27th June 2016

hardman&co

Full Manager Report

Symvan Capital

Symvan Technology SEIS Fund & EIS Fund

Summary

The funds' strategy is to invest in EIS qualifying companies involved in the development, commercialisation and sale of innovative technologies or use them to gain a competitive advantage.

	Positives	Issues
Why Invest?	**Strategy:** Exposure to a portfolio of early start-up or early stage technology companies.	**Portfolio Risk:** Early stage companies carry significant risk, though Symvan have had no failures to date.
The Investment Advisor	**Team:** Symvan bring a broad range of capital markets experience and a focus on a company's funding needs throughout its investment period.	**Depth of Staff:** The Symvan team is very small, though has very experienced advisors and only a few companies to manage.

Nuts & Bolts

- **Regulation:** All its funds to date have Amersham Fund Management as the manager with Symvan as the Investment Advisor.
- **Diversification**: Exposure to a 'handful' of companies – previous products/closings have had 4-6 investments.
- **Valuation:** Initially companies will be unquoted. Validation prior to exit mainly through follow on investments.

Specific Issues

- **Fees:** All charged via company except performance fee, though some may be taken in warrants to reduce cash flow strain. Performance fee of 20% of all gains.
- **Investment Process:** A life-cycle approach to investment, looking at the plan for the next five years. Focus on deeper rather than wider, knowledge of companies and management.

Manager information	
(S)EIS assets	£1.4m
Total Funds raised	£4.3m
Launch date	2014/2015

Risks

- **Target returns:** The target return is around £1.60 for each £1 invested, which is appropriate for a higher risk product.
- **Risk Mitigation:** The Symvan approach is one of 'deeper rather than wider', with a strong focus on management.

Analyst

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Important Note – Prohibition on marketing to retail clients in the UK

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Factsheets

Symvan Technology SEIS Fund 2

Product name	Symvan Technology SEIS Fund 2
Product manager	Symvan Capital
Tax eligibility	~~EIS~~ / ~~VCT~~ / SEIS / ~~BPR~~ / ~~SITR~~
Target return	£1.60 for each £1 invested
Target income	None
Type of product	Discretionary portfolio service
Term	Evergreen
Sectors	Technology
Diversification	
Number of companies	4-6
(Expected) Gini coefficient	0.17-0.25

Fees	**Amount**	**Paid by**
Initial fees	10%	Investee company
	£4,000 across portfolio (Custodian fee)	Investee company
Annual fees	£3,540 per company	Investee company
	2% (Monitoring fee – discretion exercised if cash flow weak)	Investee company
	Directors fee (variable)	Investee company
	£100 per investor (Custodian fee)	Investee company
Performance fee	20%	Aggregate proceeds over subscription
Exit fee	£1,500 per company	

Effect of fees on £100,000 investment	
Advisor fee facilitation	Yes
Advisor fee amounts	By arrangement
HMRC Approved?	No
Advance Assurance	For each investment
Reporting	6 monthly (as of 30 June and 31 December)
Minimum investment	£10,000
Current funds raised	£0.8m
Fundraising target	£1.5m
Closing date(s)	As funds are raised
Expected exit method	Mostly trade sale

Source: Symvan Capital, Hardman & Co research

Symvan Technology EIS Fund

Product name	Symvan Technology EIS Fund
Product manager	Symvan Capital
Tax eligibility	EIS / ~~VCT~~ / ~~SEIS~~ / ~~BPR~~ / ~~SITR~~
Target return	£1.60 for each £1 invested
Target income	None
Type of product	Discretionary portfolio service
Term	Evergreen
Sectors	Technology
Diversification	
Number of companies	4-6
(Expected) Gini coefficient	0.17-0.25

Fees	**Amount**	**Paid by**
Initial fees	6%	investee company
Annual fees	1.5% (Monitoring fee – discretion exercised if cash flow weak)	Investee company
	1.5% (Administration fee)	Investee company
Performance fee	20%	Aggregate proceeds over subscription
Exit fee	none	

Effect of fees on £100,000 investment	
Advisor fee facilitation	Yes
Advisor fee amounts	By arrangement
HMRC Approved?	No
Advance Assurance	For each investment
Reporting	6 monthly (as of 30 June and 31 December)
Minimum investment	£20,000
Current funds raised	£0.2m
Fundraising target	£3-5m
Closing date(s)	As funds are raised
Expected exit method	Mostly trade sale

Source: Symvan Capital, Hardman & Co research

Fund Aims

Symvan Capital are an Investment Advisor to two open funds: the Symvan Technology SEIS Fund 2 and the Symvan Technology EIS Fund. Both are discretionary services that invest in a portfolio of early stage or start-up technology companies. Both funds have a target return of around £1.60 for each £1 invested. There is no income target on either fund. The funds have no set exit target, but there is acknowledgement that investors may wish to exit after three years and a variety of potential routes are outlined.

