November 2026

Consumer Duty – Price and Value Assessment of SFC Angel Fund SEIS 2026/27.

Overview.

Conclusion

SFC Capital Partners "SFC CP", as Manufacturer and Fund Manager and SFC Capital (SFC) as Investment Advisor and distributor, have undertaken an assessment of the price and value of its SEIS fund offering and has concluded that SFC Angel Fund SEIS 2026/27 offers value to investors, on the basis of:

- The fees and charges of the SFC Angel Fund SEIS 2026/27 are positioned at a level that is either in the middle or below the average range compared to other funds in the SEIS market.
- SFC exhibits an investment track record and level of investor servicing that surpasses the average service provider.
- SEIS funds can provide compelling value when compared to independently building a portfolio of SEIS investments.

SFC CP and SFC has given careful consideration to several factors while evaluating value. These factors include:

- The target market and the preferences of typical investors (including characteristics of vulnerability). The fees and charges incurred by investors.
- Distribution costs.
- The alternative options accessible to investors. The quality of service provided to investors.

There are several areas SFC CP considers useful assessment criteria with regard to Price and Value, but require significant historic data to deliver a meaningful verdict. Given other SFC SEIS funds are generally still in early stage, we are unable to deliver useful data points.

It is worth noting that SFC strives to generate a return on SFC's SEIS Funds that justifies the risk undertaken by investors on a pre-tax basis. Therefore, the assessment of value considers only the administrative value-add of SFC in relation to SEIS reliefs and does not incorporate the financial benefits derived from those reliefs.

The Target Market

The target market for the SFC Angel Fund SEIS 2026/27 is:

- Investors who have a capacity for high risk investments and tolerate illiquidity, together with a reasonable level of understanding.
- Investors with a long-term investment horizon and no immediate need for capital liquidity.
- Investors seeking to benefit from personal taxation reliefs.
- Investors who receive advice from a retail financial adviser or have undergone an appropriateness assessment by a regulated individual or company.
- Investors interested in venture capital and small, early stage companies that aim for substantial growth.

The IM specifies that the client must fall within one of the following categories:

- a retail client of an authorised firm that will confirm whether this investment is suitable for them, as per COBS 4.12A.17R;
- a retail client certified as a high net worth investor within the meaning of COBS 4.12A.22R;
- a retail client self-certified as a sophisticated investor within the meaning of COBS 4.12A.22R; a professional client.

Fees and Charges

Investors pay the following fees:

	Advised	Non-advised
Initial fee	0%	2.5%
Performance fee	25% above hurdle of £1 (net of any Adviser Charges)	25% above hurdle of £1

Independent Financial Advisers ("IFAs") who make a direct investment into the fund for the purposes of conducting due diligence, assessing the services provided by SFC, and determining whether the fund may be appropriate for their clients, may, at SFC's discretion, invest without the standard 2.5% initial fee applying. SFC considers that this approach supports informed adviser assessment of the fund and its services and therefore contributes to fair distribution and good customer outcomes.

Unlike many products in the market, there is no annual management fee charged to the investor. The fee percentages mentioned above exclude VAT where applicable.

	Investee company fees
Investee company fees	6% (+VAT) of investment value
Management fees	1% (+VAT if applicable) of investment value annually

In addition to these fees, SFC Angel Fund SEIS 2026/27 may also levy charges direct to investee companies. These are not costs attributable to the customer, and by utilising this business model, this amplifies potential tax advantages and passes some elements of fee burden away from the investor.

The fees stated encompass the services rendered to continually create value, including offering guidance and support to investee companies, managing exits and deployments, as well as managing the SEIS administration.

Given relatively limited amounts of publicly available data useful for direct comparison, from our assessment of this offering and in relation to the wider market, we consider that this fund provides excellent value. It is positioned relatively centrally within in the average range of similar offerings,

whilst providing excellent customer service and exposure to a compelling investment proposition and a team with the capabilities to achieve the target aims albeit noting the high-risk nature of the investment.

In case there are any modifications made to the fee terms, the assessment of fair value will be applied to the updated terms.

Distribution Strategy

The distribution of the SFC Angel Fund SEIS 2026/27 fund takes place either through WealthClub, with its fees and costs already considered, or through an Independent Financial Advisor (IFA), where the fees are separately agreed upon between the investor and their chosen IFA. SFC actively monitors both distribution channels, primarily relying on data obtained from received applications. As part of their quarterly reporting obligations, SFC is required to disclose the list of distributors who have received the fund documentation. If any changes occur in the fund documentation, SFC will be responsible for disseminating the updated information to all distributors.

