

FINTECH 2016 SEIS FUND



The FinTech 2016 SEIS Fund

Approved by Innvotec Limited which is Authorised and Regulated by the Financial Conduct Authority

INFORMATION MEMORANDUM

Seed Enterprise Investment Scheme (SEIS)

For Investment in Tax Years 2015/16 and/or 2016/17

innvotec



**“A COLLABORATION
BETWEEN
ORGANISATIONS
WITH UNRIVALLED
EXPERTISE IN
STARTUP INVESTING
IN THE UK”**

FINTECH 2016 SEIS FUND

SEED ENTERPRISE INVESTMENT SCHEME (SEIS)

INFORMATION MEMORANDUM FOR THE FINTECH 2016 SEIS FUND

Investment into the Fund is only for Applicable Investors defined as (1) professional clients, (2) retail clients who confirm that in relation to an investment in the Fund they have received regulated investment advice or investment management services from an authorised person, (3) retail clients who are venture capital or corporate finance contacts (4) retail clients who self-certify or are certified as sophisticated investors, (5) retail clients who are certified as high net worth investors or (6) retail clients who certify that they have not invested and will not invest more than 10% of their net investible assets in non-readily realisable securities.



Innovotec Limited is authorised and regulated by the Financial Conduct Authority as a small authorised UK Alternative Investment Fund Manager (FRN 122365)

FINTECH 2016 SEIS FUND

IMPORTANT NOTICE

This Information Memorandum contains information relating to investment in the FinTech 2016 SEIS Fund ("the Fund") that will comprise a portfolio of Seed EIS Companies.

It is dated 1st October 2015 and is both issued and approved for issue by Innvotec Ltd ("Innvotec" or the "Fund Manager") to Investors who can receive financial promotions pursuant to Section 21 of the Financial Services and Markets Act 2000 ("FSMA"). Innvotec is authorised and regulated by the Financial Conduct Authority (the "FCA") to carry on investment business in the United Kingdom as a Small Authorised UK Alternative Investment Fund Manager.

This document describes the arrangements by which Investors who wish to make venture capital investments in SEIS Qualifying Companies appoint Innvotec to act as their common discretionary investment fund manager and to manage the investments made on their behalf.

This document may not be copied or distributed without the agreement of Innvotec and may only be distributed in compliance with the FSMA and the rules of the FCA.

This document does not constitute, and may not be used for the purposes of, an offer or inducement by any person in any jurisdiction outside the United Kingdom. This document and the information contained in it are not for publication or distribution to persons outside the United Kingdom.

This Information Memorandum does not constitute an Approved Prospectus in accordance with Section 85(7) of FSMA nor does it constitute a public offer for shares in the United Kingdom or elsewhere. The Fund is a complying SEIS Fund, is not an unregulated collective investment scheme within the meaning of Section 235 of the FSMA and is not subject to the marketing restrictions introduced by the FCA in respect of "non-mainstream pooled investments".

By accepting this document and/or signing up to the Fund Management Agreement by signing an Application Form, the recipient by his or her action, warrants, represents, acknowledges and agrees that he or she is a person to whom this document may lawfully be communicated without violating applicable laws and that he or she has read and will comply with the contents of this Information Memorandum.

Any investment or investment activity to which this Investment Memorandum relates is only available to high net worth individuals and sophisticated investors, as described elsewhere in this Document, the Fund Management Agreement and in the Application process, those who do not have the necessary professional experience cannot rely on the contents of this document.

Investments in unquoted shares in small companies and start up opportunities such as those that will be made by this Fund carry higher risks than investments in quoted shares. Potential investors should be aware that no established market exists for the trading of shares in unquoted companies.

The value of an Investor's Portfolio, and any income arising from it, can fall as well as rise and an Investor may not recover the full amount of money originally invested. Past performance is not a guide to future performance.

Attention is drawn to the Risk Factors outlined in this Information Memorandum on Pages 19 which should be read and considered carefully.

This investment product is designed for Applicable Investors, as defined in this document, only and is not suitable for all investors. Potential investors are recommended to seek independent advice from an investment adviser authorised under the Financial Services and Markets Act 2000, and/or an appropriately qualified taxation adviser, before investing.

Please note that none of Innvotec Ltd, Innvotec (Nominees) Ltd, FinTech Circle Ltd or Startup Funding Club Ltd or any of their agents or employees is able to provide any advice about whether a person should invest in this product.

Any references to tax laws or tax rates in this Information Memorandum are subject to change by the government and HMRC and tax benefits depend on personal circumstances.

Innvotec has taken all reasonable care to ensure that the facts stated in this Information Memorandum are true and accurate in all material respects, and that there are no material facts, the omission of which would make misleading any statement made in this Information Memorandum. However this document is not intended to constitute a recommendation or provide advice to a prospective investor.

Any statements of opinion or belief contained in this document regarding future events or outcomes constitute Innvotec's own assessment and interpretation of information available to it at the date of issue of this document and no representation is made that such statements are correct or that the objectives of the Fund will be achieved.

Reliance on this Information Memorandum for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

It is very important that you carefully read and fully understand this document and the risks involved with the arrangements described in this and other documents surrounding an investment in the Fund so that you can decide whether they are right for you. The opportunity is not suitable for all and the "key" risks are highlighted in this document. The Manager intends that the Fund is "fully invested" by August 2016 so as to make SEIS and other tax reliefs available in tax years 2016/17 or carried back to 2015/16.

Investors seeking to take advantage of tax relief in the prior year are encouraged to commit before 31st December 2015, allowing for an investment programme to conclude by 5th April 2016 and reliefs to be available in either 2014/15 or 2015/16.

Any income tax, capital gains or other tax relief will depend on personal circumstances and, if any person is unsure of his or her own potential tax liabilities or what tax reliefs may be available to him or her then he or she should seek professional advice from a qualified tax adviser.

Applications may only be made and will only be accepted subject to the terms of the Fund Management Agreement a copy of which accompanies the Application Form.

All third party trademarks and trade names are hereby acknowledged.



INFORMATION MEMORANDUM FOR THE FINTECH 2016 SEIS FUND (“THE FUND”)

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FINTECH 2016 SEIS FUND

EXECUTIVE SUMMARY

Dear Investor,

Innovotec is very excited to be launching The FinTech 2016 SEIS Fund ("The Fund") – the first fund purely dedicated to investment in aspiring UK companies operating in the financial technology sector.

The global financial services industry is currently experiencing a wave of innovation which is starting to shake up decades of status quo. A large number of "newcomers" are developing products and services that are disrupting traditional activities such as foreign exchange, payments, asset management, insurance and even developing new forms of currencies. These "FinTech" companies bring digital solutions which are built around the evolving needs and behaviours of today's customers. These companies are therefore obvious acquisition targets for large established "players" who are looking to protect their market share.

London – and the UK in general – has all the constituents to become the world capital of FinTech. London's position as a world leading centre for financial services, combined with a supportive regulatory framework, enables the UK to provide a natural eco-system for the development of tomorrow's emerging "players" in the financial technology sector:

The FinTech 2016 SEIS Fund has been developed to allow private investors to benefit from this opportunity and directly invest in some of the most promising "startups" and early-stage businesses in the sector – all the while benefiting from the generous tax breaks available under the Seed Enterprise Investment Scheme.

The Fund is the product of the collaboration between Startup Funding Club, FinTech Circle and Innovotec, organisations which are well established in the UK early stage and startup investment "space". The "team" reviews over 100 FinTech startup opportunities each year which has resulted in unrivalled expertise and market knowledge together with the ability to source some of the best opportunities in the UK's vibrant FinTech space.