For both funds the manager is Amersham Investment Management.

Summary of Risk Areas

Note that there are generic risks from investing in (S)EIS or unquoted companies in addition to the specific ones commented on below. Comments on relative risk refer to other EIS investments and not to wider investments.

Investments

Portfolio Risk

Each investment will be providing risk capital to an unquoted early stage technology company. Symvan aim to have a 'handful' of companies in each portfolio, which has been 4-6 in practice. Sector diversification is limited and stock specific risk should dominate market risk.

The target return of £1.60 for each £1 invested supports a higher risk strategy, with the individual investments being into early stage technology companies.

Sourcing and External Oversight

Symvan appear to have a good sourcing network and is also more pro-active about seeking out potential investments than many managers. Sourcing the required number of investments looks very achievable.

Symvan have a very strong and experienced advisory panel, as well as strong support from its Angel network, which, inter alia, helps with technology validation. Amersham are also doing independent due diligence on each investment.

On-going Support and Monitoring

Support for investee companies comes through a combination of Symvan Capital being appointed to the board, regular ongoing contact and support from Symvan's advisory panel and Angel Network.

Exits

Limited track record to date, but expect to achieve exit mostly via trade sales. Return profile of individual investments is likely to be skewed, with successful investments probably giving very good returns while those that do not will give little or nothing back.

Manager

Team

The Symvan team is very small, though the number of investee companies to date is also small, allowing them to pursue their 'deeper not wider' approach. The Directors work closely enough that each could cover the other if need be. While there is some further capacity with current staffing, there are plans to recruit in advance of needs as the company grows.

Track Record

To date they have made 11 investments with no exits. Across the portfolio the average uplift is 18.5%. Hardman & Co see the track record as promising, though it is still at an early stage.

Regulation

Product

Advance Assurance is sought for each investment.

Manager

The manager of each fund is Amersham Investment Management, with Symvan as the Investment Advisor. Both are FCA registered and Amersham has appropriate fund management permissions. Submissions to Companies House appear to be up to date.

Risk Analysis / Commentary

The broad experience of the Symvan team belies its short history. They give the impression of having thought very hard about their investment process and it is articulated as well as anyone in the field. Reassuringly, they come across as pragmatic financiers rather than technology evangelists. The age of the company does mean the track record currently lacks depth, but its returns so far show promise. Their success in attracting follow on investment gives further support to their approach.

Investors do need to be aware they will be investing risk capital into early stage technology companies. Symvan's hands on approach and pool of advisors do give some comfort. There have been no failures in their portfolio to date, but almost every conversation we have had with the Directors has included their expectation that some will occur. The small size of the team does not give concern with the current portfolio size, and we are reassured that plans are in hand to recruit in anticipation of future growth.

Diversification is an important consideration for any investor – while the companies that succeed are likely to produce exceedingly good returns, those which do not, may return little. Diversification within each fund is limited, though typical for products in this area. Both funds should be considered in the context of an investor's entire portfolio.

Overall the Symvan approach is very well thought out with a track record that suggests it may deliver in due course.

Investment Process

Deeper dig into process

The Symvan Capital approach to investment blends two distinctive strategies. The first is 'life-cycle' investing, considering the capital needs of a company from initial investment to exit. The second they characterise as 'deeper not wider', with the emphasis being much more on company management than the technology.

Symvan list five success factors that they see as being critical:

- **Company selection**: As mentioned above, the most important part of this is the quality of the management team. Symvan spend a few months getting to know them before considering investing.
- **Follow on funding**: SEIS funding is limited and usually not sufficient to bring a company to success. Symvan look to map out the future needs and plan for those.
- **Exit planning**: Looks to incubators to de-risk investments. They mention that accelerators can bring vital support and enhance credibility or provide natural exit options.
- **Sector and SME experience**: Symvan's own experience together with that of their advisors who are strong in the technology areas. They use this to identify weaknesses early (all companies at this stage have some!) and, if necessary, bolster the management team.
- **Portfolio size**: With limited capital Symvan can afford to be highly selective, only looking to choose the best opportunities from those that it sees. It also means that the managers are able to spend meaningful time supporting their investments.

