

Product

Guinness VCT

Tax Status

Venture Capital Trust

Fund Group

Guinness Asset Management Limited

Risk Warning

This communication is provided for informational purposes only. This information does not constitute advice on investments within the meaning of Article 53 of the Financial Services and Markets Act (Regulated Activities) Order 2001. Should investment advice be required this should be sought from a FCA authorised person.

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Table of Contents

RISK WARNINGS AND DISCLAIMERS	4
GENERAL RISK WARNINGS	4
ADDITIONAL RISK WARNINGS	4
Factsheet.....	5
Summary	5
Disclaimer	5
TER Classification	6
'Sunset' Clause.....	6
Review based on	6
The Offer.....	7
Track record	9
Manager	10
Costs	12
Conclusion	13

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GENERAL RISK WARNINGS

Your attention is drawn to the following risk warnings which identify some of the risks associated with the investments which are mentioned in the Review:

Fluctuations in value of investments

The value of investments and the income from them can go down as well as up and you may not get back the amount invested.

Suitability

The investments may not be suitable for all investors and you should only invest if you understand the nature of and risks inherent in such investments and, if in doubt, you should seek professional advice before effecting any such investment.

Past performance

Past performance is not a guide to future performance.

Legislation

Changes in legislation may adversely affect the value of the investments.

Taxation

The levels and the bases of the reliefs from taxation may change in the future. You should seek your own professional advice on the taxation consequences of any investment.

ADDITIONAL RISK WARNINGS

Venture capital trusts

1. An investment in a VCT carries a higher risk than many other forms of investment.
2. A VCT's shares, although listed, are likely to be difficult to realise.
3. You should regard an investment in a VCT as a long term investment, particularly as regards a VCT's investment objectives and policy and the five year period for which shareholders must hold their ordinary shares to retain their initial income tax reliefs.
4. The investments made by VCTs will normally be in companies whose securities are not publicly traded or freely marketable and may therefore be difficult to realise and investments in such companies are substantially riskier than those in larger companies.
5. If a VCT loses its Inland Revenue approval tax reliefs previously obtained may be lost.
6. No investment can be made by the VCT in a company whose first commercial sale was more than 7 years prior to date of investment, except where previous State Aid Risk Finance was received by the company within 7 years (10 years for a 'knowledge intensive' company) or where a turnover test is satisfied; and
7. No funds received from an investment by the VCT into a company can be used to acquire another existing business or trade.

Factsheet

Guinness VCT	
Type	Generalist VCT without track record
Size	Seeking £10m with this launch and a £5m over-allotment facility. This currently has £4.5m of AUM
Manager	Guinness Asset Management Limited
Sponsor	Howard Kennedy LLP
Registrars	The City Partnership (UK) Limited
Focus	To generate tax free capital gains and regular dividend income for its shareholders through a diversified portfolio of VCT qualifying unquoted investments across a broad range of sectors
Promoter	RAM Partners and Guinness Asset Management Limited
Funds initially invested	Cash deposits
Minimum investment	£5,000 per tax year, excluding initial adviser charges
Initial Closing Date	4th April 2024 unless fully subscribed before for the 2023/24 tax year 28th June 2024 unless fully subscribed before for the 2024/25 tax year
Issue costs	3% of amount subscribed for advised investors
Annual costs	2% per annum (total annual charges are capped at 3.5%)
Initial advisor charges	If charged, these may be facilitated by the VCT on subscription

Summary

Table 1: Tax Efficient Review summary of offering Pros and Cons

PROs	CONs
Guinness Ventures launched this VCT in October 2022 and managed to raise £4.5m for it. This is a commendable fund raise from a standing start and in a year when VCT fund raising was down 20% on the	A new VCT is unable to pay dividends to investors for the first 3 years, which puts this VCT at a disadvantage to those seeking income from their VCT
The highly experienced Shane Gallwey heads up the Guinness Ventures team and is part of the long established Guinness Asset Management Ltd which has over £7bn under management	This VCT is small at only £4.5m and it will take several rounds of fund raising for it to have a meaningful level of AUM in comparison with the established generalist VCTs in the market
Guinness have already made five qualifying investments, accounting for 35% of the NAV, all of which have been co-investments with the Guinness EIS fund. The balance of funds is spread across money-market funds	New VCTs can, in their early years, suffer from higher costs (although the total expense ratio is capped) and need to make relatively small investments initially in order to achieve diversification across the underlying investments

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TER Classification

TER classifies this VCT as a “Generalist VCT without track record”. Guinness are experienced fund managers within the EIS market, but this is their first VCT. The Guinness VCT will substantially replicate the investment policy of the

Guinness EIS which focuses on Series A/Scale-up growth capital.