Startup Funding Club and FinTech Circle are both Portfolio Advisers to Innovotec, the Fund's Manager:

The collaboration model underpinning the Fund has proven to be successful with three other Innovotec-managed SEIS funds in collaboration with Startup Funding Club showing strong and encouraging signs of capital appreciation.

The Fund's model is built around strong post investment support to help these young companies grow: experienced business angels are encouraged to co-invest alongside the fund, expert mentors are appointed to each portfolio company and a number of affordable professional services are offered to the startups (from bookkeeping to marketing and PR).

From an investor's perspective, the Fund is best described as offering capital appreciation through investing in a portfolio of young companies of which a number should generate an above average financial return within a five year period. Young companies of the type sought by the Fund have the potential to grow in value very quickly and there are receptive and able buyers, themselves trading at high multiples willing to spend.

In addition to the high returns thought achievable in early stage investments, investors in the Fund will receive the full benefit of the generous tax reliefs offered under the Seed Enterprise Investment Scheme ("SEIS"):

- Income tax relief of 50% of the amount invested which can be "carried back" to the previous tax year
- Capital gains tax reinvestment relief
- Capital gains tax exemption when the companies are successfully sold
- Loss relief on disposal against your capital gain and income tax

The minimum target for Innovotec as the Manager is for investors to get back their initial gross commitment plus 10%, which when taking into account the "upfront" income tax relief, would give a 120% return free of capital gains tax.

This Information Memorandum is intended to give a flavour of the type of portfolio that will be built. All of the portfolio companies will have major milestones to hit over the coming years, and if these are successfully met, they should develop towards delivering profitable exits from 2018 onwards.

On behalf of the three "collaborating partners", I hope you find this Information Memorandum of interest and look forward to welcoming you as an investor. Please do not hesitate to contact us should you have any questions.

Yours faithfully



John Marsden
Managing Director

Innovotec Ltd

Minimum Fund Size

£0.5m.

Maximum Fund Size

£5.0m.

Minimum Investment

£5,000.

Maximum Investment

No maximum (although an individual's annual SEIS allowance to include both income tax and CGT relief is limited to £100,000).

Closing Date

Initial close 31st December 2015, Second close 1st April 2016, Final close 29th July 2016.

Advance on Annual Management Fee

5.0% (inclusive of VAT) of the amount committed to part cover the cost of the annual management fee which is payable in addition to the sum committed. This is an "advance" covering the cost of establishing the Fund and annual management fees. Such advance to be repaid in full at the winding up of the Fund.

Fees

There will be an annual management fee of 1.5% (plus VAT) payable. The cash cost of which will be met in the early years of the Fund through the Advance on Annual Management Fee.

30% Performance Fee of the "upside" once the Investment "Hurdle" is reached.

Investment Hurdle

Investors receiving at least 110% of their initial commitment - which equates to a 120%, CGT-free return on the net (after income tax relief) sum invested. NB this investment hurdle is not a guaranteed nor is it a minimum return to investors.

Fund Focus

UK-based "startups" and early stage companies (under 2 years trading) operating in the financial technology sector.

SEIS Tax Relief

100% SEIS Investment. The Fund will only invest in qualifying Seed Enterprise Investment Scheme (SEIS) Companies.

Portfolio Approach

Investors will have their own portfolio. The underlying shares will be held in a separate account by Innvotec (Nominees) Ltd, (the custodian to the Fund) but the beneficial ownership in the shares will reside at all times with individual investors who will receive the SEIS certificates (one per portfolio company) directly to enable them to claim the appropriate tax reliefs.

Custodian

All shares in portfolio companies will be registered in the name of Innvotec (Nominees) Ltd with the designation "FinTech 2016 SEIS Fund".

Manager

Innvotec Ltd has been making investments in early stage opportunities for 25 years and has been involved in raising and managing EIS and SEIS Funds for seven years.

Experience

Innvotec and Startup Funding Club have already collaborated on two generalist and one specialist SEIS funds including:

- Funding Alpha SEIS Fund which invested over £1m in full by April 2014 in a portfolio of 15 companies.
- SFC 2015 SEIS Fund which invested over £2m in full by August 2015 in a portfolio of 30 companies.
- Odyssey Mission SEIS Fund which is a thematic fund dedicated to supporting emerging businesses founded by Asian entrepreneurs.

Portfolio Advisors

FinTech Circle Ltd and Startup Funding Club Ltd. Two well established angel investment clubs with a focus on financial technology companies and early stage opportunities. The Portfolio Advisors are responsible for identifying SEIS investment opportunities deemed suitable by the Manager and providing ongoing support to portfolio companies.

Investment period

First close investments are intended to be made in the tax year 2015/16 (which provides the investor with the option of claiming relief(s) in 2014/15). Commitments received post the first close but before the second close may be invested in either tax year 2015/16 or 2016/17. Commitments received after the second but before the final close will be invested in tax year 2016/17.

Target Companies

Innovative and disruptive young companies in the financial technology sector. Initial target portfolio companies may be outlined in this Information Memorandum; by the time of investment there is no guarantee that any of the target companies will still be available to receive investment.

Term

The intention is to realise the maximum number of exits from the portfolio between years three and seven and have an orderly wind down of the Fund thereafter. The ultimate date of termination will depend upon the Manager's ability to generate sufficient exits from the portfolio to ensure that only a minimum of shares in portfolio companies are distributed in specie to investors.

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FINTECH FACTS



An in-depth analysis of the FinTech sector can be found in the FinTech Book, the first book dedicated to the FinTech industry. The book's content is globally crowdsourced from some of the most influential "thinkers" of that "space". The book is published by Wiley and co-edited by Susanne Chishti (FinTech Circle) and Janos Barberis (FinTechHK).

For more information visit www.thefintechbook.com.

FINANCIAL TECHNOLOGY AND INNOVATION

The "FinTech" sector can be seen as a very broad field, encompassing most technological innovations which impact the delivery of traditional financial services offered by banks, insurers or asset managers.

FinTech companies introduce digital innovation in various sectors such as:

- Payments
- Foreign Exchange
- Financial Data, Risk Management & Analytics
- Financial Software
- Peer to Peer Lending
- Insurance
- Asset Management
- Cryptocurrencies
- ... and many other sub-sectors

FinTech startups can be broadly segmented into two categories. Enabling startups on the one hand who want to work with and sell to financial institutions and disruptive startups on the other whose business models are to ultimately actively compete with incumbents in the market with a new innovative solution.

The FinTech sector is rapidly growing and is fuelled by global trends: large financial institutions suffer from decade old legacy systems (as evidenced by several UK-wide ATM outages in recent years) and are under intense regulatory pressures which slow down their progress and capture a considerable amount of resources. Those financial institutions need innovative solutions to defend their market position and adapt to new realities.

From an investor's point of view, this shows not only a big market opportunity but also a clear route to exit either via trade sales of those small and medium sized innovative companies that have a market presence, to established financial firms or public listings of fast growth new "players". The success of companies like Transferwise or Lending Club has started to show how disruptors can be successful: providing better services at lower costs in segments where the established companies either cannot or will not compete.

Amplified by worldwide mobile adoption and shifting demographic user behaviour and expectations, those innovative companies are prone to either grab significant market shares from the incumbents or develop completely new offerings, in either case with the intention of building sustainable businesses.

