

# Guinness EIS

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## Summary Document

Generalist Fund investing in companies that qualify for EIS reliefs

October 2018

## GUINNESS ASSET MANAGEMENT

The Service will invest in unquoted securities. Such investments can be more risky than investments in quoted securities or shares and market-makers may not be prepared to deal in them. Unquoted securities may be subject to transfer restrictions and may be difficult to sell. It may be difficult to obtain information as to how much an investment is worth or how risky it is at any given time. Past performance should not be taken as a reliable indicator of future performance. Investing in private companies may expose you to a significant risk of losing all money invested. Before investing, you are strongly recommended to consult an authorised person specialising in advising on investments of the kind described in this document.

# The Investment Opportunity

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EIS-qualifying companies are by definition higher risk, early-stage businesses. When we review investment opportunities for our Guinness EIS we focus on growth companies that require capital to scale up their operations. We favour companies with a proven business model or with an established management team.

## The Companies we target for Investment

We intend to make at least five investments into companies from a range of sectors that offer our target investment characteristics. Examples of these are:

### 1. Businesses with experienced management teams

Many entrepreneurs are serial entrepreneurs. They have built and sold companies and have learnt to identify and deliver their vision to grow a successful business.

### 2. Businesses with good visibility on future revenue and cashflow growth

Maturing companies and businesses with clearly defined growth paths. Examples include companies with a trading record and growth trajectory underpinned by new commercial contracts or agreements for new store or site openings.

### 3. Businesses with expanding working capital requirements

Successful businesses often require additional funds to expand their working capital. We prize businesses with growing sales that require additional capital to fund stock and debtor growth.

## You Should Expect to Invest for at least Four to Five Years

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The EIS holding period is a minimum of three years. We target an investment horizon of four to five years between purchase of shares and exit. You will need to be prepared to have your investment tied up for this length of time before investing.

# Investor Factsheet

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Guinness EIS (the “Service”) has been established to make investments in UK value companies that are eligible for EIS tax reliefs. The investment objective is to generate tax-free investment returns of over £1.25 per £1.00 invested, net of all fees, in addition to £0.30 of EIS Income Tax Relief.

## Investment Management Team

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Shane Gallwey



Edward Guinness



Dr. Malcolm King



Chris Villiers



Hugo Vaux

## EIS Tax Reliefs

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- 30% EIS Income Tax Relief
- CGT Deferral
- Inheritance Tax Relief
- Loss Relief

## Charges

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Initial Fee (Direct Investors Only)	3%
Transaction Fee	2%
Annual Management Fee	2%
Performance Fee	20% of excess returns, payable on exit

## Subscribing to Guinness EIS

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Download an Information Memorandum and an Application Form from our website or call us for a hard copy. Subscriptions will be acknowledged within a week. We are targeting having Subscriptions fully invested into at least five EIS-qualified companies within 12 months of receipt.

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# The Investment Manager

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Guinness Asset Management is a London-based specialist fund management company, established in 2003. Guinness is independent and focused purely on investment management. Our in-house economic, industry and company research allows us to make an independent view and not be led by the market. Our size and specialist nature also means we have the ability to respond to market changes and opportunities.

Together with our US sister company, Guinness Atkinson Asset Management, the firm currently manages more than £1.4 billion. Since 2010, the Guinness EIS team has raised and invested over £140 million in EIS qualifying companies.

## Track Record

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The Investment Management Team leverages the considerable EIS and investment expertise of Tim Guinness, CEO of Guinness Asset Management, Andrew Martin Smith, former-CEO of Hambros Fund Management and Lord Flight, Chairman of the EIS Association.

Since 2016 the Guinness team have exited over 20 private and listed EIS-qualifying companies, generating a return of 1.28x investment value (not including EIS income Tax Relief). As well as its EIS and Estate planning services, Guinness Asset Management provides a range of actively managed, long-only portfolios designed to deliver real returns for long-term investors.

*Past performance should not be taken as a reliable indicator of future performance.*

## How to Invest

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The Guinness EIS Information Memorandum and Application Form are available by contacting Guinness Asset Management via:

**Phone:** 020 7222 3475

**Email:** [eis@guinnessfunds.com](mailto:eis@guinnessfunds.com)

**Website:** [www.guinnessfunds.com/eis](http://www.guinnessfunds.com/eis)

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