



# Calculus

CAPITAL



## Calculus Capital

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## EIS Fund

# Further Information

If you have any questions at all, please do not hesitate to get in touch by telephone or send us an email. Making the right investment decision is more important than ever in the current climate, and we want you to feel comfortable about making an informed decision about whether or not to invest with us.

This document describes arrangements by which Investors who wish to make private equity investments in EIS Qualifying Companies may appoint Calculus Capital Limited ("Calculus") to act as their common investment fund manager and to manage the investments made on their behalf. These arrangements together constitute the Calculus EIS Fund ("Fund"). Calculus is authorised to act as an investment manager by the UK Financial Conduct Authority ("FCA"). Its registered office is at 104 Park Street, London W1K 6NF and its FCA registration number is 190854.

This document constitutes a financial promotion relating to the Fund and is both issued and approved by Calculus which has taken all reasonable care to ensure that it is fair, clear and not misleading, but the statements of opinion or belief contained in this document regarding future events represent Calculus Capital's own assessment and interpretation of information available to it at the date of issue of this document. No representation is made that such statements are correct or that the objectives of the Fund will be achieved. Additionally, some information contained in this document has been obtained from published sources prepared by other parties and no responsibility is assumed for the accuracy or completeness of such information.

Accordingly, each prospective investor must determine for himself what reliance (if any) he should place on such statements and information and no responsibility is accepted by Calculus in respect thereof. All information and illustrations in this document are stated as at July 2019.

This document does not constitute, and may not be used for the purposes of, an offer to or an invitation to treat to any person in any jurisdiction outside the United Kingdom or any person who is a citizen of the United States of America or who is a resident in the United States of America for tax purposes ("US persons"). This document and the information contained in it are not for publication or distribution to persons outside the United Kingdom.

It is very important that you carefully read and fully understand this document and the risks involved with the arrangements described in this document so that you can decide whether they are right for you. The opportunity described in this document is NOT suitable for all. Key risks are explained on pages 4 and 5 and should be carefully considered. You should seek your own independent advice and then rely on your own independent assessment of the Fund; nothing in this document constitutes tax, legal or investment advice.

## Contact us

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# Contents

Key Risks	4
Welcome	7
Why EIS? Why Now?	9
Why Choose Calculus Capital?	10
Investment Strategy & Examples	11
Exit Strategy & Examples	20
Meet the Team	22
Target Timeline	28
Our Charges	30
Frequently Asked Questions	31
Definitions	35
Directory	38

## Calculus EIS Fund at a glance

### Fund Closing Dates:

Last Friday in October  
Last Friday in January  
Last Friday in April  
Last Friday in June

### Target Timeframe to Full Investment:

18 months from respective closing date

### Minimum Companies in a Portfolio:

6

### Portfolio Diversification:

We invest in a range of sectors, with focus on high growth areas

### Minimum Investment:

£50,000

### Holding Period:

Minimum 3 years for EIS Reliefs,  
2 years for IHT Relief. Target exit per  
investee company 3–5 years, but  
timings may vary

# Key Risks

This Fund may not be suitable for all investors. Potential investors are recommended to seek independent financial and tax advice before investing. Please note that Calculus Capital is not able to provide you with advice about whether you should invest in this Fund.

As with many investment products, there are risks associated with investing in this Fund. We have tried to explain the material risks as clearly as possible below. Please be aware though, that there may be risks not currently known to us which may also have an adverse effect on investments in the Fund.

## Portfolio Risks

- Having regard to the Fund's investment objectives and the tax reliefs available, investment in the Fund must be considered as a long-term investment.
- Investors may not receive back the full amount that they have invested in the Fund. The value of each investment made by the Fund may fall, and there is no guarantee that an investment may not lose all of its value.
- Success of the Fund will depend in part upon the skill and expertise of Calculus Capital and the continued availability of the senior investment team.
- Investments in shares in unquoted companies are not readily marketable and the timing of any realisation cannot be predicted. You should not invest in this product unless you have carefully thought about whether you can afford it and whether it is right for you, having had the opportunity to take independent advice. You should be prepared to leave the investment intact for significantly longer than three years.
- Investment in smaller and unquoted companies is likely to involve a higher degree of risk than investment in larger companies and those traded on the main market of the London Stock Exchange. Smaller companies generally may have limited product lines, markets or financial resources and may be more dependent on their management or key individuals than larger companies. Although the Fund and Calculus Capital may receive conventional rights granted to private equity funds and managers in the legal investment documents it negotiates with Investee Companies in connection with the Fund's investments, as a minority investor it may not always be in a position to fully protect the interests of Investors in the Fund.
- The past performance of investments made by funds managed by Calculus Capital should not be regarded as an indication of the future performance of investments made by the Fund. Although Calculus Capital has been successful in identifying investments in the past, it may be unable to find a sufficient number of attractive opportunities to meet its investment objectives, including achievement of its target IRR, or fully invest the Fund's capital without significant delay.
- The fact that shares in EIS Qualifying Companies are, in general, not publicly traded or freely marketable may mean that proper information to determine the current value of investments will not be available.
- Many unquoted companies requiring private equity investment are experiencing significant change and carry higher risk than an investment in larger or longer established businesses would.
- Legal and regulatory changes could occur during the life of the Fund which may adversely affect the Fund or its Investors.
- Technology- or scientific research-related risks may be greater in some companies although this may be justified by the prospect of higher expected returns from those investments.
- Many unquoted companies have small management teams and are highly dependent on the skills and commitment of a small number of individuals. The departure of any directors and/or key employees could have a material adverse effect on the Investee Company's business.

## Taxation Risks

- Rates of tax, tax benefits and allowances described in this Information Memorandum are based on current legislation and HM Revenue & Customs practice. These may change from time to time and are not guaranteed. This investment may not be suitable for all investors. Calculus Capital does not provide advice and potential investors are recommended to seek specialist independent tax and financial advice before investing. The Fund has been designed with UK-resident taxpayers in mind. If you are not resident or ordinarily resident in the UK for tax purposes, it may not be appropriate or advantageous for you to invest in the Calculus EIS Fund. Applications will not be accepted from US persons.
- Whilst it is the intention of Calculus Capital to invest in companies qualifying under EIS legislation, Calculus Capital cannot guarantee that all investments will qualify for EIS Relief or IHT relief or, indeed, if they do initially, that they will continue to do so throughout the life of the investment.
- Your obtaining income tax relief is subject to your making the proper filings with HM Revenue & Customs within the requisite time periods and you may lose such relief if you do not make such filings.
- The dates on which initial income tax relief, CGT deferral relief and inheritance tax relief relating to investment in EIS Qualifying Companies are available will depend on the dates on which the Fund makes its EIS Qualifying Investments.
- Following an investment in an Investee Company, the continued availability of EIS Reliefs to the Investor relating to any individual investment depends on compliance with the requirements of the EIS legislation by both the Investor and Investee Company.
- Where an Investor or an Investee Company ceases to maintain EIS status in relation to any individual investment, this could result in the loss of some or all of the available reliefs in relation to that investment (together with a possible charge to interest thereon).
- Following the admission of an Investee Company to the main market of the London Stock Exchange, (but not to trading on the AIM) or certain overseas stock markets, business property relief for inheritance tax purposes will cease.
- 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.
- Where an exit is facilitated through a share buyback by the Investee Company, this may be treated as a taxable income distribution unless certain criteria are met, including that the Investor is UK resident and has held the shares for a minimum five-year period.