A GROWING MOMENTUM

FinTech is arguably one of the fastest growing verticals in early stage investing right now: investments into the FinTech sector soared in the UK in 2014 to £417m up from £177m in 2013, accounting for over 50% of all European investments in FinTech. The investment in London in 2014 tripled to £342m and reached over £400m for the first quarter of 2015 alone.

The UK FinTech market alone is currently estimated to be worth £20bn in annual revenue of which new market contenders already account for 20%. As a world leading centre for financial services and with a vibrant startup hub, London is particularly well placed to benefit from this on-going growth: no other place in the world has the chance to combine FinTech talent, infrastructure, customers and providers of capital in the same location. It is no surprise to see that the UK and Ireland have now become the fastest growing region for FinTech investment.

With a favourable regulation towards innovators and a very attractive investment environment, more and more FinTech startups are created in or have relocated to London. The objective of the Fund is to source some of the best investment opportunities at an early stage of their development.

EARLY STAGE INVESTMENTS IN FINTECH COMPANIES

The Fund is a growth fund which will target high potential companies in the financial technology sector which are looking for investment to develop and bring to market their product or service and to prove a business model. It is by investing at the earliest stages of commercial exploitation that there is the potential to generate and then realise significant capital appreciation.

The Fund's target companies will be promising young ventures with strong prospects but still low (or no) revenue and client base. As the valuations of early stage startups are still considered relatively modest, the Fund will be able to acquire meaningful strategic shareholdings in these companies in order to maximise the potential return on investment.

The intention is that over time a significant number of portfolio companies will develop to the point where they can deliver J-curve growth in revenue, profit, and value, and provide investors in the Fund with a significant tax-free gain.

Such a strategy will allow the Portfolio Advisors to influence the management of these ventures and ensure that the right expertise, support and governance structure are put in place from the very beginning of the development path of the portfolio companies.

CO-INVESTMENT MODEL

A cornerstone of the Fund's own business model is to bring the best expertise to portfolio companies. One way to achieve this is to have experienced "business angels" co-invest in portfolio companies alongside the Fund. This will enable the Fund to benefit from their long-term involvement especially when further funding rounds are called for.

Wherever possible it is intended that the Fund will only participate in a funding round of a target company where other parties (business angels, venture capital funds) are providing at least 20% of the total equity funds being raised on no better terms than those on which the Fund is participating.

PORTFOLIO SELECTION

The businesses within each of the target investee companies will go through a rigorous and challenging selection process. Candidates will be selected based on the following "key" investment criteria:

1. **Scalability:** the addressable market needs to be large and the technology, product or service offered by the company has to be able to scale beyond a niche or a limited geography.
2. **Credible Entrepreneurial Team:** the management team needs to display the right level of experience and skills and crucially needs to demonstrate a strong entrepreneurial spirit and a total commitment to the success of the company.

3. **Solving a Real Need:** the entrepreneurs need to be able to demonstrate and quantify the problem they are addressing and evidence that a large pool of potential customers are ready to pay for a solution.
4. **Rule Breaker:** the success of a new venture is heavily determined by its capacity to challenge its industry's status quo, implement a new model and impose its own rules.
5. **Third Party Validation:** the company will need to demonstrate strong business momentum including for example - initial revenues, recurring sales, a substantial user base or the recommendation of a number of industry opinion leaders (blue chip customers, sector experts etc.).
6. **Unique Selling Proposition:** the company will have to demonstrate a long term competitive advantage by showing that its solution is fundamentally better and more attractive for its target customers than the current alternative offerings or alternative approaches. The management team will need to show an exhaustive expertise of the market they are operating in.
7. **Prototype:** at the very least the company will be expected to have developed or be close to finalizing a MVP (Minimum Viable Product) which has been or will shortly be tested and launched to a receptive audience.
8. **Intellectual Property:** when and where possible, the company will have to demonstrate clearly defensible intellectual property and/or leading technical knowledge. As far as possible, the Portfolio Advisors will ensure that the right protections are in place to protect the IP created by the business e.g. trademarks, patents and copyrights, or the know how possessed by its founders.



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FUND OBJECTIVES AND INVESTMENT STRATEGY

The combined expertise of the Portfolio Advisers will carry out thorough due diligence of prospective portfolio companies, including the following steps:

- Interviews of the management team.
- Analysis of the business plan.
- Review and stress tests of the financial projections.
- Competitive analysis.
- Third party opinions.
- Review of existing accounts and legal documentation.
- Review of assignment of Intellectual Property.
- Completion and review of a Disclosure Letter and warranty questionnaires.

POST INVESTMENT SUPPORT

As entrepreneurs themselves, the Portfolio Advisers understand that they need to bring value beyond funding. In the majority of cases, the Portfolio Advisors will provide Investee companies with ongoing support through expert coaches, other portfolio companies and their network of Business Angel co-investors. The invested startups are placed in an ecosystem which maximises their chance of success.

SFC Bennett Brooks Ltd

As part of this "ecosystem" SFC Bennett Brooks Ltd will be recommended as Company Secretary on all portfolio companies – unless an acceptable firm has already been appointed by the investee company. SFC Bennett Brooks is a joint venture between Startup Funding Club and the accounting firm Bennett Brooks. The company was created to offer affordable accounting, bookkeeping and associated services tailored for startups.

One of the main reasons for underperformance and on occasions the failure of many startups is the lack of expertise in

understanding the importance of general business administration and support. Through their networks the Manager and Special Advisers will be able to provide investee companies with a range of tailored services professionally delivered such as:

- Customer Acquisition.
- Public Relations.
- Marketing.
- Social Media.
- Web/Technical Development services.

POST INVESTMENT MENTORS

Finally, it is expected that the portfolio companies will benefit from the help of Deutsche Börse Group and Eurex Group who intend to (i) provide access to the global exchange community and (ii) give start-ups the opportunity to test their model and meet potential mentors, advisers or clients.

Deutsche Börse Group

Deutsche Börse Group is one of the world's leading exchange organisations and provides investors, financial institutions and companies access to global capital markets. Its business covers the entire process chain from securities and derivatives trading, clearing, settlement and custody, through to market data and the development and operation of electronic trading systems.

Eurex Group

Eurex Group is made up of six companies in the derivatives business with representative offices around the world. These business units provide global opportunities across numerous products from pre- to post-trading, offering more efficient processes based on a common platform of innovative and proven technology.





THE TEAM

The Fund is a collaboration between three organisations which are well established in the UK early stage and startup investment "space". Between themselves, the two Portfolio Advisers (Startup Funding Club and FinTech Circle) review over 100 FinTech startup opportunities each year which gives them a unique expertise and the ability to source some of the best opportunities in the UK FinTech space.

Innvotec has been active in the management of venture capital funds targeted at early stage businesses since 1989 and has invested client money in approaching one hundred and twenty companies.

Innvotec and Startup Funding Club have been collaborating since 2013 on a number of SEIS Funds,

PORTFOLIO ADVISERS



FinTech Circle Ltd "FTC" is Europe's first network focused on FinTech and bringing together FinTech entrepreneurs, investors and industry experts to source the most attractive FinTech early stage investment opportunities and, once funded, help the startups grow their business. FTC is starting to establish itself as a brand and FinTech thought leader; FTC organises educational and networking events and has also build the biggest online FinTech community of entrepreneurs, investors and industry experts with over 5,000 members.



Startup Funding Club



Startup Funding Club Ltd "SFC" is a team of entrepreneurs, mentors and business angels specialised in sourcing early stage investments and then accompanying startups in their development. The SFC team analyses hundreds of startup investment opportunities every year as portfolio advisor to several SEIS funds and on behalf of its network of 100+ high profile business angels.