The 'life-cycle' approach to their investments is clear in these factors. They do not just consider whether the company is a good investment now, but how their needs will develop over time and how Symvan can support that. We note that most of the investee companies to date have received follow on funding, which is supportive of their approach. The launch of the EIS Fund in 2015 is a useful factor in supporting that, though they do have links to other sources of capital.

Symvan see investing in a company as entering a five-year relationship. The process of getting to know the management is a little like a multi-stage interview. Symvan make sure they meet the management in different environments and for different purposes to get a broad feeling for their capabilities. They are looking to assess competence, honesty and ethic. One particular matter they would like to avoid is an unwillingness to take advice, something the Symvan Directors have learned from past experience.

Technology is assessed through their expert network. Symvan have a very experienced advisory panel, and within their network have good contacts with technology users, who can inform them on the likelihood of successful commercialisation. The advisory panel has expertise in mobile & mobile platforms, IT security, media and financial technology. The funds will not invest in biotech.

Sourcing Deals

Symvan is more proactive in sourcing deals than many other (S)EIS managers. It does take measures to identify and approach potential investments, often through their connections to accelerators and visiting the latter's pitch days.

It does also follow the more conventional route of sourcing deals through their network of accountants, lawyers, advisors and Angel investors. Historically the split has been roughly half active and half passive. Given the small number of deals that Symvan requires, we do not envisage any sourcing issues. Currently their conversion rate is roughly one investment for every forty considered.

There is a slight geographical preference in Symvan's company selection process, with a desire to be close to the company. There is no formal restriction, but this together with a stronger London network has led to about two-thirds of the deals done to date having been based in the capital.

Symvan aim to spread investments across several different technology areas, which they list as: Media & Entertainment (digital media and gaming), Software, Hardware, Social Media and Digital Media. As noted above they do not invest in biotech. Investors will get exposure to a 'handful' of companies. The first tranche of SEIS Fund 2 was spread across six investments, the previous fund across four, and we would expect future tranches to have a similar spread.

Funds may be released to companies in tranches that are conditional on the achievement of defined milestones.

The funds may be co-invested with other parties. To date they have done this once, with Garage Soho which is an accelerator fund. Symvan do not expect this to be common for SEIS, but more likely in their EIS Fund. They emphasise that they do not rely on any co-investing party's due diligence.

Decision Making

All approaches for a potential investment get a quick look from a Director before a more junior member of staff does a brief review with potential Yes/No and summary report. There is a weekly meeting with the Directors to go through these.

Once an investment is to proceed, it enters Symvan's due diligence process. They emphasise that this is an ongoing process rather than a snapshot. Initially it is spread over a period of time to allow the getting to know of the management. Valuation is seen as a key part of this, with agreement required at an early stage.

The Investment Committee is joint with Amersham, who also do their own diligence. Any member of the committee can veto an investment, though we understand that these are rare. Amersham's input is more than a rubber stamping process. They have a similar process in place for other EIS funds that they are managers of.

The Directors of Amersham bring significant experience in the technology area themselves and, as importantly, are well connected with people they can use to give an independent corroboration of most technologies. In other products they reject around one in ten to one in twelve of proposed investments.

Cognisess Case Study (part 1)

Cognisess Description

Cognisess is an online talent management platform. The concept is similar to the personality/aptitude tests that have been part of many companies' recruitment process for some time, but developed much further. Based on developments in cognitive neuroscience, the company uses online games together with some statement based surveys to assess a wide range of attributes. The aim is to provide a deeper insight into job applicants' strengths to allocate them the role best suited to them. A key factor for marketing is pricing – by using a 'software as a service' platform it can price at a fraction of traditional approaches while being more effective.

Symvan Capital Investment

Symvan first encountered Cognisess about two years ago through the Microsoft Accelerator Programme in London. At this stage the company had finished its initial product development and had its first clients.

The time to the first investment was slower than usual – as well as the lengthy process of getting to know the management, Cognisess spent some time in talks with a major recruitment company which wanted to take a major stake. However, these eventually fell through as Cognisess felt the proposed terms were too onerous. Overall it took a year from first contact to investing.