## Fund Issues

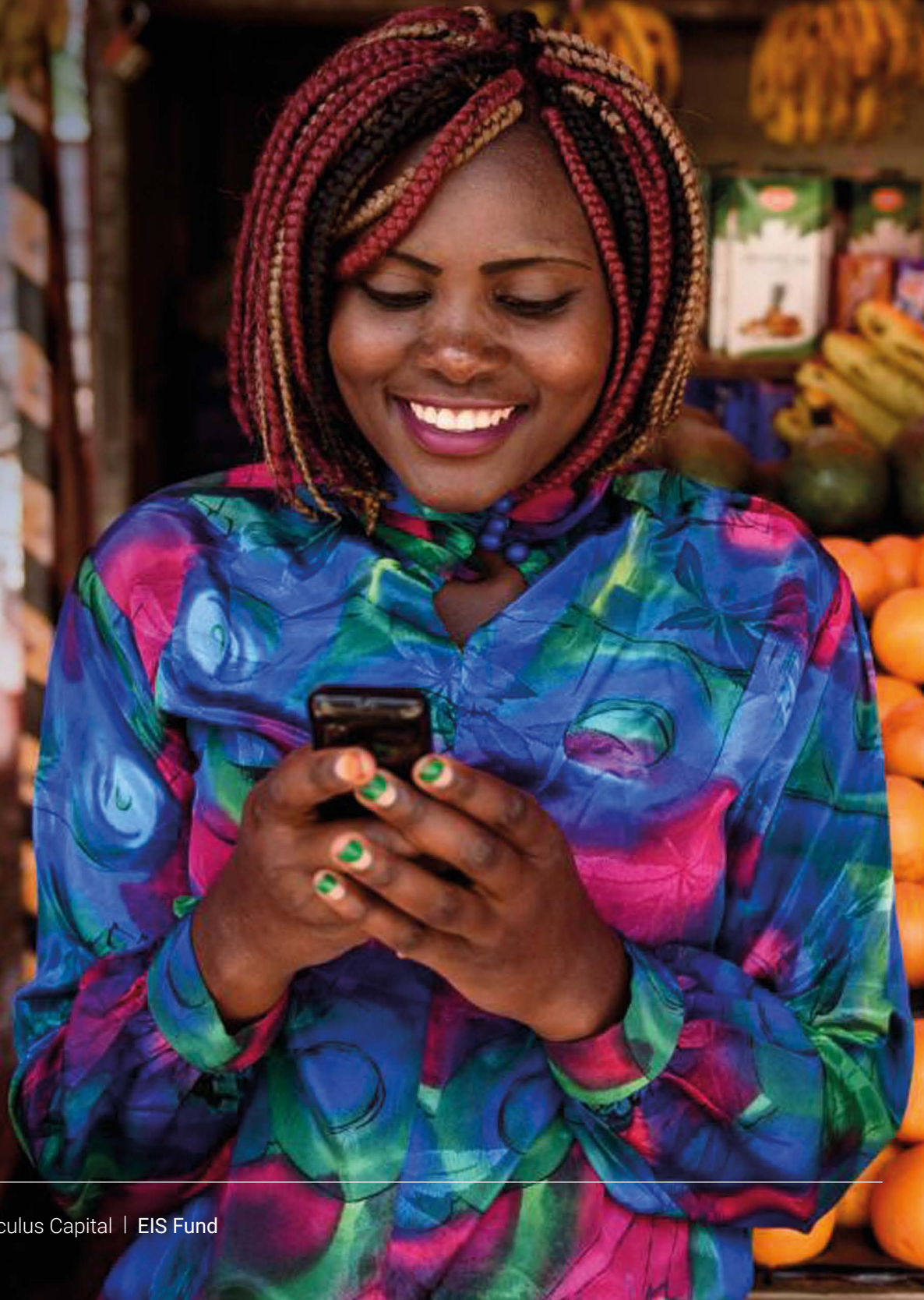
- The Fund Manager will normally allocate investments to Investors proportionate to their respective Contributions to the Fund. As investments arise at different times, the contributions of a later Investor in the Fund may not be invested in all or any of the Investee Companies in which an earlier Investor is invested. Similarly an early Investor in the Fund may not have sufficient uninvested cash in his Portfolio to participate in the same investments as a later Investor.
- The Fund Manager may depart from this basis of allocation if, in its absolute discretion, it considers it appropriate to do so having regard to the overall investment policy of the Fund and the benefit of creating diversity within the Portfolios of Investors.

Information correct as of July 2019

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Every1 Mobile delivers digital communication solutions and online community management to achieve measurable social change across Africa.

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# Welcome

In the twenty-five years, since the Enterprise Investment Scheme was launched, it has become a key source of equity finance for UK growing businesses.

EIS investment is, first and foremost, about getting the best possible return on capital for investors. It can also help build a better future.

Why are EIS investors rewarded with attractive tax breaks?

The reasons for this are simple. EIS investment benefits the economy by supporting innovation, which in turn increases productivity, creates jobs, and boosts growth. Statistics show that the UK punches above its weight in terms of enterprise creation. According to OECD figures, the UK created more new businesses than any other European country\*.

Calculus is investing in some of the most exciting growing companies in the UK. These businesses can bring innovation to established industries, improve healthcare and protect the environment.

Blu Wireless is a UK company at the forefront of 5G chip technology. Weedingtech is the world's leading environmentally friendly weed control system for public spaces. Arecor's ultra-rapid acting insulin product is undergoing clinical trials to enable more effective management of blood glucose levels. Axol Bioscience supplies some of the world's leading researchers with cell lines for studies which may one day prove vital in the battle against diseases such as Alzheimer's.

More investment examples are shown on pages 18 and 19.

This year is a significant milestone for Calculus Capital as we celebrate our 20-year anniversary and launch our 20th EIS Fund. Our loyal investor base, through our EIS Funds, has supported over 100 promising UK companies to grow and scale. We are delighted to have been recognised as a leader in our field, having been awarded the Outstanding Contribution to EIS Investment Management at the EIS Association 25 Year Anniversary Awards in 2019, one of the many accolades we are proud to have won over the years.

We are known in the market for our 'true spirit of EIS investment', coupled with our thorough due diligence process and exit led investment strategy. We continue to review a high level of investment opportunities and look forward to our 20th year supporting dynamic UK growth companies.

Yours sincerely

**John Glencross**  
Chief Executive

\*study undertaken in 2015 (the latest available figures)

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**"This year is a significant milestone for Calculus Capital as we celebrate our 20-year anniversary and launch our 20th EIS Fund. Our loyal investor base, through our EIS Funds, has supported over 100 promising UK companies to grow and scale."**  
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inspiresport provides young people with access to leading clubs for a once-in-a-lifetime sports development experience where they are able to train with professional coaches, meet top players and go on educational sightseeing visits.  
.....





# Why EIS? Why Now?

## What is EIS?

The Enterprise Investment Scheme (EIS) is designed to help smaller higher-risk trading companies raise finance by offering a range of tax reliefs to investors who purchase new shares in those companies. By investing in the Calculus EIS Fund, Calculus Capital will invest monies in such companies on your behalf.

Each investor in the Calculus EIS Fund will have at least six entrepreneurial, EIS Qualifying Companies in their portfolio, across a range of sectors.

## Why Now?

We believe that the current economic climate presents investors with a unique opportunity. Bank lending has decreased significantly, which means that even high quality, well-managed smaller companies are finding it difficult to raise funds for expansion.

**There is continued governmental support of EIS as a strategy for growth for small private companies. In 2017-2018 3,920 companies raised a total of £1.929 billion of funds under the EIS scheme.\***

Following the Budget in November 2017, the door closed on “capital preservation” EIS offerings, thereby ensuring capital flows to smaller companies intent on long-term growth. Calculus is wholly supportive of these changes and has always been a growth investor.

Investment in our Calculus EIS Fund – with its focus on capital appreciation, tax mitigation and risk management – is seen as a valuable addition to funding a future pension.

\*EIS and SEIS Statistics, HMRC, May 2019

## Tax Benefits

The Calculus EIS Fund takes advantage of the generous tax incentives currently offered by the Treasury and HM Revenue & Customs for investment in smaller UK companies. These tax benefits have the ability to enhance the return on your investment.

Under current legislation the Calculus EIS Fund will provide Investors with access to five generous tax incentives:



**Income tax relief at 30%** which can be taken in the tax year the Fund makes its investments or carried back to the previous tax year



**Tax-free capital gains** on the investments within the Fund



**Full capital gains tax (CGT) deferral** of tax due on other capital gains for the life of the investment



**Loss relief** which can be taken as a deduction against income or as a capital loss and can give total tax relief up to 61.5% for the tax year the loss occurred or the preceding year



**Full inheritance tax relief** provided the investments have been held for two years and are held at time of death

The information given above provides only a summary of the tax benefits. The rates shown are based on current UK legislation which could change in the future, possibly retrospectively. These tax benefits depend on individual circumstances. If you are unsure of your tax situation, you should seek professional advice from a qualified tax adviser. Tax rules and regulations can be subject to change.

# Why Choose Calculus Capital?

## Our History:

**EIS PIONEERS – Calculus created the first UK approved EIS fund and we are now celebrating our 20 year anniversary.**

Calculus Capital launched the first approved EIS fund in 1999/2000, which gives us 20 invaluable years of experience. Since then, we have built a strong reputation as an investor in EIS Qualifying Companies through our multi-award-winning funds. Our focus on capital appreciation, a diligent investment and monitoring process and our record of profitable exits distinguishes us from other EIS fund managers.

## Our Results:

**We are proud of our track record of profitable exits and commitment to “the true spirit” EIS investing.**

We have won many industry awards including:



Evidence of the Fund's successful approach is also demonstrated by our loyal investor base – many of our clients have invested in multiple Calculus EIS Funds. A large number of our investors are experienced fund managers and investment professionals who have discovered us through recommendations within the industry.