FUND MANAGER



Innvotec is a long-established and leading UK venture fund manager whose business model is to work alongside knowledgeable and trusted "strategic partners" or "portfolio advisers" to consistently deliver above average performance for its clients. Innvotec has a strong track record of EIS investments with seven previous EIS funds and three previous SEIS funds (two in collaboration with SFC).

Innvotec will be the Fund Manager of the Fund with exclusive responsibility for deciding upon the investment strategy and each individual Investment.

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THE TEAM

THE PEOPLE

Susanne Chishti, Founder and CEO of FinTech Circle

Founder and CEO of FinTech Circle, Susanne is an experienced Entrepreneur, Investor and Senior Capital Markets Manager. She has more than 15 years of experience across Tier-1 financial institutions in Asia and Europe.

Susanne is regularly named as one of the most influential voices in UK FinTech and is a frequent speaker at conferences all over Europe. She is an investor in and advisor to numerous startups and also mentors startups at various UK-based accelerators (e.g. Startup Bootcamp FinTech). As an experienced leader and Non-executive director for FinTech startups, Susanne is also a Registered Expert with the Business Growth Service.

Stephen Page – Founder and CEO of Startup Funding Club

Founder of the Startup Funding Club, Stephen is an entrepreneur and investor of 30+ years standing. A veteran of the software industry, Stephen is a director or advisor to over 15 early stage companies.

During his 30 year career, he has started and sold a number of businesses and has experience of doing business all over the world. Until recently Stephen ran the software company DataEase International which held the second best-selling desktop DBMS in the world. Stephen is a mentor to several startups and a coach on the Growth Accelerator programme.

Stephen was also a mentor on the Accelerator Academy of Startups and is running the investor clubs in prestigious private members clubs in London such as Home House and The Club at The Ivy. He is also a founder member of the Guild of Entrepreneurs.

John Marsden – Managing Director of Innvotec

John has spent 30 years in early stage venture capital, of which the last 25 years have been in fund management. His earlier years were as a financial director of an international music publisher. His involvement in venture capital started as a director of a venture backed media-technology business and then as part of a company doctoring team undertaking assignments in underperforming venture investments. John progressed to fund management in 1986 when he joined Baillie Gifford to head their technology team before joining Innvotec in 1990 and becoming Managing Director in 2001. John is a qualified chartered accountant and is FCA registered. He is also a business angel with personal investments in a number of early stage private companies.

Support to this Senior team will be provided by, amongst others;

Chris Wittlinger, COO of FinTech Circle

COO of FinTech Circle, Chris joined the company pre-launch in October 2014.

Equipped with an Engineering degree, a Cambridge MBA and years of experience in helping SME's and high-growth startups with both strategy and execution, his main focus is to work with startups and investors and grow FTC. He is also a Registered Expert with the Business Growth Service focusing on strategy, finance and organisation.

Angelika Burawska – COO of Startup Funding Club

COO of Startup Funding Club, and a graduate of Business Administration at top European universities, she gained her experience working in different countries and across various industries, finally entering the world of entrepreneurship by founding her first startup, Inda Platform, an online marketplace for venue based digital advertising. Her main focus today is the operational management and expansion of Startup Funding Club.

Joseph Zipfel – Investment Manager of Startup Funding Club

Joseph joined the Startup Funding Club in 2014 and is responsible for managing the SFC angel network as well as the execution of the Fund's investments in collaboration with Innvotec. Joseph joined from investment banking where he held both corporate finance and global markets roles - most recently at Nomura International. Joseph holds a Masters in Management from the French business school ESCP Europe.

Steve Lindsay – Portfolio Relationship Manager of Startup Funding Club

After graduating in Economics, wearing brightly coloured jackets and communicating with hand signals, Stephen worked on the open outcry futures and options markets.

His focus switched to advising funds and corporate customers on derivatives, for 10 years working abroad for the likes of Exane, UBS, HSBC and JP Morgan in Paris, Singapore and Hong Kong. He went on to set up a deliverable currency firm and also helped build a startup that offers private companies a listing on an alternative stock exchange.



THE FUND'S EXPERT NETWORK

Getting the right investment is only one part of what makes a successful business. Just as important is providing the right expert advice when it is needed.

That is why every portfolio company will rely on the support of a network of independent experienced professionals with relevant expertise in the financial services and technology sectors.

A number of these individuals are active business angel investors who will bring funding to some of the portfolio companies in addition to their expertise which is exactly in line with the co-investment model of the Fund.

Alain Mandy – PIMCO

Alain is Senior Vice President at PIMCO on the European fund administration team in the London office. Prior to joining PIMCO in 2008, Alain worked for 10 years at PricewaterhouseCoopers in the U.S., Luxembourg and Spain. Alain has made several investments in technology companies and is a non-executive director of Chored, a FinTech startup facilitating household payments in flatshares.

Andy Yates – Founder of Digital Look

Andy is an experienced entrepreneur and his background includes co-founding, growing and successfully exiting from, Digital Look - one of Europe's largest financial information businesses. He is an advisor / non-executive director in a range of growing businesses and mentors entrepreneurs on behalf of leading organisations such as the Royal College of Art, London Business School, The Accelerator Academy, Seedcamp, O2 Telefonica's tech accelerator Wayra and Impetus Trust.

Benjamin Reid – President of Risk First

President of Risk First, a successful UK Fin Tech company established in 2009 with offices in London and Greenwich Connecticut. Risk First provides risk analytics to the pension and investment community and Benjamin is responsible for corporate strategy with a keen focus on bringing new products and solutions to market. He drives thought leadership and steers the product commercialisation process, with full P&L responsibility. Prior to this role, Benjamin has worked in structured finance, asset and risk management. He holds an MBA from INSEAD.

Brendan Bradley – Chief Innovation Officer of Eurex

Brendan serves as Chief Innovation Officer on the Eurex Executive Board. In his CIO role he advises and supports on group approaches to new ideas and approaches. The concept is to "broker new ideas" both internally and externally and seek new opportunities within the changing market environment, including leveraging investments and relationships within the FinTech community.

He has worked within the financial services/derivative industry for nearly 30 years, has played a major part in the development

of most of today's high volume European futures and options contracts and is well connected within the exchange and related member firm community.

Giuseppe Caltabiano, Head of Commercial Strategy at MeDirect Bank

Giuseppe is a seasoned leader with 15+ years of experience managing growth, transformational situations, significant regulatory engagement, and challenging operating conditions. Together with other bankers he started MeDirect Bank, a successful Fintech bank based in Belgium, designing the product offering and building from the ground floor up the infrastructure. Previously Giuseppe served in a number of senior management roles in both startups and large organisations (Mediterranean Bank, Barclays, European Resolution Capital Partners, Rothschild and HSBC). He started his career as a Finance teaching fellow at Bocconi University in Milan, and had the privilege to be a Visiting Scholar in the Accounting Department of the NYU Stern School of Business. Giuseppe received his PhD in Finance and MSc summa cum laude from Bocconi University.

Mark Tayler – Founder of Sazneo / ex. Fidelity, New Star / Director of SFC

Mark has co founded and exited technology startup Sazneo and has over 15 years experience within the Fund management industry (at Fidelity and New Star) managing multi-million pound projects across various IT functions. He is currently managing a new B2B lead generation service using LinkedIn. Mark has invested in several FinTech startups and is a Non-Executive Director at Pariti, a financial management platform on mobile.