‘Sunset’ Clause

The ‘Sunset Clause’ was introduced by the Treasury for EIS and VCT reliefs to be reviewed and renewed by 6 April 2025. The clause provides that income tax relief will no longer be given to subscriptions made on or after 6 April 2025, unless the legislation is amended to make the scheme permanent, or the “sunset clause” is extended.

The government has the power to extend or remove the sunset clause through secondary legislation, which would allow the EIS scheme to

operate in its current form beyond the current expiry date of the scheme.

The then Chancellor Kwasi Kwarteng announced during his mini-budget of 23 September 2022 that venture capital schemes will be safeguarded beyond 2025 and as at September 2023 the current chancellor has publicly stated he will extend the clause but no further details were given as to how this will be implemented.

Review based on

TER always meet with fund managers prior to a review. This review is based on those meetings, the prospectus for the offer, (Guinness VCT ref-

erence 14 September 2023) and data provided by Guinness.

Table 2: Funds under Management - Guinness Asset Management as at 30 September 2023

	Net Assets £m	Annual Management Fee (as at last audited annual accounts)	Undeployed funds
VCT Funds			
Guinness VCT	4.3	2%	2.7
NON VCT funds that can co-invest with VCT & EIS Funds			
Guinness EIS	239.5	2%	5.9
Guinness AIM EIS	10.9	1.75%	1.6
NON VCT funds that cannot co-invest with VCT Funds			
Guinness Sustainable Estate Planning Solution	9.2	2.20%	1.8
Guinness PCIS	1.5		
TOTAL	£265.4m		£12.0m

Source Guinness Ventures

The Offer

The launch of this offer from Guinness is seeking to raise up to £15m (including a potential £5m over-allotment). This is the second fund raising for this VCT. It was first launched in October 2022 by Guinness Asset Management, and in the previous tax year it raised £4.5m from investors. Whilst this is small compared to the rest of the VCT market, it's enough for Guinness to work with and grow. It also looks to replicate the same investment strategy which Guinness have followed within their EIS, and this VCT will co-invest with the EIS, so it can partake in larger venture capital investments.

Guinness Ventures are a long established manager of tax efficient investments and are part of the much larger Guinness Asset Management Ltd, which manages over £7bn of funds.

But whilst Guinness have been running EIS funds since 2010, they have had to change their investment strategy when the Patient Capital Review came into effect in November 2017 to focus solely on growth capital/private equity investments.

Guinness are far from alone in having to adapt to these changes, which effectively outlawed "asset-based" VCT and EIS investments. Albion, Great Point, Puma and Triple Point (to name a few) also had to implement changes.

Therefore the track record of their EIS prior to 2017 is not particularly relevant here, but Guinness have adapted to the Patient Capital Review rule changes better than many other managers and have managed to deliver profitable exits from their ventures based investment portfolio within the relatively short time period since 2018.

This VCT launch is a way of allowing investors who like the Guinness EIS to access the same investment strategy within a VCT. Over time, the VCT option should provide greater levels of diversification and potentially better liquidity, as investors who have held the shares in the VCT for more than 5 year could then exit by selling their VCT shares in the secondary market.

There have been a few other EIS managers that have sought to offer a VCT option as well. These include Molten Ventures (formerly Draper Esprit) who acquired the Elderstreet VCT rather than start a new VCT. There have also been "sister"

VCT launches from Blackfinch and Seneca.