## Our Focus:

**We invest primarily in sectors showing above average growth, where the UK has a competitive advantage.**

The companies in which we invest create jobs and develop new

products and services, making a contribution to the world around us and often bringing innovation and competition to developed industries. Although investment driven, our Fund is structured to manage risk and preserve capital by primarily targeting more established businesses. We invest across a range of sectors and simply look to back good management teams.

## Our Diligent Process and Expertise:

**We enjoy privileged deal flow – a large number of our deals come from management teams we've backed successfully in the past.**

As part of our disciplined investment approach, we always consider potential exit strategies before we make an investment and our detailed investment agreements are often written with this in mind.

We conduct our own comprehensive research then bring in external parties for in-depth due diligence of investment opportunities. We realise that successful investment is about far more than the initial investment, and work with our investee companies to help them develop their full potential. Our core investment team has been together for over 10 years and has since attracted significant talent from top institutions.

We are experienced at investing through varying periods of economic expansion, contraction and changing tax rules.

## Investment in the Fund

**Fund closes will take place on the last Friday of October, January, April and June (subject to capacity).**

A Contribution made after a particular Closing Date may not be invested in the same Investee Companies as a Contribution made before that Closing Date, depending on the timing of investments.

# Our Investment Strategy

At Calculus Capital, we invest in entrepreneurial businesses with growth potential, over a range of sectors with good quality management teams.

We focus primarily on investment opportunities in smaller, privately held companies. Each Investor in the Calculus EIS Fund will have a portfolio composed of investments in at least six Qualifying Companies. It is intended to be lower risk than many competitor products by primarily targeting Investee Companies with the following characteristics:

- Strong management teams
- Their primary constraint to growth is access to finance

- A clear route to exit
- Proven and competitive products and services
- A clear market need

Investee Companies may conduct a trade in the UK or overseas provided they maintain a permanent establishment in the UK.



John Glencross, CEO Calculus Capital at an Investor Reception

# What kind of companies do we invest in?



## Sectors

Data as at 5 April 2019

### Media

- Media

### Healthcare

- Medtech
- Biotech
- Healthcare Services

### Technology

- Software
- Hardware
- FinTech
- Services

### Industrials

- Engineering
- Environmental
- Transport

### Energy

- Renewables
- Oil & Gas

### Consumer

- Restaurants
- Household & Personal Products
- Leisure

# Our Investment Strategy

We have a very structured investment process and take great care in managing your money.

## Deal Flow – how do we find these companies?

We have an established track record of identifying high quality EIS Qualifying Companies. On average, our investment team reviews around 500+ deals a year and complete around 7–12 investments.

Our standing and longevity in the market ensure we receive excellent deal flow from a range of sources. A substantial number of investment opportunities come from our investor base and management teams that we have successfully backed in the past. As we have a strong relationship with these sources, such opportunities are often pre-screened and strongly aligned with our investment approach. We also benefit from our investment team's diverse industry experience and personal networks of lawyers, advisers and brokers to source potential deals.

## Due Diligence

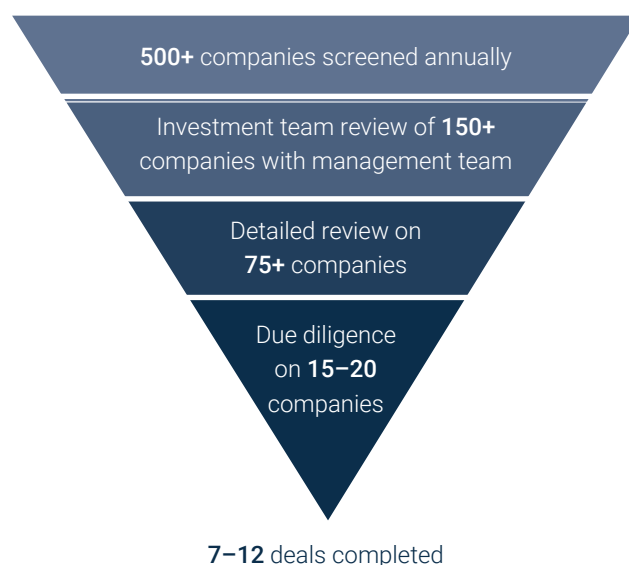
Our long track record of successful exits is down to our talented and experienced investment team and the robust process it follows. Our detailed due diligence process normally takes 4–5 months per company, and there is a keen focus on the strength of the management team.

Often we will send in an executive coach to evaluate the team and identify strengths and weaknesses. Thorough financial, legal and commercial due diligence is executed by third parties. Our due diligence culminates in a detailed investment agreement including key warranties and investor rights.

## Value Creation and Support

From the moment we invest in a company, a value creating partnership is formed, providing active support and input. We share our market knowledge and connections and use our in-depth experience to help mitigate risks and develop shareholder value. We also run a series of "toolkit" seminars, including CEO forums, where our portfolio companies can meet their peers, exchange ideas and hear from a leading industry expert. Often, the issues facing small businesses are similar regardless of sector. Previous forum topics include "how to build a leading sales team", "scaling up", "branding" and "cyber security".

## Annual Deal Flow





Dr Sarah Howell, CEO, Arecor

## Risk Management

We believe a fundamental element of good risk management is diversification. Our aim is therefore to create a balanced, thoughtfully structured portfolio of at least six qualifying companies, across a range of sectors. We always seek advance assurance from HMRC prior to making an investment.

We predominantly invest in later-stage growth companies, which we believe provides an attractive risk reward profile for our investors. More developed companies are less likely to fail than start-ups, and often there is a shorter timeframe to exit as they are further along in their life cycle. Importantly, we aim to mitigate risk by actively managing our portfolio companies. We usually take a board seat and receive monthly management accounts.

## Will we Monitor these Investments?

We build strong interactive relationships with management and our "hands on" approach after investment means we constantly monitor performance and encourage change when needed. We understand the complexities of running small, growing companies and usually have a member of our team on the board.

Sometimes we may appoint one of our appropriately qualified investors to represent our interests. Whilst we

recognise that management teams run businesses, our backgrounds enable us to provide guidance on key company and management decisions, help build corporate strategies and develop and execute financial plans.

Once we make an investment in an Investee Company, we communicate on a regular basis to ensure our expectations are understood. We pay close attention to the financial results and review forecasts on a regular basis with management.

## Corporate Governance

The service which we provide to you as an investor in the Calculus EIS Fund is conducted according to the terms of the Investor Agreement set out in full at the end of the application pack.

All of our investments are subject to a review by our Investment Committee. Investment Committee meetings are scheduled as and when required.

Calculus Capital Limited is authorised and regulated by the Financial Conduct Authority (FCA registration number 190854) and is committed to maintaining high standards of corporate governance.

.....  
Weedingtech is a world leader in herbicide-free, non-toxic weed control. This company is an example of one of Calculus' social impact investments.  
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# Our Portfolio

– investing in SMEs across the UK

- ActiveOps Limited  
Reading
- AnTech Limited  
Exeter
- Arcis Biotechnology Holdings Limited  
Cheshire
- Avvio Limited  
Limerick and London
- Axol BioScience Ltd  
Cambridge
- Benito's Hat  
London
- Blu Wireless Technology  
Bristol
- C4X Discovery plc  
Manchester
- Chop'd Limited  
London
- Collagen Solutions plc  
Glasgow
- Cornerstone  
London
- Duvas Technologies Limited  
Banbury
- Essentia Analytics  
London
- Every1Mobile  
Brighton
- Genedrive plc  
Manchester
- inspiresport  
Cardiff
- IPV Limited  
Cambridge
- MicroEnergy Generation Services Limited  
London
- Mologic Limited  
Bedford
- Money Dashboard (The One Place Capital Limited)  
Edinburgh
- Once Upon a Time London Limited  
London
- Open Energy Market  
Surbiton
- Park Street Shipping Limited  
London
- Premaitha Health plc  
Manchester
- Quai Administration Services Limited  
Peterborough
- Scancell Holdings plc  
Oxford
- Terrain Energy Limited  
London
- Tollan Energy Limited  
Milton Keynes
- Venn Life Sciences plc  
Dublin and London
- Wazoku  
London
- Weeding Technologies Limited  
London
- WheelRight Limited  
Oxford

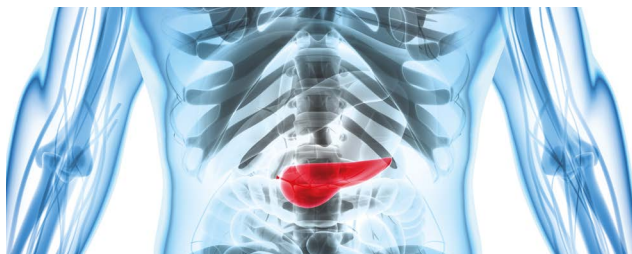




# Investment Examples

Please see over the next two pages, examples of some of the investments made in 2018/2019.