Market Comparators

According to FCA guidance, considering the market price for fund management fees is relevant in analysing value. There is a significant number of SEIS funds in the market focusing broadly on the Venture Capital sector. However, not all funds will be directly comparable due to size, sector focus, target stage etc. There are also limitations to the amount of data that is made publicly available, either through open marketing or via independent fund analyst data. Fee structures in particular can be relatively complicated, which again makes for difficulties in true like for like comparison beyond anecdotal and broad brush analysis.

A fee comparison exercise, conducted by GrowthInvest at the request of the EIS Association, can be found here: https://growthinvest.com/eis_funds/. SFC's fees and charges are consistently found to be competitive compared to its peers, typically falling in the middle range or slightly below.

The next point of comparison is the institutional market. In this market, particularly for smaller funds, there is a limited supply of institutions willing to invest. The prevailing "2 and 20" model is commonly observed. This model involves a 2% Annual Management Charge (AMC) and a 20% carried interest (performance fee). Some funds may deviate from this model by having a higher AMC of 2.5% or 3%, and the carried interest percentage might be structured as a graduated scale rather than a flat 20%.

Regarding carried interest, practices can vary, but in the UK market, it is typically payable to the fund manager only after a hurdle rate of return has been achieved for investors. The hurdle rate usually ranges from 6% to 10% for venture capital, with potential compounding effects. Until investors have received distributions equivalent to their initial capital contributions plus the hurdle rate, all distributions are allocated to investors. Once the hurdle is surpassed (at which point it remains fixed), there is usually a catch-up period where the fund manager receives a significant portion of the distributable proceeds until the agreed carried interest percentage (e.g., 20%) of total distributed proceeds is received.

There are alternative structures to access venture capital investments (such as VCTs). The tax features are generally different, as is the focus and liquidity elements and therefore we have not

compared fees and charges with these alternative structures. An investor considering SEIS may be assumed to have considered the need for liquidity and made a conscious choice to invest in an illiquid asset.

When it comes to constructing an independent portfolio, evaluating value requires considering the tasks an investor would need to personally undertake in order to reasonably expect comparable investment outcomes to those achieved by SFC SEIS Funds.

The Nature of the Service

SFC has been named "Best SEIS Investment Manager" from 2020 to 2026 at the Growth Investor Awards (2020) and at the EIS Association Awards (2021-2023, 2025-2026), and "Seed VC of the Year" at the SeedLegals Awards 2024. The UK Business Angels Association has acknowledged SFC as the "Most Active Investor in the Regions" in 2021, 2023, and 2025. Prior to this, SFC received the prestigious "Lead Syndicate of the Year" award from the UK Business Angels Association in July 2016, followed by the "Best Angel Syndicate" award at the 2017 Growth Investor Awards. Furthermore, SFC also secured the "Best Innovation or Rising Star in EIS/SEIS - Company 2017" award in February 2018, and the "EISA Impact Award" in June 2023, at the EIS Association Awards. Since 2019, PitchBook Data has recognised SFC as the "Most Active VC" in the UK.

In March 2020, SFC received a £10m commitment from the British Business Bank's Regional Angels Programme, which is co-invested alongside the SFC Angel Fund SEIS and the SFC All-Star Fund EIS. This commitment was extended by £5m in March 2022, by £10m in November 2024, and a further £10m in July 2026. These awards further evidence the company's central position in the early-stage investment scene and are a testament to the strength of its investment model, the quality of its deal flow, and the strong activity and diversity of its angel network.

Founded in 2012, SFC Capital is a leading organisation in the UK early stage investment world and operates an award-winning Business Angel Network and a series of SEIS/EIS funds.

SFC CP specialises in Venture Capital and offer AIFM fund management services.

Other elements considered as part of the value assessment include:

- **Client Assets Permissions:** SFC CP holds the necessary regulatory permissions to safeguard clients' assets. Client monies are held by our appointed Fund Administrator, Kin Capital Partners LLP. All investments into securities are held by a Nominee entity on behalf of investors.
- **Verification and controls:** Our Fund Administrator, Kin Capital Partners LLP, has implemented robust verification and control procedures to safeguard the security and transparency of client funds' payment. These measures aim to minimise the risks associated with fraud, errors, and financial crimes, and they encompass the use of signatory lists, conducting KYC and Anti-Money Laundering (AML) checks, and performing call backs.
- **Customer support:** Our Investor Services team, provides comprehensive customer support. Customers can contact the team by sending an email to a centralised email inbox that is monitored by the team. There has been substantial investment into the proprietary software that allows the team to provide accurate information, bespoke investor reporting, process transactions, updates accounts, and ensures compliance with regulatory standards. With a focus on clear and effective communication, the Investors Services team serves as a crucial point of contact, helping customers navigate their investments.

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SFC Capital Partners Ltd is registered in England and Wales. Registered No. 09226119. Registered Address:
2 Maple Court, Davenport street, Macclesfield, Cheshire, SK10 1JE