Some of the key factors that attracted Symvan include:

- Management that have deep knowledge in the area together with impressive scientific advisors.
- Very credible existing clients included Havas, Ford and PayPal. Pipeline also strong.
- Clear ownership of intellectual property, though software itself is not patent protected as advice was that was not cost effective.
- Technology is scaleable and potentially disruptive.

It is worth noting that there are competitors that offer similar products. Interestingly IHG used a competitor, but have started using Cognisess. As well as getting advice from their Angel network, Symvan extensively tested the software themselves, and, incidentally, gained insight into their own abilities while doing so.

The initial investment from the first closing of SEIS Fund 2 was for £150,000 with a pre-investment valuation of £2.25m.

Governance and Monitoring

All investee companies will have received Advance Assurance from HMRC before any cash is invested.

Investors will receive reports from Symvan every six months. Where there has been a significant subsequent share transaction then the valuation will be based on that, otherwise they will be held at cost.

A condition of Symvan investing in a company is the latter appoint Symvan Capital Limited to the board as a corporate director. This allows both of the Symvan Directors to be actively involved with each company. Further two of their advisors have each been appointed to an executive role in an investee company.

As can be gathered from the investment process, Symvan's relationship with the investee companies is an ongoing one. At its most basic, the Symvan investment agreement gives them veto rights over most capital decisions within the company. They also have meetings with management at least monthly, though communication is typically more frequent. Symvan's primary support is capital markets, though they do provide some business support, mainly through their advisors and network.

Symvan places great emphasis on good corporate governance, which they see as establishing good habits before bad ones can set in. This helps ensure that investors are treated fairly.

The nature of investing in such early stage companies is that they are likely to be unprofitable when the SEIS investment takes place. In most cases they will require follow on investments to get to the point of reaching profitability. Once the SEIS allowance of £150,000 per company is used up, no further investment can be made under the scheme, and as almost all investments will be of that size the SEIS fund is very unlikely to make follow on investments.

Investors will usually get the opportunity to participate in follow-ons – even where pre-emption rights have been waived, Symvan will make sure investors are informed of subsequent fundraisings. Investors who do not participate in follow on fundraisings may, depending on terms, have their existing investment diluted. New investors who get EIS benefits may look to hold for a further three years to secure their tax reliefs, possibly delaying any exit. Existing investors who do not follow on their investment need to accept that this may be a price of making their holding more valuable.

It should be noted that Symvan Capital collaborates with a corporate finance company, Symvan Securities, which is also owned by the Symvan Directors. This has done several of the follow-on fundraisings for the SEIS investments. There is no obligation for investee companies to use them and any relationship is non-exclusive. Procedures are in place should any conflicts of interest arise. Symvan Capital has also launched an EIS Fund which has already participated in four follow-on investments.

Although not emphasised in their literature, Symvan has a very strong Angel network. This has proved to be a strong source of funds as well as providing some expertise. Their list comprises around 1,200 individuals, with Symvan classifying about 150 of those as active. These are distinct from investors into the funds in that they are generally sophisticated investors who typically do their own due diligence. Since 2014 Symvan has raised almost £3m through the network, more than twice as much as the funds.

As noted below, due to its short history Symvan has not had any exits yet from its funds. The information memorandum cites a list of possible methods, including further fundraisings, use of internally generated cash, company sale or merger or third party sale. Investors should note that if an exit is not achieved within five years then there is the possibility they will be transferred back to the beneficial holder.

Cognisess Case Study (part 2)

Since the investment last year the company has made good progress. In particular, it has secured several new clients, including Intercontinental Hotel Group, Volkswagen UK and Uber in Australia. They have also updated their software and expanded the team to six staff.

Over the course of this time Symvan have been in regular contact with the company, particularly Chris Butt (CEO). This has extended beyond the regular board meetings and Symvan has on occasions, been active in supporting the business development. For example, they gave advice to Cognisess when they were negotiating the IHG contract and have been involved in other new business developments.

Cognisess is still in the early stages of development and continues to require support. As per one of their main objectives, Symvan have continued to make sure that corporate governance is not left behind in the quest to drive the company forward. In particular, they strive to make sure their (electronic) data room is kept up to date, as are Company House filings. This made planning the recent fundraising much easier. For Cognisess all the finance functions are currently outsourced and Symvan have given support here too, striving to make sure this is kept up to date. Symvan note that other companies have required different support.