Investors should note that the companies listed below are examples only, are not necessarily representative of investments that they may hold if they invest and that different investors will hold different portfolios with varying performances



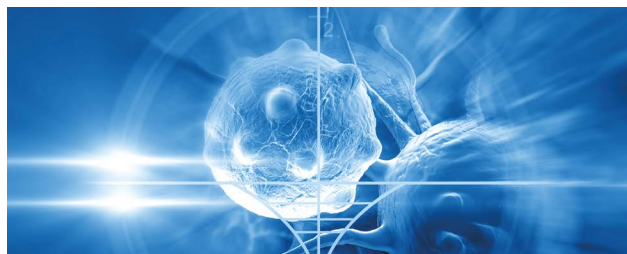
**Areacor has innovative and proprietary reformulation technology of existing drug treatments.**

The company's current focus is new formulations to treat diabetes, but the technology can be applied to a range of disease areas.

Areacor's proprietary technology platform, "Arestat™", allows control of protein behaviour under various stress conditions, both in vitro and in vivo. The technology is protected by a portfolio of more than 25 granted patents, as well as considerable know-how and trade secrets.

Areacor partners with major global pharmaceutical and biotech companies in a licensing model to deliver superior reformulations of their proprietary products, which would not be possible using conventional formulation science. For example, drugs could be reformulated to allow administration much more simply by injection rather than by intravenous infusion, to allow them to be stored in liquid rather than lyophilised powder form, or to give them greater thermostability such that they can be stored at ambient temperatures.

Areacor is also leveraging its unique reformulation platform to develop its own portfolio of proprietary products. Its initial products are focused on improving the treatment of diabetes, with ultra-rapid acting insulin; ultra-concentrated rapid acting insulin; and stable aqueous glucagon.



**Oxford BioTherapeutics is a clinical stage oncology company committed to the discovery and development of novel therapies for various cancer types.**

Oxford BioTherapeutics (OBT) has a strong pipeline of immune-oncology (IO) therapies, which are used to re-engage and recruit the body's immune system to attack cancer cells, therefore providing targeted treatment to patients most in need, including those who have failed to respond to conventional treatments. In addition, OBT has two unique development platforms to support the discovery of novel therapeutics. The "OBT IO Discovery" platform, which is one of the largest proteomics databases in the world, provides unique insights into IO mechanisms-of-action. The second platform comprises a library of tumour cultures to enable rapid testing in tumours.

OBT has agreed several development partnerships, including a collaboration with the Menarini Group in Italy, which is fully funding the development of two clinical programmes through to completion of Phase II. OBT has also partnered with Boehringer Ingelheim in Germany for two pre-clinical stage programmes. Both partnerships have significant milestone payments and, should the trials be successful, double-digit royalties on sales.

OBT's rapidly growing internal pipeline of drug candidates includes four pre-clinical programmes. In December 2018, "OBT076" (an experimental treatment for women with high risk HER2 negative breast cancer) received "Investigational New Drug" clearance from the US FDA approving the design of the clinical trials.



**Essentia Analytics is a FinTech (financial technology) company that applies behavioural analytics to improve the performance of fund managers.**

Essentia Analytics (Essentia), based in London and New York, was founded by professional portfolio manager Clare Flynn Levy to provide decision analytics.

Essentia's proprietary software conducts a full algorithmic analysis, using machine learning of all past investment decisions, to identify each individual portfolio manager's behavioural biases. The software then continuously monitors their portfolio including individual stock performance and trading and creates proactive behavioural "nudges" to help the fund manager improve their alpha performance. Quarterly consultation sessions are also provided to reinforce change in behavioural trading biases at an individual and team level.

Its flagship service, "Essentia Insight", applies behavioural analytics to help professional asset managers make measurably better decisions by providing a powerful and continuous feedback loop. Its customers include large US, UK and European asset management companies as well as hedge funds.

One of its features, the "Vulnerable Positions List" nudge, is an automated report listing those positions exhibiting the same price and trading dynamics that have ended up being negative to the fund manager in the past. Analysis of data from 27 fund managers has shown that, if they had followed all such nudge recommendations, their annualised performance would have improved by almost one per cent (the average was 94bps), a material increase in the competitive active fund management marketplace.



**Wazoku's software allows very large companies and organisations to capture and develop the ideas and innovations latent within the workforce.**

Wazoku's mission is to enable companies to embed innovation as a core, strategic, everyday capability. Successful innovation requires not only capturing raw ideas, but also their collation, evaluation, selection and transformation into actionable improvements. Wazoku's market-leading software provides the process and structure for this, leading to the implementation of the best ideas from both internal and external stakeholders and measurement of their impact.

Wazoku's core product suite, "Idea Spotlight", is a customisable, off-the-shelf solution with modular design ensuring scalability, whilst meeting the diverse requirements of complex global businesses. Sales are made on a Software-as-a-Service (SaaS) basis meaning that, instead of a single upfront purchase, customers license the software, giving a closer ongoing relationship and a high level of recurring revenues year on year. The company has an impressive list of blue-chip customers including John Lewis, HSBC and Bristol-Myers Squibb.

Wazoku is an emerging leader in a market growing at close to 30% annually with a cutting-edge product delivering real and measurable benefits to its customers – Waitrose deployed Idea Spotlight in 350 stores engaging with 60,000 employees and generated £3.5 million in savings, 15 times its investment.

# Our Exit Strategy

## Example Exit Methods

Method of exit	Companies
Trade sale	Dunn-Line, Human Race, Mount Engineering, Quintus, Tellings Golden Miller
Initial Public Offering/market sales	Debt Free Direct, Egdon Resources, Epistem, Horizon Discovery, Infrastrata, Scancell
Sale to private equity	Lindley Catering, Waterfall, Metropolitan Safe Custody

## Exit Strategy

It would be prudent to view an investment in the Fund as long term. You should only invest in the Fund if you are willing to leave the investment intact for at least three years and possibly longer. We always consider potential exit strategies before we make an investment and aim to exit investments as soon as commercially feasible after the minimum three-year holding period.

In the normal course, Calculus Capital does not intend to sell any investments within three years although there may be instances when a sale within three years is judged to be commercially prudent. Once the holding period for EIS qualification is achieved, we will look for disposal opportunities as soon as commercially possible thereafter. In practice, we aim to realise investments over the following 12 to 24 months though there may be instances where realisation of an investment could take longer depending on individual investments and market conditions.

Exit may be achieved through a variety of routes:

- Trade sale of the shares or assets of the Investee Company
- Management buy-out
- Sale of shares to other shareholders or through a buy back by the Investee Company itself
- Sales of shares on the stock market following an Initial Public Offering (IPO) on the AIM

## Distributions

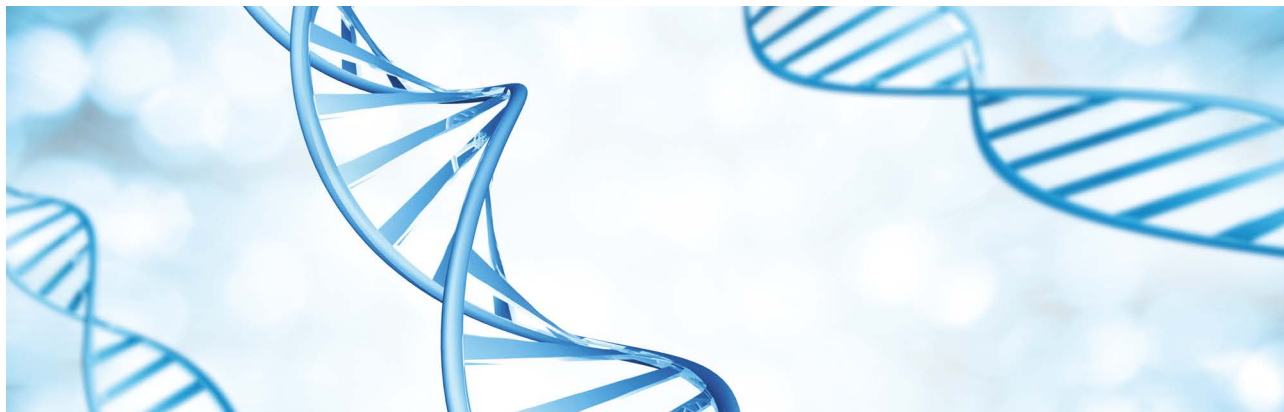
On sale of the Fund's investments, the net proceeds are distributed to the Investor or, if you so choose, may be re-invested in a separate Reinvestment Fund. It is intended that all of the Fund's investments will be realised and the Fund terminated within seven years of the date of the Fund's final investment.