Russell Hart – EMR Digital

Russell is CEO of EMR Digital - the holding company for Visibility IQ, a digital marketing agency and Entertainment Media Research, the foremost music research consultancy. Prior to this, Russell spent ten years in mergers & acquisitions specialising in originating and financing transactions in the leisure and entertainment industry before co-leading the management buy-in and strategic development of Leisure Link, Europe's largest operator of electronic amusement machines. Russell has made several investments in technology companies and is currently a Non Executive Director of Musterpoint Solutions, a social media management tool for emergency services, public sector and government.

Steve Jones – eClerx / ex- Lehman Brothers

Steve is the COO for the Financial Services business at Clerx, a knowledge process outsourcing (KPO) company providing middle/back office operations support to over 30 Fortune 500 companies across Financial Services, Digital and Telecom sectors. Steve is a chartered accountant qualifying with Ernst and Young. He was previously Business Manager for the fixed income trading division of Lehman Brothers and ran the finance team for derivatives trading at Barclays.

FINTECH 2016 SEIS FUND

TRACK RECORD IN SEIS FUNDS

Innovotec and Startup Funding Club have already collaborated on two SEIS funds built on the same model as the FinTech 2016 SEIS Fund. These two generalist funds invested in high potential companies across various sectors: software, technology, e-commerce and consumer goods.

- The Funding Alpha SEIS Fund raised over £1m invested in full by April 2014 in a portfolio of 15 companies.
- The SFC 2015 SEIS Fund raised over £2m in 2015 invested in a portfolio of 30+ companies.

A number of portfolio companies have raised follow-on funding at improved valuations after our investments – a reflection of their progress and of the increasing value of our existing portfolios.

Several SEIS investments were made by both funds in financial technology companies – a few examples of which are below:



Chored

www.chored.net

A household payment platform for flatshares. The app is designed by former Yahoo! and Telefonica managers. Utility bill and rent payments splitting is a very large opportunity in the UK which is not being properly addressed at the moment. Chored aims to own this market by directly targeting flatshares.



Evoque

www.evoquecanda.co.uk

Evoque provides insurance appraisals and small claims reports for the High and Mid Net Worth Household Insurance Market. The team is made up of experienced insurance professionals who have developed a streamlined appraisal process as well as a web based platform providing insurers with the ability to get a full contents and risk overview quickly and efficiently, allowing them to price those risks better; reduce their costs and offer enhanced products to their customers at improved margins.



Pariti

www.pariti.co.uk

Pariti puts people back in control of their finances and helps build financial health with a suite of tools built into a mobile app. Thanks to its proprietary technology, the app is able to connect to all of the user's accounts (bank accounts, credit cards etc.) to give a single view of his or her finances. The app is then able to analyse that data and design the best way to improve the user's financial health. Revenues are generated from referrals to credit providers and by selling the company's proprietary credit score systems to third parties. Eventually the company aims to provide financial products directly to its user base.

Less than a few months after receiving their seed investment, the company has already analysed more than £250m of transactions from thousands of active users and built several partnerships with high profile financial institutions. A reflection of its strong progress, Pariti was also able to secure further funding from renowned venture capital institutions at a valuation almost double that at which we invested.



HiNet

HiNet provides financial advisors of Trust Companies, Family Offices, and High Net Worth Individuals with a cost efficient data management solution. Financial data gathering and consolidating of client information often results in painfully slow and manual processing of information which makes it very difficult to leverage any of the data for better client service or competitive advantage. HiNet gives financial advisors an online portal allowing their clients to discretely consolidate their own asset information. Both advisor and client alike are able to operate from a position of knowledge and come to vastly improved and more informed decisions.

More information on these two funds – including the full portfolio of investments – can be found on www.seisfund.com.

Innvotec and Startup Funding Club are also collaborating on Odyssey Mission SEIS Fund which is a thematic SEIS fund dedicated to supporting emerging businesses founded by Asian entrepreneurs.



FINTECH 2016 SEIS FUND

FUND'S OPERATION & STRUCTURE

OVERVIEW

Innvotec intends to make Investments only in SEIS Qualifying Companies and to comply with the HMRC prescribed SEIS rules to enable investors to obtain any SEIS reliefs to which they may be entitled. Each of the targeted investments will have been pre-qualified by HMRC as being SEIS Qualifying.

All investments will support those investors wishing to take advantage of the benefits, including partial exemption inherent in Capital Gains Rollover Relief as well as relief from Income Tax.

It is Innvotec's intention that investors' commitment received before 1st April 2016 will be "fully invested" by 5th April 2016. Commitment received thereafter will be invested in tax year 2016/17.

Innvotec is responsible for the safekeeping of investments, settlement of transactions, collection of any income as well as sale proceeds together with all other administrative matters in relation to the investments. With regard to voting rights in portfolio companies, Innvotec or its custodian company Innvotec (Nominees) Ltd will act or refrain from acting as it, at its sole discretion, sees fit. Innvotec will not be obliged to forward any notices.

Sale of Investments, Termination of, and Withdrawal from, the Fund

Innvotec does not intend to sell any Investments within a minimum period of three years following the making of such Investments as this would result in a loss of SEIS Relief. However, there may be circumstances when Innvotec deems it to be in the best financial interests of Investors to dispose of or otherwise realise an Investment before the expiry of such minimum three year period, despite the loss of SEIS Relief, and reserves the right to do so.

Innvotec has sole discretion over agreeing to the timing of any disposals or realisations.

If there is a partial disposal or other realisation of an Investment, this will be carried out on the basis that each Investor disposes of a pro-rata number of his or her shares.

The proposed life of the Fund is a minimum of five years. The intention is to secure an orderly winding up of each of the Investments as soon after the end of the five year period as possible.

The portfolio of the Fund will be composed of startups or very early stage businesses and, as such, the risk in the Fund is above average. Each portfolio company is likely to require further cash to fund growth and there is no guarantee that further funds can be raised per se or at a per share valuation that is at least the equivalent of the price per share at which the Fund will have invested.

In the event of a gradual realisation of Investments prior to termination of the Fund, the cash proceeds of realised Investments may be placed on deposit and held as client money in accordance with FCA rules or be invested in fixed interest government securities or other investments of a similar risk profile pending

distribution to Investors. Proceeds will be paid out on termination of the Fund or in instalments in advance of termination, as determined by the Fund Manager, subject to the approval of HM Revenue & Customs.

On the termination of the Fund and should any holdings not be realised, an Investor can decide whether he or she wishes to receive a transfer of all of his or her Investments then remaining in the Fund or wishes the Fund Manager to sell all those Investments, assuming there is a market for the shares, and pay to him or her the proceeds of sale.

Investors are entitled to withdraw in full (but not in part) from the Fund at any time. Investors who withdraw from the Fund prior to the termination of the Fund may lose any SEIS reliefs and may incur external transaction and exit costs from such a withdrawal. Given the illiquid nature of the underlying investments in the Fund i.e. shares in unquoted companies, and a commitment to fully invest monies received in the first and second close by 5th April 2016, it is unlikely that there will be sufficient cash in the Fund to make any repayment or even part repayment in cash.

REPORTING AND POST-INVESTMENT MONITORING

Investors in the Fund will receive from Innvotec notification of each Investment when made and, after the end of the investment period, a minimum of half-yearly reports detailing their individual investment portfolio.

