

## Fund at a glance

### Scheme Categorisation

Alternative Investment Fund

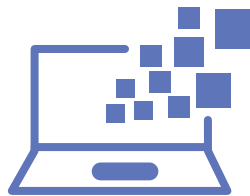
### Scheme Strategy

Venture capital EIS with leading UK technology investor

### Target Return

Triple invested capital, including tax reliefs

### Investment Sector



Various technology sectors

### Target Diversification

**12-15**  
companies

### Nominee & Custody Arrangements

Custodian: The Share Centre Limited  
Receiving Agent: Woodside Corporate Services Limited  
Nominee: Share Nominee Limited

## Investment Objective

The Mercia EIS Fund is a diversified venture capital portfolio, wrapped within an EIS fund, which offers strong downside protection and the upside is not limited by capital gains tax.

We aim to triple invested capital in five to seven years, including tax reliefs. We will achieve this by investing at seed and early stage, expecting failures and targeting high multiple returns in some companies (10x or more).

The Mercia group is one of the largest (£800m) and most respected early-stage investors in the UK, and we currently have £300m to invest. We focus on investing outside of the South East of England, as we find much improved valuations, and we have a track record of exits (returning over £300m).

## Exit Strategy

The Mercia group is focused on realising value.

The natural exit window in the UK is between £25m-£50m, and we invest at a seed or early-stage that enables Mercia to achieve the multiples required to deliver the portfolio level returns in 5-7 years.

There are two standard exit routes for EIS managers, exiting via

- 1) Trade sale; Mercia has done circa 50, including a 26x in Allinea
- 2) Stock market listings; Mercia has been involved in 11 IPOs, including BluePrism delivering 104x.
- 3) Mercia can provide additional liquidity mechanism in some circumstances.

Mercia aims to exit companies in a valuation range of between £25m-£50m, which is the most common in the UK, but we have built big companies (BluePrism £1.8billion in Sept 2018).

There are already rapidly growing companies in the EIS portfolio which could exit for over £50m, delivering an exit of over 25x cost, providing fund-level returns well in excess of our target.

## Exit history

Company	Date of exit	Share purchase price	Share exit prices	Total return (net of reliefs)
LM technologies	July 2016	£0.66	£3.18	4.8x (6.9x net)
BluePrism (EIS qualifying)	March 2019 (final)	Equivalent of £1	Equivalent of £104 (blended)	104x
Allinea (EIS invested)	2017	c£1	c£26	26x
Milkalyser SEIS	Jan 2020	£50	£54.49	1.1x
Native Antigen Company	July 2020	£408	£3,512.42	8.6x (12.3x net)

## Fees

Fee	Investor (including VAT)	Investee Company
Initial fee	1.2%	Variable, as negotiated with company (average 2.5%, but waived in many cases)
Annual fee	2.1% (payable for six years)	n/a
Performance fee	20% over £1	n/a
Other fee information	0.25% annual custodian fee (payable for six years), and 0.35% transaction fee	Board directors' fees, as negotiated with company

## Important Notice

Please read the following information carefully as a professional adviser. The information contained in this document is for discussion purposes only for professional advisers and their clients, it is not for Retail Clients. EIS Portfolios are not suitable for all investors as the underlying investments are often illiquid and therefore high risk. Advice should always be sought from a professional adviser prior to investing. By proceeding through this document and accompanying Platform Guide you are agreeing to the terms and conditions. For purposes of compliance with the UK Financial Services and Markets ACT 2000 (FSMA), this material is communicated by Kuber Ventures; and the contents of this financial promotion have been approved for the purposes of section 21 of the FSMA Tax Efficient Procurement Services Ltd which is authorised and regulated by the Financial Conduct Authority (FCA) and it has its trading office at Linstead House, 9 Disraeli Road, London SW15 2DR. Kuber Ventures Limited advisors are all regulated by the Financial Conduct Authority and can be found on [www.fca.gov.uk/fcaregister](http://www.fca.gov.uk/fcaregister) Kuber Ventures Limited FRN 574987 is an Appointed Representative of Tax Efficient Procurement Services Ltd which is authorised and regulated by the Financial Conduct Authority (FCA). Kuber Ventures Limited, 7 Bell Yard, London, WC2A 2JR. Registered number: 8693809, VAT: 175 9290 69.

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## Fund Manager

Mercia Asset Management has £0.8billion AuM and is recognised as the leader in UK focused, early-stage technology investments. .