## Reinvestment Fund

The Reinvestment Fund will be invested alongside the Calculus EIS Fund in EIS Qualifying Investments (assuming there has been no change to the legislation). Investment via the Reinvestment Fund should enable that any inheritance tax exemption remains, capital gains may be deferred again, and a further 30% income tax relief becomes available once invested into the underlying companies. Please note that such reliefs are generally only available provided the Investor is at that time invested in EIS Qualifying Investments and there may be a period during which such funds are uninvested when such reliefs may not be available or maintained.

# Examples of Exit Methods

Please see below for examples of previous exits which demonstrate the typical exit strategies we follow.



## Synpromics

**Exit:** Trade sale  
**Sector:** Biotech

Synpromics is a Scottish biotech company, and the market leader in gene control therapeutics. Synpromics' synthetic promoters are designed to better regulate gene activity and precisely control protein production therefore creating better targeted gene therapies. Its technology has wide applications, including potential for the treatment of conditions such as haemophilia, liver and heart disease.

Synpromics was acquired by AskBio, the American pioneer in gene therapeutics delivering an impressive return to investors in 2019.



## Human Race

**Exit:** Trade Sale  
**Sector:** Sports, Travel and Leisure

Human Race organises more than 30 mass-participation events in the UK, including the London Winter Run, Windsor Triathlon and the VitalityMove events run in partnership with Olympic champion Jessica Ennis-Hill.

Calculus Capital successfully sold its holding in Human Race in 2016 to Amaury Sport Organisation (A.S.O.), the company behind Le Tour de France, the Schneider Electric Marathon de Paris and many other European sports events.



## Horizon Discovery

**Exit:** IPO through AIM  
**Sector:** Pharmaceuticals and Biotechnology

Horizon Discovery is a world leader in the application of gene editing technologies, which are used for research into, and treatment of, genetically based diseases.

Calculus Capital exited its holding in 2016, via a placement of shares following the companies initial public offering on AIM. The investment was held for three years, three months.

# Meet The Calculus Capital Team

The investment management team at Calculus Capital has substantial experience of private equity investment, portfolio management and realisation of investments. They have been a leading investor in EIS Qualifying Companies since 1999 when they launched the UK's first approved EIS fund.



## Susan McDonald

Executive Chairman

Susan is one of the UK's leading experts on investing in smaller companies and the government's Enterprise Investment Scheme. A pioneer of the EIS industry, in 1999/2000, she structured and launched the UK's first HM Revenue & Customs approved EIS fund with John Glencross. Susan has over 28 years of experience and has personally directed investment to over 80 companies in the last 18 years covering a diverse range of sectors. She has regularly served as a board member of the firm's private equity-backed companies.

Before co-founding Calculus Capital, Susan was Director and Head of Asian Equity Sales at Banco Santander. Prior to this, she gained over 12 years' experience in company analysis, flotations and private placements with Jardine Fleming in Hong Kong, Robert Fleming (London) and Peregrine Securities (UK) Limited. Susan has an MBA from the University of Arizona and a BSc from the University of Florida. Before entering the financial services industry, Susan worked for Conoco National Gas Products Division and with Abbott Laboratories Diagnostics Division.



## John Glencross

Chief Executive

John co-founded Calculus Capital with Susan McDonald in 1999, creating one of the UK's most successful, independent private equity firms focused on investing in entrepreneurial young British companies.

John has over 30 years' experience in private equity, corporate finance, and operational management. During that time, he has invested in, advised on or negotiated more than 100 transactions and served on publicly quoted and private corporate boards. Before co-founding Calculus Capital, John served as a European Corporate Finance Director at UBS and, prior to this he was Head of Mergers and Acquisitions at Phillips and Drew, a 100-year-old London-based financial institution. At the start of his career, John qualified as a Chartered Accountant with Peat Marwick (subsequently KPMG), where he then went on to be recruited as a founder member of Deloitte's newly established consultancy practice in the Gulf Region and then Corporate Finance practice in London.

John graduated from Oxford University with an MA (Hons) in Philosophy, Politics and Economics.



## Richard Moore

Investment Director, Co-Head of Investments

Richard joined Calculus Capital in 2013. Prior to this he was a Director at Citigroup, which he joined in 2005, and previously worked at JP Morgan and Strata Technology Partners. Richard has over 14 years' corporate finance experience advising public and private corporations and financial sponsors on a range of M&A and capital raising transactions. Richard began his investment banking career in the UK mid-cap advisory team at Flemings (acquired by JPMorgan in 2000), working with companies across a broad a range of sectors. More recently Richard has specialised in advising companies in the technology industry. Richard has advised on a wide range of transactions including buy-side and sell-side M&A mandates, public equity and debt offerings, private equity investments and leveraged buy-outs in the UK, Europe, US and Asia.

Richard began his career at KPMG where he qualified as a Chartered Accountant, and remains a member of the ICAEW. He has a BA (Hons) in Politics and Economics from Durham University.



## Alexander Crawford

Investment Director, Co-Head of Investments

Alexander joined Calculus Capital in 2015, and has over 20 years' corporate finance experience, incorporating M&A, capital raising in both public and private markets, and other strategic advice. He spent 10 years with Robert Fleming & Co, Evercore Partners and JP Morgan in London, New York and Johannesburg, where he advised the South Africa government on the privatisation of their incumbent telecoms operator. He was more recently a Managing Director at Pall Mall Capital.

Alexander has an MA in Mathematics from Cambridge University and qualified as a Chartered Accountant with KPMG.



## Alexandra Lindsay

Investment Director

Alexandra joined Calculus Capital in 2008. As a senior member of the investment team, Alexandra's role is to source and execute new deals, as well as managing some of the existing portfolio companies through to exit.

Prior to joining Calculus Capital, she worked on the hedge fund team at Apollo Management International where she conducted research into companies and markets. She graduated from University College London with a first class degree in History of Art having previously studied Engineering Science at Wadham College, Oxford. Alexandra is a CFA charterholder.



## Roshan Puri

Investment Assistant Director

Roshan joined Calculus Capital in 2013. Prior to this, he qualified as a Chartered Accountant with Ernst & Young where he gained experience in transaction advisory, tax and audit. He has worked on structuring numerous domestic and international mergers and acquisitions and corporate restructuring transactions, modelling the transaction implications and project-managing the transaction implementation.

Roshan has a wide range of industry experience and since joining Calculus Capital has worked with businesses within the leisure, healthcare and software sectors.



## Daniela Tsoneva

Investment Assistant Director

Daniela joined Calculus in 2016. She assists with financial modelling, primary due diligence and valuations. Prior to this, she worked as an Analyst in a mergers and acquisitions focused investment bank Berkshire Capital Securities in New York City where she covered the financial services sector. Daniela's experience also includes product launch and supply chain consulting projects in the renewables and financial services industries in Africa.

Daniela holds an MBA (Dist) degree from Oxford University and a BA (Hons) in Political Economy from Middlebury College in the US.



## Matthew Connor

Investment Associate

Matthew joined Calculus in 2017 and works in the investment team. Prior to this, he worked at Aberdeen Standard Investments, joining the group's graduate scheme after university and rotating across various areas of the group, latterly working within the Pan-European equities team.

Matthew holds an MA (Hons) in Economics from the University of Edinburgh, and has passed all three levels of the CFA Programme and may be awarded the charter upon completion of the required work experience.





## Madeleine Ingram

Director, Head of Marketing and Investor Relations

Madeleine joined Calculus in 2013 and looks after Marketing and Investor Relations. Prior to joining Calculus Capital, she worked for S&P Capital IQ where she was responsible for investment management, investment banking, private equity and algorithmic trading marketing and communications for the EMEA markets. She has managed all elements of the marketing mix, both offline and online. Before joining the marketing team she was a private equity analyst at Capital IQ.

Madeleine graduated from the University of Newcastle upon Tyne with a BA (Hons) in Modern Languages, French with Spanish.



## Francesca Rayneau

Assistant Director, Marketing and Investor Relations

Francesca joined Calculus in 2015 and works in the Investor Relations and Marketing team. Prior to joining, she worked for independent financial advisory firms, for three years in Switzerland and Dubai. Upon moving back to the UK she joined CW+, the charity which supports Chelsea and Westminster Hospital.

Francesca has a degree in International Management from the University of Manchester. She is an associate member of Chartered Institute of Securities and Investment, having passed the Certificate in Wealth Management and Client Assets and Money qualification.