Innvotec and, if appointed by portfolio companies sfc Bennett Brooks, will work with the underlying companies to obtain and distribute to investors SEIS certificates. Investors will receive a SEIS certificate for each holding.

On closing of the Fund, Innvotec may appoint Innvotec (Managers) Ltd, a subsidiary, to closely monitor all Investments on its behalf. Every Investee Company will be required to provide Innvotec with regular management information, including management accounts and trading updates, to enable the progress of the company to be monitored closely.

DIVIDENDS

Given the nature of the underlying companies, Innvotec does not anticipate that any Investment will yield a dividend. In the unlikely event that dividends are received from any Investee Company, these will be distributed to Investors as soon as practicable after receipt. Any income received on shares held through the Fund may be subject to income tax in the hands of an investor.

TAX ADVANTAGES

The FinTech 2016 SEIS Fund will invest only in SEIS Qualifying Companies and thereby allow the Fund's qualifying investors to utilise, if they wish, the resultant SEIS taxation advantages.

As the Fund will have multiple closes with a final close on 29th July 2016 and as the investment programme is intended to be completed inside twelve months, qualifying Investors should be in a position to claim SEIS income tax relief on their investments through the Fund in respect of the 2014/2015, 2015/16 or 2016/17 tax years for the amounts invested in the SEIS Qualifying Companies depending on the commitment close date. Commitments made before the first close of 31st December 2015 will enable investors to seek relief in either 2015/16 or carryback to the prior year. Whilst every effort will be made for second close investors to have the same years of relief there can be no certainty that the entire commitment can be invested by 5th April 2016. Final close investors will see their commitment invested in tax year 2016/17 allowing qualifying Investors to claim SEIS income tax relief on their investments through the Fund in respect of either the 2015/2016 or 2016/17 tax years

Exact timings of receipt by investors of their SEIS certificates (one per investee company) depends on the time taken by the portfolio companies to fully comply with the requirements of having sought SEIS status, the submission by each portfolio company to HMRC for the issue of SEIS 3 certificates in a timely manner and the speed at which HMRC can issue the SEIS certificates to the underlying companies for onward transmission to those investing in the Fund. It is intended that Innvotec will collate all SEIS certificates and forward them to investors.

Investors in SEIS Qualifying Companies can, depending on their individual circumstances, enjoy some or all of the following tax advantages:

- income tax relief on the amount invested at the SEIS rate of 50% on up to £100,000 of investment;
- income tax relief should be available to investors, at their option, in the tax year of the underlying investments being made or the prior year;
- reinvestment relief of 50% on up to £100,000 of capital gains arising on disposal of any assets within the current year on subsequent investment into an SEIS qualifying investment, the other 50% is exempt from CGT altogether ;



- in the event of a portfolio company failing, loss relief at the then higher income tax rates or reduction in any CGT payable, on that part of the initial investment that did not receive initial SEIS relief;
- any gains made are free of Capital Gains Tax if the shares are held for more than three years.

Although not a tax relief, an investment into a SEIS qualifying company will attract 100% relief from Inheritance Tax under current legislation provided the investment is held for at least two years and is held at the time of death.

Taxation treatment depends on the individual circumstances of the investor and may change in the future.

CLAIMING SEIS RELIEF

To claim SEIS Relief, each investor will receive SEIS tax certificates in respect of each of the investor's qualifying investments. Having obtained their SEIS tax certificates an investor can claim SEIS income tax relief for the tax year of investment or the prior tax year at their choosing through their self-assessment returns for the amounts invested in the SEIS Qualifying Companies.

The Fund Manager will ensure that investee companies provide Investors with an SEIS compliance certificate in respect of his or her investments in the Investee Companies, which will enable Investors to claim SEIS income tax relief and Capital Gains Tax Reinvestment Relief as the investments qualify for SEIS status. Once the SEIS tax certificate has been received by an Investor, he or she may write to HMRC to claim any SEIS income tax relief or Capital Gains Reinvestment relief to which he or she is entitled.

The Fund Manager will endeavour to ensure the portfolio companies apply to HMRC for SEIS tax certificates at the earliest opportunity and will distribute forms when received on a timely basis, but timing will be dependent on HMRC receiving certification from the Investee Companies that they are SEIS Qualifying (although preliminary approval will normally have already been sought by the companies). An Investee Company cannot issue such a certificate until it (or a qualifying subsidiary) has carried on its qualifying trade for at least 4 months and only after it has been authorised (upon the application of the relevant Investee Company) to do so by HMRC.

A claim for SEIS Relief must be made no later than the fifth anniversary of the 31st January following the end of the tax year for which the claim is made.

SEIS Relief may be withdrawn by HMRC in a number of circumstances, broadly, should the SEIS Qualifying Company cease to be a qualifying company within the three year period from the share issue (or, if later, the date the company starts its trade), or if the shares cease to be 'eligible shares' within the period. An early withdrawal can lead to the withdrawal of SEIS Reliefs in whole or in part, and the withdrawal of SEIS Relief would depend on the particular circumstances.

FINTECH 2016 SEIS FUND

FUND FEES & CHARGES

AN ADVANCE OF THE ANNUAL MANAGEMENT FEE

The Fund Manager will receive such an advance equal to 5.0% (inclusive of VAT) of the amount subscribed by an Investor. The advance covers the cash cost of the annual management fees and is payable upon investment to the Fund Manager in addition to the amount committed. As all investors' commitment in the Fund is invested in the portfolio there is no "free" cash within the Fund to pay the annual management fee and the Advance overcomes this difficulty. The Advance will be repaid in full on the Fund's "wind up".

ANNUAL MANAGEMENT FEE

The annual management fee is 1.5%. As investors' commitment is fully invested, it is intended that the cash needed to meet the annual management fee will be met initially by the Advance and then from the proceeds of investment realisations.

ADVISER CHARGE

Adviser charges are costs that you, as an investor, have agreed with your adviser, in payment for the advice they have provided you. If agreed between you and your adviser, Innvotec can facilitate any agreed charges from your investment. We will deduct such costs from your commitment and pay them to your adviser.

INTRODUCING AGENT CHARGE

For non-advised (execution only) applications, a charge may be levied to an introducing agent if you have one; such a charge will be agreed in advance with you and will be deducted from your commitment to the Fund.

PERFORMANCE FEE

The Fund Manager shall be entitled to a Performance Fee designed to align the Fund Manager's interests with those of Investors.

However, the Fund Manager will not receive any Performance Fee unless the aggregate of Return Amounts are such as to provide the Investor with a full return of his or her initial commitment to the Fund plus a premium of 10%. On the basis of an investor taking advantage of SEIS relief and at the current SEIS rate for income tax relief this will mean a 120% return on his or her net initial outlay after any tax rebate (the "Hurdle Condition").

Once the Hurdle Condition is satisfied, the Fund Manager will be entitled to a Performance Fee equal to 30% of the Net Return to investors (the "Target Performance Fee").

The Performance Fee (or part thereof) will be met from any interest received on cash held on deposit prior to Investments being made in Investee Companies; from dividends (if any) received from Investee Companies; and from the proceeds of sale or other realisation of Investments.

If the aggregate of the Return Amounts are insufficient, however, to satisfy the Hurdle Condition and provide the Fund Manager with the Target Performance Fee, then the Fund Manager will receive a lesser Performance Fee that is equal to the Return Amounts that are in excess of those required to satisfy the Hurdle Condition.

The meaning of the expressions "Return Amounts" and "Subscription Amount" and the basis of calculation for the Performance Fee are set out in the Fund Management Agreement.