Recently the company has partially completed a fundraising of £0.5m with a pre-money valuation of £2.5m, having completed half the target sum since April. All the funding was sourced by Symvan. The company is now funded for the next 8-12 months. The additional money will be used to recruit further, in particular on the sales side (which to date had fallen mostly on the CEO). They are also continuing to source research to make the product better, and have recently added an online video interview facility which can add an interpretative layer of facial analysis.

Future Plans

As would be expected from Symvan's success factors, there is a roadmap for how they see Cognisess's future funding needs. There will likely be another funding round in mid-late 2017. If they are successful in getting US clients then that may involve US venture capital, but regardless they are confident that there will be ongoing growth and funding should be obtainable.

When it comes to exit they anticipate that the most likely form is a trade sale in about three years. While they believe the company would be suitable for an IPO, they feel that it will be a very attractive asset for one of the big recruitment companies and an offer that cannot be refused will be forthcoming.

Track Record

Symvan is a relatively young company, having only started to raise SEIS funds in 2014. To date they have raised money in two SEIS funds and they also have a relatively new EIS fund. To date none of the companies have exited yet, though most companies have had follow-on funding. This funding has come from within the Symvan network, including its EIS Fund, and third party investors. None have failed.

The first fund, the Seed EIS Opportunities Fund, made four investments, all of which have received follow-on funding. Of these one was at the same valuation as the fund invested with the others getting uplifts of 20%, 38% and 43% for an overall change of 22.7%.

The Technology SEIS Fund 2 has made six investments to date. These are younger than those from the other fund, and only three have had valuation uplifts, of 3%, 8% and 72%, the investment portfolio having moved 11.7% in total.

The EIS Fund has made four commitments to date, all into companies that had already received investment from the SEIS funds. None of these have had a valuation change since the EIS fund invested, though three are showing gains on the SEIS entry value.

At the time of writing several of the investments are looking for further funding at higher valuations.

Overall it is very early days with no exits having been achieved yet. Despite that the track record so far does look promising.

Fees

The fees are listed in full in the Factsheets on pages 3 and 4. They are largely paid through the companies.

As is usual for SEIS products, the small scale of the investments means the fees in the SEIS Fund are somewhat higher than other products.

Fundraising targets

The SEIS Fund 2 has a fund raising target of £1.5m and to date has raised £0.8m. Future closings will be subject to a minimum of £250,000. The fund has a target life of between three and six years, and we would suggest that the upper end of that seems most likely in practice.

The minimum investment is £10,000. The staggered closings mean that individual investors may not own shares in all investee companies.

The EIS Fund has a fund raising target of £3-5m and to date has raised £0.2m. The first closing was 4 April 2016. The fund has a target life of five years. The minimum investment is £20,000, with increments in multiples of £5,000.

Regulatory and Staffing

Regulation

Symvan Capital Limited is a limited company incorporated in 2013. It has recently become FCA Registered (number 685262). The latest published accounts are as of 31 December 2015 and, as it is a small company, are abbreviated. Symvan Capital is an "IFPRU €50k" company. Hardman can confirm capital is in excess of its requirement.

The ownership of Symvan Capital is split equally between Nicholas Nicolaides and Kealan Doyle. The same people own the related Symvan Securities.

Amersham Investment Management

Amersham Investment Management Limited is a limited company incorporated in 2009 as Beach Street Financial Solutions, changing its name in 2012. It is FCA Registered (number 507460) with appropriate permissions for a fund manager. The latest accounts are as of 31 October 2015 and are abbreviated under the small company provisions. Shareholders' funds at that date were £136,000. The company is a "BiPru 50" firm and exceeds its capital requirement comfortably.

Paul Barnes owns 81% of the ordinary shares of Amersham, with the balance owned by Michael Waller-Bridge.

People

Kealan Doyle – CEO and co-founder, Symvan Capital

Has had wide ranging experience having worked in structured equity products at HSBC, derivatives at Deutsche Bank and was an economist at UBS. More recently has advised SME clients on IPOs, and co-founded Symvan Securities in 2010.

Nicholas Nicolaides – Director and co-founder, Symvan Capital

Started his career in Equity Capital Markets at BNP Paribas, latterly focussing on TMT. Spent years at Lehman's, before having senior roles at smaller corporate finance houses. Co-founded Symvan Securities in 2010.

In addition to the Directors, Symvan has three other staff plus contracted consultants for sales and compliance. The advisory team is four strong.