Launching a new VCT is brave, but it's not impossible, as Pembroke have managed to demonstrate over the years and which now has an AUM of over £200m. It is commendable that Guinness Ventures managed to raise £4.5m in a time when the VCT market fund raising was slowing in the 2022/2023 tax year (compared to the £1.2bn VCT market in 2021/2022).

In Guinness's favour is the following:

- They are long established managers of tax efficient investments within their EIS and BR offers
- They have a good track record of making and exiting venture-based investments
- Being part of the larger Guinness Asset Management Group gives them financial stability and allows time for the VCT to develop under its own steam

But the factors not in Guinness's favour are:

- The new VCT cannot pay dividends for the first 3 years
- There will be a "lag time" between raising the funds for the VCT and then deploying them into VCT qualifying companies although Guinness have already made five qualifying investments, accounting for 35% of the NAV. The balance of funds is spread across money-market funds earning interest (approx. 4%).
- Smaller VCTs lack the diversification of their more established peer group

But for those who like the Guinness EIS, but do not necessarily use all the additional EIS tax reliefs of CGT deferral and IHT relief, the VCT should make an attractive proposition.

Table 3 shows Guinness's current portfolio breakdown of its VCT investments all of which are recent investments and held at cost.

Investment Strategy

The Company will invest in growth stage companies that require scale-up capital across a range of sectors including technology, education,

healthcare, manufacturing, retailing, leisure and food and drink.

The generalist strategy is designed to allow the Company to mitigate risk to a degree by diversifying its target portfolio companies for investors. Guinness focuses on companies that have at least £1 million of historic or run-rate revenues, saying these companies have in the main proved up the product, service or technology and are looking to scale-up. This investment approach mimics that of the Guinness EIS that has been running since 2011 and investing in growth companies since 2017.

Guinness seeks to identify businesses that have demonstrated the ability to raise and appropriately employ seed stage funding and who now require further funding to accelerate growth and deliver shareholder returns.

When assessing investment opportunities, Guinness looks for:

- experienced and competent management teams with a strong understanding of their market and competitive position, and with a track record of building and selling companies;
- a realistic business plan supported by good operations and technology
- the investee company's ability to sustain a competitive advantage;
- the company's prospects of being sold or floated in the future, at a multiple on the initial cost of investment; and
- a valuation and structure that provides alignment between all shareholders.

Guinness also has an extensive track record of investing in AIM-listed companies through the Guinness AIM EIS and will consider investing 10% to 20% of the funds raised into AIM-listed companies.

Every company that is selected for potential investment will be required to pass through a comprehensive due diligence exercise which aims to test its business plan, technology and financials as well as reviewing VCT eligibility.

Now this VCT is a year old, they are now in the position of being able to highlight the invest-

ments which have been made to date. In the period from 6 April 2023 to 30 June 2023 the Guinness VCT has invested £1.6 million in five new VCT qualifying investee companies. These are co-investments alongside Guinness EIS and span a range of sectors. New investments are:

- **Baby Mori** - a retailer of premium and sustainable babywear. Mori produces clothing using a signature fabric developed with bamboo yarns which is exceptionally soft and safer than regular materials. Guinness VCT invested £0.35 million in April 2023
- **Dragonfly AI** - a predictive analytics platform which is designed to improve the quality and effectiveness of customers' content. Guinness VCT invested £0.20 million in April 2023
- **Fable Data** - providing European consumer transaction data to investment firms and corporates, as well as on a pro-bono basis to government and educational institutions. Guinness VCT invested £0.35 million in Fable Data in April 2023
- **Plotbox** - an industry leading cloud-based deathcare management solution facilitating the workflows of cemeteries and crematoria through a suite of features. Guinness VCT invested £0.35 million in April 2023
- **Maestro Media** - trading as BBC Maestro, offers online-courses led by well-known industry experts, such as Marco Pierre White, Gary Barlow and Julia Donaldson. Maestro is a fast follower to the US based Masterclass and Guinness VCT invested £0.35 million in April 2023.

In addition, Guinness VCT has invested the majority of its cash in money market funds to ensure a high interest rate while funds are being earmarked for deployment. Guinness VCT will have monthly share allotments from October onwards to ensure funds are able to earn a return for the VCT soon after subscription.