Until such time as any charges and fees become due and payable, the retention of cash held in respect of each Investor will be held as Client Money (as defined in the FCA Rules) and be deposited with an Approved Bank.

VALUE ADDED TAX ("VAT")

All charges and fees referred to in this Information Memorandum are stated exclusive of VAT which shall be payable in addition thereto at the prevailing rate, if applicable.

NO ADMINISTRATION OR TRANSACTION CHARGES

Apart from the annual management fees and Performance Fees, no other fees or expenses (including administration fees, custodian fees, transaction fees or costs for transferring investments into the name of an Investor entitled thereto) will be directly payable by an Investor to Innvotec or Innvotec (Nominees) Ltd, the initial registered holders of all shares in the portfolio companies. All incidental expenses, administration fees and Nominee's fees will be met by Innvotec out of the charges and fees described above.

An Investor will receive SEIS tax relief on 100% of his or her subscription to the Fund.

All fees are subject to VAT.

An investment in the Fund is subject to a number of risks. Before making any investment decision, prospective investors should consider carefully the risks attaching to an investment in the Fund together with fully reviewing all other information contained in this document, including, in particular, the risk factors described below. This information does not purport to be exhaustive. Additional risks and uncertainties not presently known to the Fund Manager, or that the Fund Manager currently deems immaterial, may also have an adverse effect on the businesses of the Investee Companies. Potential investors should consider carefully whether an investment in the Fund is suitable for them in the light of the information in this Information Memorandum and their personal circumstances.

Potential investors should read this Information Memorandum in its entirety and give particular consideration to the risk factors that follow when assessing the suitability of an investment in the Fund.

INVESTMENT RISKS

Potential investors are recommended to seek independent financial and tax advice before committing. Please note that an investment in the Fund is speculative and the Fund Manager is unable to provide you with advice about whether you should commit to the Fund.

The Fund portfolio will comprise investments in companies that are unquoted, neither profitable nor cash generative at time of investment and, as such, have to be viewed as carrying a higher than average level of risk;

- The value of shares can go down as well as up and this could result in an investor incurring a partial or total loss of their investment. A potential investor that cannot afford to lose all of his or her commitment to the Fund should not consider subscribing.
- There is no guarantee that the valuation of shares in a portfolio company will fully reflect their underlying net asset value or that the shares may be acquired or disposed of at that valuation, or at all.
- The past performance of Innvotec and the EIS and SEIS Funds that it manages is not a guide to the future performance of the Fund.
- The past performance of any investment(s) should not be regarded as an indication of the future performance of that or any investments made by the Fund. No guarantee can be given as to the performance of investments made by the Fund or the level of capital gains or income that will be generated by such investments.
- The Fund will invest in unquoted companies whose securities are not publicly traded or freely marketable and as such the market for their shares is illiquid and uncertain by its nature which results in a higher level of risk than a portfolio of quoted shares.
- It may take considerable time to realise any of the Fund's investments or it may not be possible to realise them at all.
- It may be difficult to obtain accurate information to determine the current value of the Fund's investments and market makers are unlikely to be prepared to deal in them.
- There can be no guarantee that the commercial objectives of the underlying companies will be achieved.
- Subscription to a fund such as this should not be considered a short-term investment. Should any withdrawal within a minimum period of three years after investments into Investee Companies be possible, it will result in the loss of SEIS Relief on those investments. The Fund Manager is intending to begin to seek exits for the underlying investments made by the Fund after three years with the objective of an exit across the entire portfolio within five years, but given the stage of development of the companies it is possible that investments may be held for five years and perhaps considerably longer.
- The unquoted companies targeted by the Fund will have small management teams and are highly dependent on the skill and commitment of a small number of individuals.
- Smaller unquoted companies requiring more than one round of additional equity of the type provided by the Fund commonly experience significant change and carry higher risks than investments in larger or more established businesses.
- Technology or scientific research related risks may be greater in small, unquoted companies. Although this may be justified by the potential of significantly higher returns from investment in such companies.
- The level of debt (or any other prior ranking funding or securities) used by Investee Companies may significantly increase risk.
- The assets including IPR held by Investee Companies may be charged as security to other funders. Accordingly, if the terms set out in the security documents are not adhered to, the chargee may enforce its security and the Investee Company will no longer control those assets.
- The returns generated by the Fund may be affected by changes to bank base rates. The Investee Companies may have cash on deposit prior to beginning to trade and the profits generated from the trade may also be affected by the level of interest rates.
- Investors such as the Fund may be the holders of minority interests in Investee Companies and accordingly may have little or no ability to influence how the business of that company is conducted, which may also include sales of a portfolio company within the three year SEIS qualifying period and a revocation of SEIS status or adverse shareholder rights being imposed by a later investor.
- Changes in economic conditions and the political climate can adversely affect the prospects of the portfolio companies

The above list is not intended to be comprehensive.

FINTECH 2016 SEIS FUND

RISKS



The Fund will invest in either identified startups or known, but still relatively early stage, opportunities that increase both the risks and the potential rewards.

This Information Memorandum contains forward looking statements which reflect the Fund Manager's view of future events. Actual events could lead to outcomes that differ materially from those in the forward looking statements, and potential investors are cautioned not to place undue reliance on such statements.

TAXATION RISKS

- Whilst it is the intention of the Fund Manager to make Investments in the identified unquoted companies which are qualifying under SEIS legislation at the time of investment, the Fund Manager cannot guarantee that all investments will continue to qualify for any SEIS Tax Relief or indeed the continued availability of SEIS Tax reliefs to the investor relating to any individual investment, as this depends on compliance with the requirements of the SEIS legislation by both the Investor and Investee Company.
- Where an Investor or an Investee Company ceases to maintain SEIS status in relation to any individual Investment, it could result in the loss of some or all of the available tax reliefs (with a consequent liability to pay tax or repay a prior refund of tax) together with a possible charge to interest thereon in relation to that particular investment (but not in relation to the other Investments of the Fund). In such circumstances subscription monies may not be returned to an Investor:
- The sale or other disposal of shares in an Investee Company within the period of three years following their issue will result in any income tax saved as a result of the making of the investment becoming payable to HM Revenue & Customs.

- The levels and bases of reliefs from taxation may change or such reliefs may be withdrawn. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of Investors initially and throughout the holding life of the investments.
- The dates on which initial SEIS Tax Relief and Capital Gains Tax Reinvestment Relief are available will only be known once the Fund makes its underlying investments. Any delays in the investment into SEIS qualifying companies will have a "knock on" effect on the opportunity to defer capital gains tax on an earlier disposal.
- The ability of the Investor to obtain the tax reliefs referred to in this document is subject to the Investor making the proper claims to HM Revenue & Customs within the requisite time limits and the Investor may lose such reliefs if the relevant claim is not so made.
- The Fund has been designed with United Kingdom resident tax payers in mind. It may not be appropriate or advantageous for a person who is not resident in the United Kingdom for tax purposes to invest in the Fund.
- The Fund Manager will not normally take into account the individual tax positions of Investors and therefore actions of the Fund Manager or Investee Companies could give rise to a partial loss of the Investor's SEIS Relief or other tax advantages.
- An Investor should be aware that SEIS Relief and Capital Gains exemption relief is only available on the amount actually invested on his or her behalf in SEIS Qualifying Companies, not on the total amount of his or her subscriptions to the Fund, although this is likely to be the same.

Taxation treatment depends on the individual circumstances of the Investor and may change in the future.