## Jessica Fox

Associate, Marketing and Investor Relations

Jessica joined Calculus Capital in 2017 and works in Investor Relations and Marketing. Prior to Calculus, she worked at Seven Investment Management as an Assistant Relationship Manager and Close Brothers Asset Management in Business Development and Marketing.

Jessica graduated from Newcastle University with a BSc in Psychology. She has completed Unit 1 of the Investment Management Certificate, and is studying towards Unit 2.



## Natalie Evans

### Finance Director

Natalie joined Calculus in 2010 and has been administering our EIS and VCT funds since 2011. Natalie manages all aspects of fund finance and operations including investor reporting and preparation of annual accounts as well as being responsible for regulatory aspects of the funds. Most recently Natalie has taken on the company secretarial function for the Calculus VCT.

Natalie is a Chartered Management Accountant, has a first class Bachelor of Law degree and graduated with a Masters of Modern Languages from the University of Manchester.



## Karen Makomereh

### Fund Administration Manager

Karen joined Calculus in 2015 as Fund Administration Manager. Prior to joining, she worked at Fidelity Investment Limited initially on the graduate scheme before moving into the Portfolio Analytics Group. Karen has experience in project management, client reporting and portfolio performance analysis.

Karen has a degree in Biomedical Engineering from Imperial College London. She also holds the Investment Management Certificate (IMC) and is currently studying for her CIMA qualification.



## Alex Wells

### Fund Administration Analyst

Alex joined Calculus in 2018 as a Finance and Fund Administration Analyst. Prior to joining, Alex worked as a Systems Analyst primarily focusing on financial software systems for life insurance firms. Alex covers all aspects of administration and reporting for the Calculus EIS Fund.

Alex has a degree in Banking and Finance from the University of Leicester and is starting his qualifications in chartered management accountancy.



## Tony Davies

### Compliance Adviser

Tony is an independent management consultant who provides Calculus with advice on compliance with Financial Services and Markets Act rules. He has been advising UK financial services firms about regulatory compliance for over 28 years and founded The First Financial Consultancy in 1991.

His consultancy career has spanned the retail banking, building society, life insurance and intermediary sectors as well as fund management, where his clients included Citibank, both Lloyds Bank and TSB bank, Standard Life, Abbey National (now Santander) and Marks & Spencer Financial Services. Tony has a Cambridge Mathematics degree and is a Master of Business Administration from Cranfield University, and has lectured and published papers on the regulation of the fund management industry. He is also a Fellow of the Institute of Consulting and a Chartered Management Consultant.



## Ken Edwards

### Non-Executive Director

Ken has over 40 years' experience in Financial Services and held senior management posts at two leading investment management companies and the unit trust arm of a major UK Retail Bank. He was Intermediary Sales and Marketing Director, Retail Investments at Baillie Gifford & Co for 12 years. Before that, Ken spent three years at Barclays Unicorn, where he was Head of Intermediary Sales. He was Managing Director of Hill Samuel Professional Adviser Services, the intermediary distribution arm of Hill Samuel Investment Services, and operated out of Bristol, London and Croydon. He has extensive experience of the UK intermediary market, sales management, marketing, distribution, strategy, PR, compliance and client service.

Ken has also become a Business Mentor for The Prince's Trust and been appointed an Honorary Life Vice-President of Rockleaze Rangers FC.

# Calculus EIS Fund Timeline

## What happens next?

- 1** Complete and send your application pack
- 2** A confirmation letter will be sent out within seven days of receiving your application pack and funds
- 3** You will receive an investment “postcard” and letter for each company we invest in. These will provide information on your investment details, the company, the transaction and our investment rationale
- 4** An EIS3 form is usually sent out 2–3 months after each investment is made
- 5** These forms may be used to claim income tax relief against tax paid in the current or previous year and also to defer capital gains tax payable on relevant gains
- 6** As we exit investments, all net proceeds are distributed to investors or, if you select our Reinvestment Fund option, realisations will be reinvested into the Reinvestment Fund.

Monies will be held in a segregated client account until invested.

After the fund close, we make investments on your behalf over a target 18 month period.

Minimum holding period for EIS relief is three years. We look to exit investments as soon as commercially feasible after three years.

Valuations and statements are sent out semi-annually. Detailed up-to-date narratives on each of the companies in your portfolio are sent annually.

Portfolio information and EIS3 certificate updates are available 24/7 on our online investor portal.



# Our Charges

We charge a transaction fee of 2% of your contribution upon your subscription to the Fund. A dealing charge of 0.65% will apply on purchases and sales of shares.

There is an annual administration charge of 1.5% based on the Fund's last published net asset value, paid quarterly in arrears.

The Fund will also have certain operating expenses, such as audit, legal and corporate governance. For this, each Investor will incur a charge of 0.1% per quarter, based on the Fund's last published net asset value, paid quarterly in arrears.

For non-advised investors there will be a 2% non-advised set-up fee. A loyalty discount of 1% is applicable for existing Calculus EIS investors.

We are able to facilitate the payment of any fees that you may have agreed upon with your adviser in relation to your application. If this is the case, the amount available for investment will be decreased to cover payment of the initial adviser fee which you have agreed and also any ongoing annual adviser fees you might have agreed upon, for up to three years. Adviser fees should be described in pounds. For amounts stated in respect of adviser fees, VAT should be included if applicable.

Calculus Capital retains the right to deduct charges from funds awaiting investment. A portion of your Contribution sufficient to cover up to the first three years' annual administration charges may therefore be held uninvested.

In order to align the Fund Manager's interests with those of Investors, an Incentive Fee of 20% will be applied to the total return in excess of the original Contribution after deduction of amounts paid to your financial adviser to facilitate agreed adviser fees. The fee will only be payable once you have received back the full amount of your original Contribution net of such adviser fees. For example, if (ignoring any adviser fees) your original Contribution is £150,000, the fee will not be applied until £150,000 has been returned to you.

Calculus Capital retains the right to charge upfront arrangement, monitoring and, where it has board representation, director's fees to companies in which the Fund invests. The cost of all deals that do not proceed to completion will be borne by Calculus Capital.

Value Added Tax will be charged where applicable.

If you have any questions about the charges, please call us on 020 7493 4940.

## Fee Summary

Transaction Fee	2%
Annual Administration Charge	1.5%
Non-Advised Investor Set-Up Fee	2%
(Loyalty discount of 1% for existing Calculus EIS Investors)	
Dealing Charge	0.65%
Quarterly Audit and Legal Fee	0.1%
Incentive Fee	20%

# Frequently Asked Questions

The following is based on our understanding of current legislation and HM Revenue & Customs practice:

## **Q: What is the minimum and maximum that I can invest?**

The minimum investment into the Fund is £50,000. There is no maximum. However, under current legislation the maximum amount of EIS Qualifying Investments on which you can claim income tax relief in any tax year is £1 million. This can be claimed in the tax year the investments were made or carried back to the previous tax year. There is no maximum amount on which CGT deferral relief and IHT relief can be claimed.

## **Q: How do I check the progress of the Fund?**

A formal valuation statement will be sent to you every six months, dated April 5th and October 5th, but you can call us at any time for an informal overview. We will also notify you of significant events including investments and disposals. Your statement will include for each investment made, cost and both opening and closing market values for the relevant period. We also send postcards when we make investments, quarterly e-newsletters and other email updates as appropriate.

## **Q: Can I own my investment jointly with my spouse?**

Investments via the Fund cannot be jointly owned, but each spouse can make a separate investment, and each can receive income tax relief at 30% on the first £1 million invested by the Fund per tax year.

## **Q: Who owns the investment in the EIS Qualifying Companies?**

You are the beneficial owner of shares in each company in which the Fund invests your money, and investments will normally be made in proportion to the total original Contributions to the Fund by all Investors (net of financial adviser charges as well as initial and periodic management and administration charges and expenses) subject to any rounding that may occur to avoid issuing fractions of shares. However, to allow efficient administration, the shares will be registered in the name of the Custodian or its nominee company who will hold them on your behalf as your nominee,

subject to HM Revenue & Customs rules for ownership from time to time.

## **Q: How long will it take to invest my subscription?**

Our target investment horizon is 18 months and we aim to have our investors fully invested within the 18-month timescale, although this cannot be guaranteed.

## **Q: How many companies will be in my Portfolio?**

Each Investor's Portfolio will include at least six companies.

## **Q: Can I choose the companies for my Portfolio?**

No, Calculus Capital will be responsible for all investment decisions which will be made in accordance with a stated investment mandate. You will be allocated a share of investments made by the Fund.

## **Q: What is the dividend policy?**

To reduce the tax payable by Investors, dividends are likely to be small. Returns will primarily be realised as tax-free capital growth, as dividends paid by EIS companies are taxable.