Dividend Policy

Guinness VCT is aiming to make regular dividend payments to shareholders commencing in 2026. As a new VCT it can only pay dividends from distributable reserves. In the absence of profitable company sales or sufficient dividend payments in the first three years, distributable reserves can be created through the reorganization of share

capital, but only three years after the first share allotment date.

Share Buyback Policy

The VCT has stated it intends to pursue an active policy of buying back its shares in the

market for cancellation or which are held in treasury (and hence available for re-issue). It is the VCTs' aim that the discount to net asset value at which shares are bought back by the Company is 5% or less.

Track record

Our approach to comparing track records between providers is to use 3, 5 & 10 year measures of the annual increase in total return (calculated as closing net asset value less opening net asset value plus dividends paid during the period).

As a new Guinness VCT does not yet have a track record, although the manager manages £250 million of EIS funds and has been managing EIS funds since 2011.

Looking at their record of EIS investing, we note Guinness EIS has returned £100 million to EIS investors since 2016. This breaks down as £21m to AIM EIS investors, £54m to "asset-backed" EIS investors and £34m to "growth" EIS investors. The "asset-backed" returns are not relevant to potential investors in this offer, but the figures do illustrate the experience of the manager and the emphasis on returning funds to investors.

In June 2019 Guinness made its first partial exit from a Guinness EIS growth company investment, after just 15 months. Guinness invested £4.9 million in Jones Food Company, an innovative agritech business that has designed next-generation hydroponics facilities to revolutionise how herbs are grown and harvested without the need for pesticides. Ocado have taken a majority stake in Jones Food, with investors selling 82% of their holding at 1.57x their investment cost, giving an IRR of 44%.

Since then, Guinness has made full or partial exits from a further 5 growth companies, bringing the total sales proceeds from growth companies to £34 million for Guinness EIS investors, being 2.1x the cost of these investments. Full details of the investments made by the Guinness EIS are detailed in the appendix of this report.

Table 3 shows the current investments held by the VCT.

Valuing unquoted venture capital backed companies can be a nightmare of interpretation and analysis. The way the Guinness VCT structures

their investments is with a high degree of reliance upon ordinary shares with a participating preference (which confer some form of "liquidation preference") within the structure of the investment. To be clear, this is not a debt structure, but as the name suggests, it does give the investor in the ordinary shares with a participating preference a preference (or priority) on returns in the event of a sale.

Ordinary shares with a participating preference can be Participating (known as "hard" preference) or non-Participating (known as "soft" preference). Participating refers to whether after recouping any funds in preference to other shares, the shares continue to share in any funds still available.

For example, a Venture Capital investor may invest £5m into a company as ordinary shares with a non-participating preference with a 1x liquidation preference which have a priority on the first £5m (driven by the 1x preference) in the event of the sale of that company to a trade purchaser. So (assuming no other share class has a priority position) if the company is sold for only £5m, the investor will get their investment back but the other equity holders will get nothing. But if the company were sold for, say £15m, then the ordinary shareholders with a participating preference would receive their £5m preference first and then the remaining £10m would be split across the remaining shareholder(s) as a normal equity participation.

Clearly, there are many, many ways in which ordinary shares can be structured in terms of the rights and return profile they give the investor/shareholder, and it's part of the negotiation of an investor when they come to put money into a Venture Capital/Private Equity company.

But TER would like to point out that these share structures do not provide any form of safety net or guarantees. If a company with ordinary shares with a participating preference in its equity structure folds with a nil value, then there is no

recourse to take any preference on any remaining value.

Why is this important for the performance of comparing Guinness VCT to other VCTs which might not use such a structure? Well the ordinary shares with a participating preference mean that the Guinness VCT's performance would be more "static" compared to others which do not use such structures.

Whilst ordinary shares with a participating preference typically help to give a priority recoupment on a sale of a company, they also can have a reduced upside in exchange for this priority return. Table 3 has a column indicating the type of shares held by the VCT: none were in participating shares, four in non-participating and one in just "naked" equity.

