 15 years, implementing practical solutions for the firms in which he worked. He has been practicing as a compliance consultant with Fulcrum Compliance since 2008. Julian was Chairman of the CISI Compliance Forum from 2009 to 2015 and is a member of the CISI Membership Committee. He was a Member of the Steering Committee for Compliance Standards (BS 8453) at the British Standards Institute and has been published in Compliance Monitor. Julian advises a number of FCA regulated companies on processes and controls, including governance arrangements and regulatory relationships.
Jeff Wellstead	Advisor	2014	Jeff is originally from the US and has been working in Europe for the last 10 years. He has over 27 years' talent management leadership experience with Fortune 100 global brands including Merrill Lynch, Goldman Sachs, Morgan Stanley, Accenture, EDS, PeopleSoft, MessageLabs (Symantec), SpinVox (Nuance), and Kantar Market Research. Jeff is the founder and CEO of Big Bear Partners Ltd, working with several B2B SaaS, mobile application, cyber security and data analytics companies in their seed through to exit growth stages. Jeff's speciality is preparing and managing high-tech companies through critical growth inflection points – ensuring that the right people, processes, culture, systems and employee engagement is in place throughout all stages of organisational maturation to achieve vision. Jeff is considered an expert in all aspects of talent management and process improvement and is a certified business coach for the UK's Growth Accelerator & Innovation program as well as a member of Tech London Advocates, and an Entrepreneur in Residence for Cornell University's E@C program.

Source: Symvan; AdvantageIQ

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