## **Q: How can I claim my Tax Relief?**

The Fund is an unapproved EIS Fund and accordingly the relevant dates for claiming income tax relief, capital gains tax deferral and inheritance tax reliefs are the dates we make investments into the underlying Investee Companies.

Although investments will be managed in common, your investments will not be pooled with investments made by other Investors. Investors will receive an EIS3 form following each EIS Qualifying Investment. This form will enable Investors to claim certain tax benefits earlier – without waiting for the end of the investment programme. These forms can be used to claim both income and capital gains tax deferral relief by sending them to your tax office. You do not need to wait until the entire Fund is invested before you can start claiming tax reliefs.

### **Q: When can I make a withdrawal?**

Each Investor is entitled to make the following withdrawals from their Portfolio in the Fund as follows:

**Uninvested cash:** at any time provided 20 days' notice in writing has been given to Calculus Capital.

**EIS shares:** at any time after the expiry of seven years following the issue of the shares:

**EIS shares** which can be dealt on a recognised investment exchange: at any time after the expiry of five years following the issue of the shares; and

**Non-EIS shares:** at any time after the expiry of six months following the date on which they ceased to be EIS shares.

After the expiry dates above, an Investor can request to transfer their holding in an Investee Company into their own name. From the point of such transfer, the relevant holding will no longer be managed by Calculus Capital and instead will be the responsibility of the Investor.

As part of the transfer into the Investor's name, investors may be required to adhere to the investment, shareholder or subscription agreement applicable to the Investee Company as if they had invested directly in such company rather than through the Fund. Investors will also be bound by the provisions in the Investee Companies' articles of association including any restrictions on transfer of shares.

It is important to note that the transfer of shares into an Investor's name and outside of Calculus Capital's management does not mean that such shares will be any more readily realisable than they were previously.

Investors should familiarise themselves thoroughly with the risk factors for unquoted investments on pages 4 and 5 and you should note that one of the risks is that an Investor may find his investment difficult to realise.

### **Q: How do you value portfolio companies?**

Valuations are audited by an independent firm of Chartered Accountants. Investments in portfolio companies are valued accordingly to the International Private Equity and Venture Capital (IPEV) Valuation Guidelines which have been adopted as best practice internationally and are endorsed

by all leading accounting bodies and national venture capital organisations. Methods used in the valuation process include comparable company and transaction analysis as well as discounted cash flow models. We share valuations with investors every six months, as at April 5th and October 5th.

### **Q: Can I invest in the Fund if I am a US person?**

Individuals who are citizens of the United States of America or who are residents of the United States of America for tax purposes ("US Persons") may not invest in the Fund. The Fund Manager will not accept Application Forms from US Persons and by submitting a completed Application Form, an Investor warrants and confirms to the Fund Manager that he is not a US Person.

### **Q: What happens if I die while invested?**

In the event of your death during the lifetime of the Fund, Calculus Capital will cease to make investments on your behalf as soon as the team is notified. A probate valuation will be produced on request. Calculus will distribute any uninvested cash as instructed by the executors of your estate less any expenses or unpaid management fees.

Beneficial and legal ownership of investments which have become quoted will be transferred to your executor and then on to your beneficiaries. Your beneficial interest in unquoted investments will transfer via your executor to your beneficiaries, and Calculus Capital will retain its mandate over such investments and your beneficiaries will receive twice-valuations and other investor communications in respect of such investments.

Where shares in the underlying Investee Companies have been held for at least two years at the time of your death, the value of these holdings should fall outside your estate for inheritance tax purposes.

### **Q: Your Account**

Your Contribution monies will be held in a designated client account which is segregated from the Fund Manager's own funds prior to investment in Investee Companies, and following the realisation of investments in Investee Companies prior to distribution or reinvestment of the proceeds. The interest arising will be paid to Calculus Capital as a contribution towards the cost of establishing and maintaining the Fund.



### **Q: Practising Accountants and other Professional Persons**

The Fund Manager will arrange to exclude practising accountants or other professional persons from any investment that their professional rules prevent them from making, provided that details of potential conflicts and such qualifications are notified to the Fund Manager. Any amounts not invested for this reason will be returned to the participants concerned and will not be used to increase their share of other Fund investments.

### **Q: Do “carry back” rules apply?**

HM Revenue & Customs “carry-back” rules will apply. For example, if you invest £1 million via the Fund into EIS Qualifying Investments in a particular tax year and have made no EIS Qualifying Investments in the previous tax year, you can also carry back income tax relief on £1 million to that previous tax year. There is no maximum limit on the amount eligible for capital gains tax deferral and inheritance tax relief.

### **Q: How is my money protected?**

Monies which you have subscribed to a Calculus EIS fund are held pending investment or distribution by Calculus (the “Custodian”) in a segregated client money account. By placing your money in a segregated client money account, your money should be protected in the unlikely event that the Custodian were to default. In addition, investors may be entitled to receive the protection of the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. Details of the investor’s rights under this scheme are available from Calculus on request, and further information is available from the FCA and the Financial Services Compensation Scheme.

When monies are invested in EIS Qualifying Companies, the Custodian may transfer the investment monies from your account with the Custodian to the firm of solicitors we have instructed to act for us, in our capacity as your fund manager. Similarly, on a realisation, the purchaser of your shares may transfer realisation proceeds to the firm of solicitors we have instructed to act for us, in our capacity as your fund manager. Money held by a firm of solicitors is covered by the rules of the Solicitors’ Regulatory Authority and not by the Financial Conduct Authority. If a firm of solicitors were to default, you would be entitled to claim compensation from the Solicitors’ Compensation Fund.

When making investments in quoted companies we may transfer monies from your account to the CREST Custodian we have instructed to act for us, in our capacity as your fund manager. Similarly, on a realisation of a quoted investment, the purchaser of your shares may transfer proceeds to the CREST Custodian. The CREST Custodian is regulated by the Financial Conduct Authority and in the event of a default by the CREST Custodian you would also be entitled to claim under the Financial Services Compensation Scheme subject to the prevailing limits.

### **Q: What are the key dates for benefiting from the various tax reliefs?**

All dates are based on the date on which the underlying investments in Investee Companies are made, not the date at which you enter the Fund.

Income Tax Relief: can be claimed against tax paid in the year of investment and/or carried back to the previous tax year.

Capital Gains Tax Exemption: any capital gains on investments made by the Fund on your behalf will be exempt from capital gains tax provided they have been held for three years.

CGT Deferral Relief: you can go back three years or forward one year from the dates the Fund invests in EIS Qualifying Companies to claim deferral relief on other capital gains provided an amount equivalent to those gains is invested in EIS Qualifying Companies by the Fund.

Inheritance Tax (IHT) Relief: The investments made by the Fund should qualify for up to 100% relief from inheritance tax. An investment in an EIS Qualifying Company is normally treated as Relevant Business Property for the purposes of IHT where the shares are held for at least two years and are held at the date of death.



Professor Lindy Durrant, Chief Scientific Officer of portfolio company Scancell

# Definitions

**Adviser & AML Certificate** – a certificate from your authorised financial adviser in the form approved by Calculus. The Adviser & AML Certificate is enclosed within the Application Pack

**AIM** – the London Stock Exchange’s alternative investment market

**Applicable Laws** – all relevant UK laws, regulations and rules, including those of any government or of the FCA

**Application Form or Application** – the form for making an application to invest in the Fund. The Application Form is enclosed within the Application Pack

**Application Pack** – the Individual Investor’s Application Form and Adviser & AML Certificate (or Investor & AML Certificate)

**Associate** – any person or entity which (whether directly or indirectly) controls or is controlled by the Fund Manager

**Capital Gains Deferral Relief** – the relief from CGT provided for by Section 150C and Schedule 5B of the Taxation of Chargeable Gains Act 1992

**CGT** – Capital Gains Tax

**Closing Date** – a date by reference to which Contributions received by the Fund Manager may be applied in the creation of Portfolios. The Fund Manager reserves the right to extend the date of any Closing Date

**Connected Person** – a director, shareholder, partner, employee or Associate of the Fund Manager, or any Associate, or the Custodian (as the case may be)

**Contribution** – the total gross amount subscribed by an Investor in accordance with the terms of the Information Memorandum

**CREST** – the UK’s electronic registration and settlement system for equity share trading

**Custodian** – an entity (which may be an Associate or a third party) whom the Manager appoints to carry out safe custody and administration (and related) services in relation to investments made by the Fund

**EIS** – Enterprise Investment Scheme

**EIS Qualifying Company or Qualifying Company** – a company which is a qualifying company for the purposes of the Enterprise Investment Scheme