Manager

Guinness Asset Management Ltd ("Guinness" or "the Manager") is a UK based, privately owned, investment management firm, established in 2003. Guinness currently employs 60 people in London and four in the USA. The Manager runs a range of open-ended investment companies ("OEIC's") and has grown AUM to over £7 billion as at 30 September 2022. Its flagship fund, Guinness Global Equity Income, was launched in 2010 and now has over £2 billion in the strategy.

Guinness Asset Management was founded by Tim Guinness who has been in the investment management industry for over 40 years. CEO & Fund Manager Edward joined Guinness in 2006.

Prior to the Patient Capital Review in 2017/2018 the Guinness EIS focussed on "asset-based" tax efficient investments. But since November 2017, the team has been wholly focused on growth company investing. The Guinness team are not alone in having to adapt their investment style to fit in with the changes brought about by the Patient Capital Review, but they have done so better than many others.

Shane Gallwey heads up the Ventures Team, which launched in 2010 with its first renewables EIS offering. Since then the team have raised over £260 million into EIS qualifying investments, comprising £57m into renewables, £32m into AIM, £45m into generalist asset backed and £133m into growth companies. The ventures team has expanded in recent years with some

It can be concluded that whilst there is a limited track record for this VCT, Guinness Asset Management have proved to have an successful track record in making venture based investments. This track record has been established since the Guinness EIS has to change their investment strategy following changes brought about by the Patient Capital Review.

This new VCT will need time to raise funds to a significant level and then deploy these funds into VCT qualifying companies. It is therefore likely to be several years before any kind of track record emerges, but there is a good pedigree within the Guinness Team for making venture based investments.

key hires and now include:

- **Shane Gallwey CFA** - Head of Ventures. Shane set up the Guinness Ventures team in 2010, having previously worked for Northland Capital Partners, where his focus was on advising growth companies. From 2002 to 2006 Shane was based in Gibraltar with Trafalgar Financial Futures. In 1996 he joined HSBC Investment Bank where he worked in the Telecoms & Technology Team.
- **Dr. Malcom King** - Fund Manager. Malcolm joined Guinness in 2013 from CT Partners where he led private equity investments and managed a leading European cleantech incubator
- **Hugo Vaux** - Fund Manager. Hugo joined Guinness in 2012, having previously gained experience at SandAire Wealth Management undertaking macro-economic analysis in the investment team
- **Ashley Abrahams** - Fund Manager. Ashley Abrahams joined Guinness in 2018. He previously worked for CBPE Capital and CIL Management Consultants
- **Adam Barker** - Associate. Adam is responsible for sourcing, screening, structuring, and managing the due diligence of investment opportunities for the Guinness Ventures fund. Prior to joining Guinness in 2018, Adam

completed internships in various financial services roles including venture capital and equity analysis.

- **Sara Yachou** - Sara joined Guinness Ventures as Finance Assistant in February 2023. Before joining Guinness, Sara spent five years working in the Finance Department at AllSaints
- **Joe Stuanton** - Joe joined Guinness Asset Management in March 2023 as an Associate within the EIS team. Prior to this, Joe spent two and a half years working in a Northern focused VC fund at Mercia Asset Management.
- **James Fox** – Associate. James joined Guinness in 2021. Prior to this he was at EY, where he started on the graduate scheme in 2016 then working in the Valuation & Business Modelling team
- **George Whear** - George joined as an Analyst in the Guinness Ventures team in 2022, working on the Guinness EIS services

The Board appointed to the Guinness VCT are as follows

- **Ewen Hamilton Gilmour (Independent non-executive Chair)** - Ewen is the former chief executive of Chaucer Holdings plc, a listed Lloyd's insurer. He joined Chaucer three months prior to its stock market flotation in 1998; he was initially finance director, and then managing director/chief executive officer from 1999 to 2009. While there, he also chaired Lloyd's Market Processes Committee and the Chaucer Pension Fund and served on the Council of Lloyd's, including being deputy chairman of Lloyd's from 2006 to 2010. After graduating from Cambridge University, his early career was as an accountant at KPMG between 1974 and 1980, followed by 13 years as a corporate financier at Charterhouse Bank, the merchant banking subsidiary of Royal Bank of Scotland. He has served as non-executive chairman of three Lloyd's Agents: Antares Managing Agency Limited; Hampden Agencies Limited; and Starstone Underwriting Limited. Currently, he is chairman of Soteria Insurance Limited. He has also been a member of the Lloyd's Enforcement Board since February 2012.

