

## 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 by 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.\*

**Please note that tax treatment varies according to individual circumstances.**

- 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.
- As a Kuber Strategy this portfolio will also come with quarterly ongoing monitoring and reporting as well as administrative efficiencies.
- Kuber charges fees to Investors as detailed in the Platform Guide, the Managers also charge fees as referenced in the DD pack.
- Fully digital offering.
- All Managers offer a 2.1% fee rebate.



### Accounting for Volatile Markets:

2020/21 has been a tumultuous year. It has thrown many sectors into disarray, but in chaos there is opportunity. SEIS companies are high risk, but are also 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 may 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 may be lessened, with the intention of 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

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