

# Kuber

## SEIS Follow-On Strategy

A Strategy for high risk markets with a degree of downside protection built in from SEIS reliefs to help account for high levels of market volatility

In times of uncertainty and market volatility there is high risk, but there is also high potential reward. This Strategy looks to capitalise on both through the generous tax reliefs afforded on SEIS. Initial income tax and loss relief offer a degree of downside protection, combined with CGT free upside potential. All the selected Managers apply EIS levels of due diligence to their SEIS investments with a view to follow on investment.\*

- Diversified portfolio of Managers who have passed Kuber's rigorous due diligence.
- Only Managers who conduct EIS levels of due-diligence on their SEIS companies have been selected.
- 2.1% fee rebate to enhance the amount investors receive tax relief on.
- As a Kuber Strategy this portfolio will also come with quarterly ongoing monitoring and reporting as well as administrative efficiencies.
- Fully digital offering.



### Accounting for Volatile Markets:

2020 has been a tumultuous year. It has thrown many sectors into disarray, but in chaos there is opportunity. SEIS companies are some of the most nimble and able to take advantage of market developments.

A Manager investing into SEIS companies is now armed with the knowledge of which sectors have suffered and which have prospered over the last year.

### SEIS tax relief with EIS levels of due diligence:

The Strategy specifically targets Managers who look to follow on their successful SEIS companies with EIS funding.

This approach justifies EIS levels of due diligence on SEIS companies. Were a Manager to only deploy the maximum £150,000 into an SEIS it would be difficult to justify so much due diligence.

By contrast EIS companies can receive up to £12m and warrant more time spent.

### Maximum qualifying amount:

To maximise the amount of tax relief that can be claimed, Kuber's initial fee of 1.5% and three years of Kuber's ongoing 0.2% fee will be rebated by the Managers.

### Diversification:

The Strategy offers an investment opportunity which diversifies the risk for investors in this high risk space, through investment across multiple Managers, each offering a diversified portfolio of underlying companies, spread over a range of sectors.

The levels of diversification mean the impact of each company and Manager as a proportion of the total portfolio is lessened, smoothing returns.

### Due Diligence:

Managers in the Strategy have all undergone initial and ongoing due diligence conducted by Kuber's Investment Committee, with support from Dr Brian Moretta, Hardman & Co. This research can be shared with Advisers and provides an additional layer of robustness to recommendations.

### Ongoing monitoring and reporting:

Ongoing due diligence is conducted by the Kuber Investment Committee, offering a tax efficient industry expert opinion in addition to transactional data for Client reviews. This helps meet regulatory requirements around ongoing suitability.

### Single application digital offering:

Kuber provides advisers with a digital solution to access the investments in one place as well as administer, report on and maintain them in that same place. The administration burden for what would normally be a high maintenance portfolio is taken on by Kuber.

**\* RISK WARNING** The information contained in this brochure is for discussion purposes only for investment professionals only. EIS, SEIS, VCT and BR qualifying 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.

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