- **Joanna Lesley Santinon (Independent non-executive Director)** - Joanna is a chartered accountant, and chartered tax adviser. She specialised in tax, transactions and private equity, and has wider experience including mergers and acquisitions, strategic investments, capital raisings and listings from a career spanning 24 years at Ernst & Young ("EY") where she was a member of the London Markets Board and led the Private Tax team in London through a transformation and growth period. During her time with EY Joanna played key roles in transactions in the UK and Europe. Joanna also led the EY UK Entrepreneur of The Year Programme. Joanna was a founder member of the 30% Club in the UK. She is an independent non-executive director of Octopus Future Generations VCT plc and a trustee of The Centre For Entrepreneurs.
- **Andrew Everard Martin Smith (Non-independent non-executive Director)** - Andrew was Chief Executive of Hambros Fund Management when it merged with Guinness Flight in 1997. In 2000 he joined Berkshire Capital Securities, a corporate adviser to the fund management industry, before joining Guinness Asset Management in 2005 as a senior adviser. He is a non-executive director of several companies including Church House Investment Management and has been a director of several public listed investment trusts including, TR European Growth, M&G High Income and Atlantis Japan. He is a director of Guinness Asset Management and is the lead manager of the Guinness AIM EIS Service.

The Guinness team personally invest alongside other investors and have to date invested over £2 million in Guinness EIS funds. The team have also invested £1m into the new VCT. Guinness say this demonstrates the conviction of the team in their investment strategies and could help align the interests of investors and the Manager. Investments made by team members are at their discretion and subject to the same restrictions as all investors.

The members of Investment/Management Team who spend at least 30% of their time deal doing are listed in Table 4.

The Manager acts on a discretionary basis which means that the Board only have an oversight

role as to what investments are made by the Manager. Each investment is subject to approval of an investment committee which comprises investment professionals from the Manager and an external investment professional. The Board does not play a role in selecting or approving investments – its task is to monitor the performance of the Manager.

Not only must an investment manager obtain deal flow but it must have a team resourced to invest at the correct rate to satisfy the VCT rules. The 80% investment rule (increased from 70% to 80% in March 2020) requires that by the end of the third accounting period after launch and in every accounting period thereafter the VCT must have at least 80% of its funds invested

in qualifying holdings. Most Boards impose a minimum level that is higher than this to ensure that any exits do not push the VCT below the 80% level. Guinness tell us that the Board is expected to encourage investment levels of around 85%.

Assuming the current offering raises its full subscription (including over-allotment) net of fees of £30m, this would add another £25.5m (85% of £30m) or £17m per annum over eighteen months (the VCT should not be taking longer than this to invest otherwise it should reduce its fund raising as holding cash is not effective).

Costs

- **Initial costs:** 3.0% - charged by Guinness to the Guinness VCT.

The cost of the Early Bird Discount is met by the Manager rather than the VCT. Trail commission paid to execution only brokers of up to 0.5% is paid by the VCT.

- **Annual management fee:** 2.0% per annum

Guinness VCT has a TER cap of 3.5%.

- **Performance fee:** There is a performance incentive in operation: calculated as 20% of dividends paid provided the hurdle is met.

For the Hurdle to be met, the Shares must achieve a Total Return (based on audited year end results) in excess of £1.00 for the year ending 31 March 2024. For each subsequent year the Hurdle increases by 3p per annum such that for the year ending 31 March 2025 the Hurdle will be £1.03, for the year ending 31 March 2026 the Hurdle will be £1.06 and so on.

- **Administration Fees:** City Partnership (UK) Ltd act as Administrator and charge a base fee of 0.22% of NAV.

Historically the Guinness EIS, which is also run

by the Manager, has charged fees to investee companies in lieu of fees charged to investors. If the Guinness VCT co-invests with the Guinness EIS there may be arrangement or monitoring fees in relation to those co-investments.