**EIS Qualifying Investment or Qualifying Investment** – investments by an individual eligible for relief under Part 5, Income Tax Act 2007 into shares of a Qualifying Company as defined in S180, Income Tax Act 2007

**EIS Relief** – the tax relief made available to investors under EIS legislation. This may include income tax relief, capital gains tax relief, loss relief, capital gains tax deferral relief and inheritance tax relief subject to the individual circumstances of the Investor

**FCA** – Financial Conduct Authority

**Fund** – the Calculus EIS Fund (sometimes referred to as the Calculus Capital EIS Fund)

**Fund Manager or Manager or Calculus Capital or Calculus** – Calculus Capital Limited (registered in England and Wales under company number 3861194) whose registered office is 104 Park Street, London, W1K 6NF

**Incentive Fee** – the fee payable to the Manager, upon the return to the Investor (or his/her nominee) by way of distribution of cash (whether of capital or gross income) or transfer to him/her (or his/her nominee) of any shares held on his/her behalf of an amount equal to 20% of the aggregate value (whether of capital or gross income) which

has been returned to an Investor less the Investor's Contribution to the Fund

**IHT** – Inheritance Tax

**IHTA 1984** – the Inheritance Tax Act 1984

**Information Memorandum or Memorandum** – this information memorandum published by the Fund Manager in relation to the Fund

**Investee Company** – a company, being a Qualifying Company, in which the Manager makes an investment

**Investor** – an individual who completes an Application Form which is accepted by the Fund Manager

**Investor Agreement or Agreement** – the Investor Agreement in the form set out in the Application Pack

**Investor & AML Certificate** – where you do not have an authorised financial adviser, a certificate to be provided by you, in the form approved by Calculus. The Investor & AML certificate is enclosed within the Application Pack

**IPO or an Initial Public Offering** – a flotation on a recognised stock market (including AIM) of shares in a company

**IRR** – Internal Rate of Return, which is a measure of performance derived by calculating the discount rate which when applied to a series of cash flows produces a result equivalent to zero

**Portfolio** – your personal allocation of all investments that the Manager makes under the terms of the Investor Agreement and all cash subscribed by you (after deduction of expenses and charges) which remains to be invested at any given time

**Readily Realisable Investments** – a government or public security denominated in the currency of the country of its issuer or any other security which is admitted to official listing on an exchange in an EEA state, regularly traded on or under the rules of such an exchange, or regularly traded on or under the rules of a recognised investment exchange or (except in relation to unsolicited real-time financial promotions) designated investment exchange, or a newly issued security which can reasonably be expected to fall within the above categories when it begins to be traded. This term does not include AIM traded investments, nor does it include unlisted securities

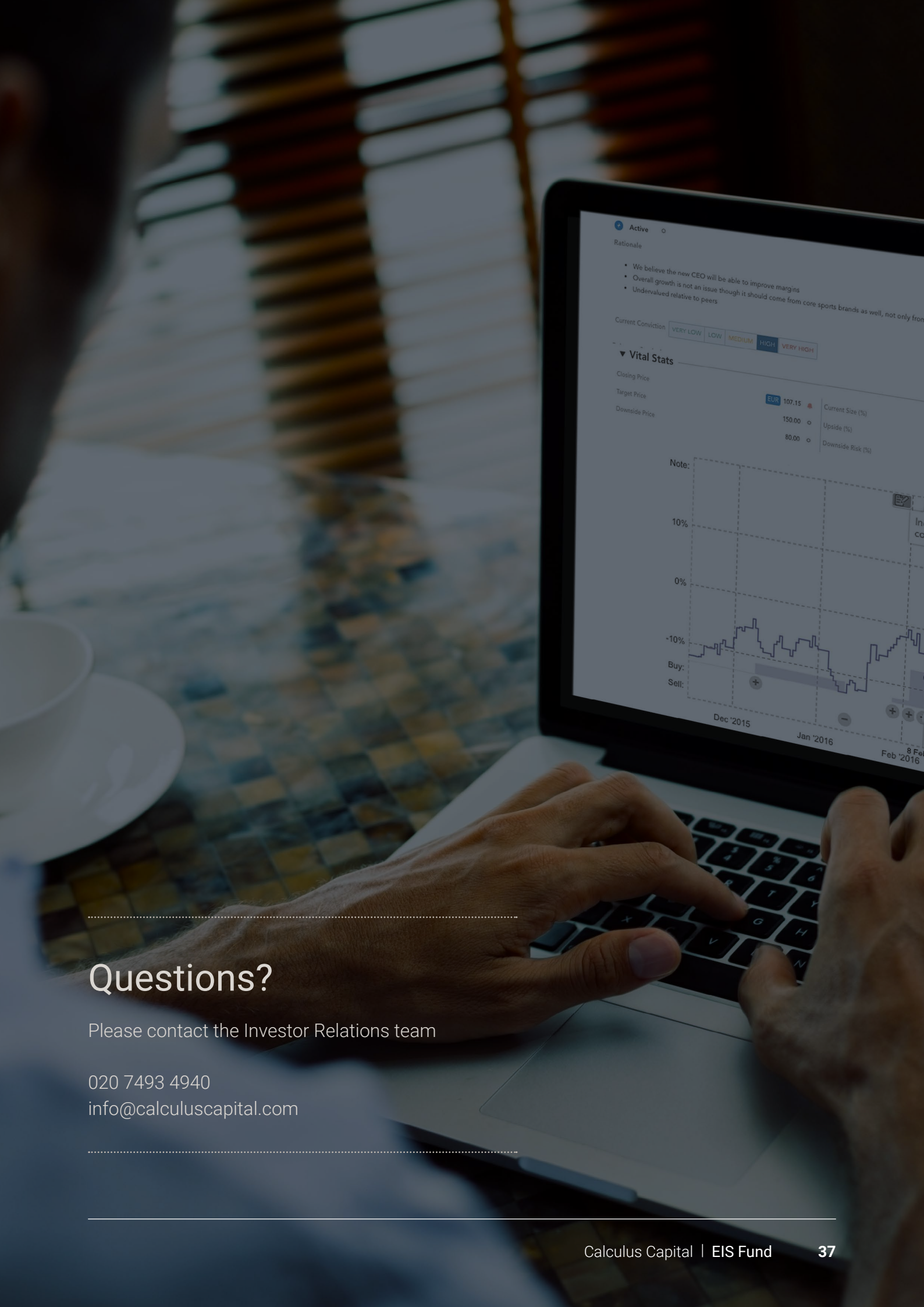
**Reinvestment Fund** – an arrangement on terms substantially similar to those of the Fund or otherwise on such terms as Calculus may propose in accordance with clause 21 of the Investor Agreement within the Application Pack

**Relevant Business Property or Business Property Relief** – relevant business property for IHT purposes which includes shares in unlisted trading companies and the relief available thereon as set out in the IHTA 1984 (S.105)

**Relevant Period** – a minimum of three years from the date of investment in the EIS Qualifying Investee Company or three years from its date of commencement of trading, if later

**Retail Investor** – an investor who completes the Application Form for Retail Investors and is accepted into the Fund

**Sophisticated Investor** – a person who, if he were a client of the Manager and the appropriate procedure were followed, could be categorised as an elective professional client in accordance with COBS 3.5.3 (1) and (3)



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## Questions?

Please contact the Investor Relations team

020 7493 4940

[info@calculuscapital.com](mailto:info@calculuscapital.com)

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# Directory

## Manager

**Calculus Capital Limited**  
104 Park Street  
London  
W1K 6NF  
  
Telephone: 020 7493 4940  
Website: [www.calculuscapital.com](http://www.calculuscapital.com)

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## Legal and Tax Adviser

**RW Blears LLP**  
29 Lincoln's Inn Fields  
London  
WC2A 3EG  
  
Telephone: 020 3773 5210  
Website: [www.blears.com](http://www.blears.com)

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## Bankers

**Adam & Company plc**  
6 Adelaide Street  
London  
WC2N 4HZ

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## Auditor to the Fund

**Hillier Hopkins LLP**  
45 Pall Mall  
London  
SW1Y 5JG

Each of the professional firms: RW Blears LLP, Adam & Company plc and Hillier Hopkins LLP has been named above for information purposes only and takes no responsibility for any statement or omission from this Information Memorandum.

We reserve the right to change professional firms at any time.

Calculus Capital is a member of the British Venture Capital Association (BVCA) and the Enterprise Investment Scheme Association (EISA). Calculus Capital's VCT is a member of the Association of Investment Companies (AIC). Calculus Capital is authorised and regulated by the Financial Conduct Authority.

CALC2000



# Calculus

CAPITAL

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