The Symvan Capital team is very small, though they have a very strong, experienced group of advisors. As the number of investee companies grows the company will have to recruit further. They estimate that they could cope with 15 investments with their current team size, but are already planning recruitment so they can grow beyond that.

The Amersham Directors also have experience in many technological areas, but also possess a broad range of contacts who they will use in their validation of suggested investments.

Appendix 1 – Due Diligence Summary

Summary of core due diligence questions		
Table sub-title		**Validated by**
Symvan Capital		
Founded	**2013**	**Hardman & Co**
Type	Limited Company	Hardman & Co
Ownership	Equally by Directors	Hardman & Co
FCA Registration	Yes – 685262	Hardman & Co
Solvency	Confirmed	Company
EISA member	Yes	Hardman & Co
PI arrangements	NA	Company
Administrator		
Company	Woodside Corporate Services	Information Memorandum
FCA Registration	Yes – 467652	Hardman & Co
Fund Custodian		
Company	Woodside Corporate Services	
FCA Registration	Yes – 467652	Hardman & Co

Source: Hardman & Co Research

Appendix 2 – Example Fee Calculations

This calculates the estimated amount payable to the manager under certain assumptions. We only add in the income tax relief and do not allow for other tax benefits, such as loss relief, which will also be valuable to some investors.

Basic Assumptions	
Term	5 years
Investor amount	£100,000
Company investment	£150,000
Fund Size	£1.5m

Source: Hardman & Co Research

Estimated fees payable to manager/advisor – SEIS Fund 2

		Hardman Standard			Target
Gross Return		-50%	0%	50%	60%
Amount (pre tax relief)		£100,000	£100,000	£100,000	£100,000
Initial Fees	**Rate**				
Manager	10.00%	£10,000	£10,000	£10,000	£10,000
Fund Setup fee	1.2% (equivalent)	£1,200	£1,200	£1,200	£1,200
Custodian	£4,000 share of, included in Setup Fee	£0	£0	£0	£0
Total		£11,200	£11,200	£11,200	£11,200
Annual Fees					
	£3,540 pro forma	£2,360	£2,360	£2,360	£2,360
Monitoring	2.00%	£2,000	£2,000	£2,000	£2,000
Custodian	£100	£100	£100	£100	£100
Total (5 years)		£22,300	£22,300	£22,300	£22,300
Net investment		£100,000	£100,000	£100,000	£100,000
Gross fund after investment return		£50,000	£100,000	£150,000	£160,000
Exit fees					
Paid by company	£1,500	£1,500	£1,500	£1,500	£1,500
Performance	20%	£0	£0	£10,000	£12,000
Net amount to investor		£50,000	£100,000	£140,000	£148,000
Gain (pre tax relief)		-£50,000	£0	£40,000	£48,000
Gain (post tax relief)		£0	£50,000	£90,000	£98,000
Total fees to manager		£35,000	£35,000	£45,000	£47,000

Source Hardman & Co Research

Basic Assumptions	
Term	5 years
Investor amount	£100,000
Company investment	£100,000

Source: Hardman & Co Research

Estimated fees payable to manager/advisor – EIS Fund

		Hardman Standard			Target
Gross Return		-50%	0%	50%	60%
Amount (pre tax relief)		£100,000	£100,000	£100,000	£100,000
Initial Fees	**Rate**				
Administrator		£0	£0	£0	£0
Company	6.00%	£6,000	£6,000	£6,000	£6,000
Total		£6,000	£6,000	£6,000	£6,000
Annual Fees					
Monitoring	1.50%	£1,500	£1,500	£1,500	£1,500
Administrator	1.50%	£1,500	£1,500	£1,500	£1,500
Total payable		£15,000	£15,000	£15,000	£15,000
Net investment		£100,000	£100,000	£100,000	£100,000
Net investment		£100,000	£100,000	£100,000	£100,000
Gross fund after investment return		£50,000	£100,000	£150,000	£160,000
Exit fees					
Performance	20%	£0.00	£0.00	£10,000	£12,000
Net amount to investor		£50,000	£100,000	£140,000	£148,000
Gain (pre tax relief)		-£50,000	-£0.00	£40,000	£48,000
Gain (post tax relief)		-£20,000	£30,000	£70,000	£78,000
Total fees to manager		£21,000	£21,000	£31,000	£33,000

Source: Hardman & Co Research

Disclaimer

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