Conclusion

This is the second review of the Guinness VCT, which first launched as a brand new VCT in October 2022. It's now launching its second round of fund raising, having raised £4.5m in the first launch.

Whilst £4.5m may not sound like much when compared to the established VCTs in the market that run to +£100m AUM it is a testament to Guinness that they managed to get this first launch away and raise that initial sum. As TER have covered in this review, it's incredibly hard to launch a new VCT, and to have raised this £4.5m it will give Guinness a foothold in the VCT market.

The main reason why this VCT has a foothold now is because it will co-invest with the much larger Guinness EIS fund, and, to date, it has made 5 investments alongside the EIS, which comprises 35% of the NAV of this VCT. So already it has started to make a more diverse number of investments than would have been possible if this was a stand alone VCT with no co-investment option.

The Guinness EIS has managed to achieve the Holy Grail of successful, profitable exits for investors within this relatively short time period. Within the Guinness EIS, there have been successful exits from companies such as Cera Care, MWS Technology, Imagen Technologies, Pasta Evangelists and Content Calendr. This last one has delivered a highly impressive return of almost £10m on a £2m investment within only a few months after it was acquired by Adobe.

The large and diverse Guinness Ventures team is headed up by the highly experienced Shane Gallwey and is part of the parent company, Guinness Asset Management Ltd, which was started by industry stalwart Tim Guinness and has over £7bn under management.

So Guinness know they have their work cut out for them, but they have overcome the hardest hurdle which is to raise enough funds in the first year. Now that this is behind them and they have started to make investments, the team at Guinness will be able to grow this VCT from here.

Tax Efficient Review rating: 85 out of 100 (for a Generalist VCT without track record)

Appendix A: Investment team and VCT Board members

Shane Gallwey CFA - Head of Ventures. Shane set up the Guinness Ventures team in 2010, having previously worked for Northland Capital Partners, where his focus was on advising growth companies. From 2002 to 2006 Shane was based in Gibraltar with Trafalgar Financial Futures. In 1996 he joined HSBC Investment Bank where he worked in the Telecoms & Technology Team. Shane has a Master's degree from the University of Edinburgh and is a CFA Charterholder.

Dr. Malcolm King - Fund Manager. Malcolm joined Guinness in 2013 from CT Partners where he led private equity investments and managed a leading European cleantech incubator. Malcolm has a PhD in Physical Chemistry from Cambridge University and a BSc(Hons) in Chemistry from the University of Pretoria.

Hugo Vaux - Fund Manager. Hugo joined Guinness in 2012, having previously gained experience at SandAire Wealth Management undertaking macro-economic analysis in the investment team. He has an MSc in Finance and Investment from the University of Bristol and a BA in Economics from Exeter.

Ashley Abrahams - Fund Manager. Ashley Abrahams joined Guinness in 2018. He previously worked for CBPE Capital and CIL Management Consultants. He graduated from the University of Cambridge and has a joint honours MA (Cantab.) in Management Studies and History. Outside of work Ashley represents England and Great Britain at Match Rifle

Adam Barker - Associate. Adam is responsible for sourcing, screening, structuring, and managing the due diligence of investment opportunities for the Guinness Ventures fund. Prior to joining Guinness in 2018, Adam completed internships in various financial services roles including venture capital and equity analysis. Adam graduated in 2016 from UWE Bristol with a degree in Mathematics.

James Fox - Associate. James joined Guinness in 2021. Prior to this he was at EY, where he started on the graduate scheme in 2016 then working in the Valuation & Business Modelling team. He graduated from the University of Nottingham, with a Master's Degree in Physics & Astronomy and is a Chartered Accountant

George Whear - George joined as an Analyst in the Guinness Ventures team in 2022, working on the Guinness EIS services. George graduated with a First Class Degree in History from the University of Durham and gained experience with an internship in venture capital.

Tim Guinness - Chairman. Tim is the founder of Guinness Asset Management, and has been in the investment management industry for over 40 years. He graduated from Cambridge University with a degree in engineering, and has a Master's in Management Science from M.I.T.