CLOSING DATE AND FUND SIZE

The Fund will be open to applications until a date ("The Final Closing Date") which is 29th July 2016.

The intention is to have a First Closing Date of 31st December 2015 which will be of interest to those investors seeking to ensure they have their commitment invested by 5th April 2016.

There will be a Second Closing Date of 1st April 2016 with the intention but not the certainty of investing commitments by 5th April 2016.

Commitments between the Second and Final Closing Date will be invested in the tax year 2016/17 and will allow "carry back" to the tax year 2015/16

The minimum subscription by an Investor in the Fund is £5,000 and in multiples of £1,000 thereafter. There is no maximum subscription, save for £5,000,000, the maximum size of the Fund, although SEIS Relief for any Investor for each of Income Tax and CGT rollover relief is only available for up to £100,000 invested in all SEIS Qualifying Companies in a tax year (whether invested through the Fund or otherwise).

The maximum aggregate subscriptions to the Fund will be £5,000,000. If applications to subscribe in excess of this amount are received then subscriptions will be accepted by the Fund Manager in the order in which they have been received. Accordingly, subscriptions in excess of this amount will be returned by the Fund Manager to the relevant applicant.

The Manager, at its sole discretion, reserves the right to increase the maximum size of the Fund should demand warrant such an increase.

The Manager has sole discretion on the minimum subscription to be raised for the Fund, however, as at the date of this Memorandum, it is the Manager's opinion that the minimum viable aggregate subscription to the Fund will be £500,000.

HOW TO INVEST

An Application Form and a copy of the Fund Management Agreement are available on request from Innvotec. The form should be completed in full and returned to Innvotec plus a cheque or a completed telegraphic transfer for the amount subscribed.

The intended First Closing date for commitment into the Fund is 31st December 2015 to ensure investment by 5th April 2015, the Second Closing date is 1st April 2016 and whilst it is intended to invest all Second Closing commitment by 5th April 2016 there is no certainty that this will be possible. . For those investors happy to commit post 5th April 2016 and receive their reliefs in 2016/17 or the prior year there is a final closing date of 29th July 2016

Innvotec is required to seek information from potential investors to assess whether they have the knowledge and experience necessary to understand the risks connected with an investment in the Fund. Potential investors will be required to have completed the Client Suitability and Appropriateness Form, which accompanies the Application Form, prior to investment.

Investors must read completely the full Fund Management Agreement, a copy of which is appended to the Application Form, before completing the Application Form. In signing the Application Form an investor warrants that he or she has read and agrees fully to the terms and conditions of the Fund Management Agreement. In the event of any conflict between the provisions of the Fund Management Agreement and this summary, the provisions of the Fund Management Agreement shall apply



FINTECH 2016 SEIS FUND

APPENDIX I - GLOSSARY OF TERMS

Advance on Annual Management Fee.

An advance of 5% of investor commitment to include VAT to cover the cash cost of the annual management fee in the period before exit proceeds arise thereby allowing the annual management fee to be paid as and when due. Such an advance is to be repaid to the Investor on or before the Fund is "wound up".

AIM

The Alternative Investment Market of the London Stock Exchange.

Application Form

An application form to invest in the Fund in the form provided by the Fund Manager.

Applicable Investor

means (1) professional clients, (2) retail clients who confirm that in relation to an investment in the Fund they have received regulated investment advice or investment management services from an authorised person, (3) retail clients who are venture capital or corporate finance contacts (4) retail clients who self-certify or are certified as sophisticated investors, (5) retail clients who are certified as high net worth investors or (6) retail clients who certify that they have not invested and will not invest more than 10% of their net investible assets in non-readily realisable securities.

Approved Bank

National Westminster Bank plc or any authorised banking institution in the United Kingdom that is a member of the Financial Services Compensation Scheme as may be nominated by the Fund Manager.

Capital Gains Deferral

Deferral of CGT (section 150C and Schedule 5B of the Taxation of Chargeable Gains Act 1992).

Client Suitability and Applicability Form

means the questionnaire, to be completed by each investor, which accompanies the Application Form

CGT

Capital Gains Tax.

Capital Gains Tax Reinvestment Relief

means Relief from CGT (Section 5B of the Taxation of Chargeable Gains Act 1992).

Closing Date

the final date on which an application to the Fund will be accepted, being 29th July 2016.

FSMA

The Financial Services and Markets Act 2000 (as amended).

FCA

The Financial Conduct Authority.

FCA Rules

The rules contained in the FCA's Handbook of Rules and Guidance as amended from time to time.

FinTech Circle Ltd brings together FinTech entrepreneurs, investors and industry experts to source the most attractive FinTech early stage investment opportunities and help startups grow their business.

Fund

The FinTech 2016 SEIS Fund.

Fund Manager

Innvotec Ltd or such other fund manager as may be appointed under the Fund Management Agreement.

Fund Management Agreement

The Fund Management Agreement to be entered into between the Investor and Innvotec Ltd as the Fund Manager as summarised in this document and a copy of which is appended to the Application Form.

Gross subscription

An amount committed by an investor on signing the Application Form.

HMRC

HM Revenue and Customs.

Income Tax Relief;

an amount to be set off against an Investor's liability to pay income tax.

Information Memorandum

This information memorandum for the FinTech 2016 SEIS Fund.

Innvotec

Innvotec Ltd (registered in England and Wales under company number 02030086) whose registered office is at Stable Cottage, Castle Hill, Rotherfield, East Sussex, TN6 3RR.

Investee Company

A company in which the Fund Manager makes an Investment on behalf of the Investors.

Investment or Investments

An investment or investments made by the Fund Manager, as the Investor's nominee, using the monies invested by the Investor in the Fund.

Investor

A person who completes an Application Form and to invest in the Fund which is accepted by the Fund Manager; who completes a client suitability and applicability form and who enters into a Fund Management Agreement with the Fund Manager and thereby invests through the Fund.

Nominee

Innvotec (Nominees) Ltd (which is a subsidiary of the Fund Manager) or such other nominee (which may be an associate of the Fund Manager) as may be appointed by the Fund Manager from time to time to carry out safe custody and related services in relation to an Investor's investment in the Fund and to be the registered holder of Investments.

Performance Fee

The Performance Fee payable to the Fund Manager as mentioned in this Information Memorandum and more fully described in Schedule 10 of the Fund Management Agreement.

Portfolio

In respect of an Investor, the Investments made through the Fund which are allocated to him or her and which are registered in the name of the Nominee as nominee for that Investor.

Portfolio Company

Company An Investee Company.

SEIS

Enterprise Investment Scheme as set out in Chapter 4 of Part 5A Income Tax Act (ITA 2007).

SEIS Qualifying Company

A company which is a qualifying company for SEIS purposes.

SEIS Relief

Relief from income tax and CGT payable under SEIS legislation.

SFC Bennett Brooks

is a joint venture between Startup Funding Club Ltd and Bennett Brooks.

Startup Funding Club Ltd "Startup Funding Club"

Any one or more of Startup Funding Ltd, its shareholders, directors or managers and ASIL.

Success Fee

another term for Performance Fee.

VAT

Value added tax.

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**“THE FIRST SEIS FUND
PURELY DEDICATED TO
BRITISH “STARTUPS”
IN THE FINANCIAL
TECHNOLOGY
SECTOR”**

FINTECH 2016 SEIS FUND

Further Information

If any further information relating to the Fund is required please contact the Fund Manager, Innvotec Limited.

Fund Manager

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e: info@innvotec.co.uk

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EC2M 5QQ

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