Will Clark - Business Development. Will is responsible for distributing the Guinness suite of tax advantaged investments. His focus is managing and growing our relationships with intermediaries including financial advisers, wealth managers and private banks across the UK.

Edward Guinness - CEO & Fund Manager Edward joined Guinness in 2006, having worked previously at HSBC Investment Bank and Tiedemann Investment Group in New York. He graduated from Cambridge with an MA (Hons) in Engineering and Management Studies

Sara Yachou - Sara joined Guinness Ventures as Finance Assistant in February 2023. Before joining Guinness, Sara spent five years working in the Finance Department at AllSaints

Joe Stuanton - Joe joined Guinness Asset Management in March 2023 as an Associate within the EIS team. Prior to this, Joe spent two and a half years working in a Northern focused VC fund at Mercia Asset Management.

The Board of the Guinness VCT are as follows

Ewen Hamilton Gilmour (Independent non-executive Chair). Ewen is the former chief executive of Chaucer Holdings plc, a listed Lloyd's insurer.

Joanna Lesley Santinon (Independent non-executive Director), Joanna is a chartered accountant, and chartered tax adviser.

Andrew Everard Martin Smith (Non-independent non-executive Director), Andrew was Chief Executive of Hambros Fund Management when it merged with Guinness Flight in 1997.

Table 3: Guinness VCT unquoted portfolio analysis for Tax Efficient Review as at 30 September 2023

Investee Company	Cost	Value	Date invested	Syndicated Y/N	Lead investor Y/N	Structure of investment (ordinary shares, non-participating, participating, loans)	Industry Sector	Financing stage	Valuation method
Dragonfly Technology Solutions Ltd	£200,000	£200,000	27-Apr-23	N	Y	non-participating equity	Software & Computer Services	Later Stage, Pre-profit expansion	Cost
Fable Data Limited	£350,000	£350,000	27-Apr-23	Y	N	non-participating equity	Software & Computer Services	Later Stage, Pre-profit expansion	Cost
Baby Mori	£350,000	£350,000	27-Apr-23	N	Y	non-participating equity	General Retailers	Later Stage, Pre-profit expansion	Cost
Maestro Media Ltd	£350,000	£350,000	27-Apr-23	N	Y	non-participating equity	Media	Later Stage, Pre-profit expansion	Cost
PlotBox Inc	£350,000	£350,000	27-Apr-23	N	Y	Equity	Software & Computer Services	Later Stage, Pre-profit expansion	Cost
TOTALS	£1,600,000	£1,600,000							

Source Guinness Ventures

Table 4: Guinness VCT unquoted analysis of sector (% of original cost) as at 30 September 2023

Sector	%
Software & Computer Services	56%
General Retailers	22%
Media	22%
TOTAL	100%

Source Guinness Ventures

Table 5: Guinness Ventures Investment team members September 2023

	Shane Gallwey	Edward Guinness	Dr Malcolm King	Hugo Vaux	Ashley Abrahams	Adam Barker	James Fox	Joe Staunton	George Whear	Bernice Brooks
VCT/EIS Related Work										
Deal origination	15%	5%	10%	10%	20%	15%	30%	40%	30%	40%
General enquiries	5%							5%	10%	10%
New deal doing	25%	5%	40%	40%	50%	45%	30%	40%	30%	30%
Investee board observer seat (No.)	2	0	1	1	3	4	4	2	1	0
Investee board director seats No.	5	1	4	4	6	1	0	0	0	0
Sitting on Boards/Monitoring	25%	10%	25%	25%	25%	20%	25%	10%	10%	
Fund raising	10%									
Internal issues	5%	5%	5%	10%		10%	10%	5%	15%	20%
Exits	15%	5%	20%	15%	5%	10%	5%		5%	
Non VCT/EIS Work										
Non-VCT/EIS work	70%									
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Years in venture capital	27	23	17	10	10	5	2	3	1	1
Years involved with VCTs	1	1	1	1	1	1	1	1	1	1
Years with current team	13	15	9	10	4	5	2	1	1	1

Source Guinness Ventures