

The Access Fund

Co-invest with the
UK's top-performing
angel investors



PRIMARY INVESTMENT RISKS

Prior to making any investment in the Fund, an investor will be required to self-certify as a High Net Worth or Sophisticated Retail Investor (in accordance with FCA definitions)

It is important that you read and fully understand the key risks before deciding whether this investment is right for you. To help, we have a dedicated section outlining the key risks on page 22.

Access EIS invests in early-stage companies so your money is placed at risk. This means:

- The value of an investment, and any income from it, can fall as well as rise and you may not get back the full amount invested.
- The shares of unlisted companies could fall or rise in value more sharply than shares in larger, more established companies. They may also be harder to sell.
- Tax reliefs available on EIS investments depend on individual circumstances. Tax treatment is assumed as per current legislation and interpretation, which may change in the future.

- Tax reliefs also depend on the portfolio companies maintaining their EIS-qualifying status.
- Past performance is not a reliable indicator of future results.
- Where we refer to a specific company, this is for illustrative purposes only and is not an investment service recommendation.

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A new approach to venture capital investing

The venture capital industry has historically been typified by 'oracle-style' investors, raising capital through their ability to find high-performing early-stage companies. But research has shown that VCs only pick winners in 2.5% of their investments.

This got us thinking about creating an alternative approach to venture capital investing, by creating more consistent, market-beating returns in a structured way.

That was back in 2016 and after three years of in-depth analysis, we launched Access – our first fund based on a data-driven approach to portfolio building. It's now November 2022 and Access has participated in 137 funding rounds, contributing to funding rounds totalling more than £135,000,000. We're also

very pleased to see that our first cohort of investee companies from 2020 is showing a combined growth of 32%.

It's also co-invested alongside some impressive names, including Biz Stone, SeedCamp, Entrepreneur First, Episode 1, Start Codon, Hambro Perks, Forward Partners, Octopus, and more, and attracted a £15 million, three year, investment from British Business Investments (BBI).

This memorandum will take you through the details of our innovative approach, and explain the methodology behind Access.

Graham **Schwikkard**
CEO



Working with
**British
Business
Investments**



British Business Investments is excited to be working with the Access Fund as it enables us to invest alongside proven angel investors into a wide range of UK startups.

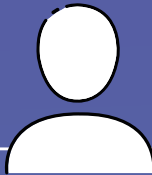
Mark **Barry**

INVESTMENT DIRECTOR AT BRITISH BUSINESS INVESTMENTS

At a glance



Over **£50m** in assets
under management



Over
500 investors



Investments
made into more than
100 companies

We're different to other EIS funds

1. WE CREATE LARGER PORTFOLIOS TO REDUCE RISK.

Access builds you a portfolio that's much larger than most EIS funds, aiming to add 50 companies to each investor portfolio per year. All of these companies have a chance of success and have undergone extensive due diligence both by us, and by the angel investors that bring them to us.

Most other EIS funds create a much smaller portfolio of companies in an attempt to focus investment. This is much riskier.

2. WE CO-INVEST WITH EXPERT ANGEL INVESTORS.

Access invests in startups that are brought to us by experienced angel investors who meet strict criteria, and have an IRR that's equal to or greater than average market growth of the UK startup market as a whole. This means that we are able to gain access to the very best new businesses that have already won the approval of expert investors. Our investments are co-investments with these trusted 'super angels'.

Most other EIS funds create a much smaller portfolio of companies in an

attempt to focus investment. The typical number is eight, and no other fund offers more than 20. This is much riskier.

3. WE INVEST EARLIER FOR GREATER RETURN MULTIPLES.

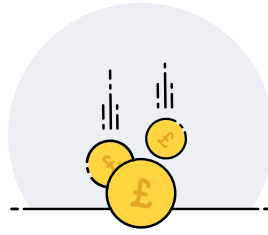
Access learns about deals earlier than many funds through our super-angel investors and their extensive networks, and is able to invest in startups at an earlier stage. This means our potential return multiples are higher.

Most other EIS funds invest at a later stage.

4. WE'RE ACCESSIBLE TO MORE INVESTORS, AND WE'RE MORE VERSATILE.

Access offers a minimum investment of £5,000. This makes it affordable for a greater number of investors, as well as giving investors the option to add a second fund to their portfolios at a relatively low cost.

Most other EIS funds require upwards of £10,000, with some starting at £25,000.



AMOUNT INVESTED
£10,000.00

...

Total fees
set aside

-£780.00 (2% setup fee + 3 years of
1.5% annual management fee + VAT)

Amount
invested in
companies

£9,220 (This is the amount that
EIS relief is based on)

...

Proceeds
from sale

£39,692.10 (based on the
performance breakdown)

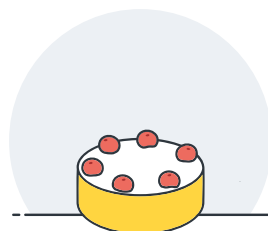
Remaining 4
years AMC fees

-£720.00 (1.5% + VAT)

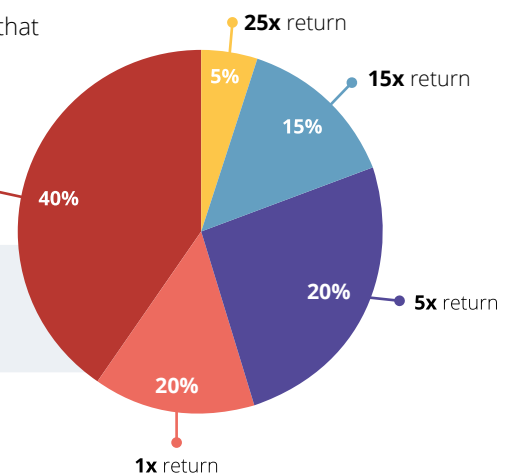
Performance
fee

-£3988.57 (10% on profits above
110% of investments returned)

...



TOTAL TARGET RETURN FROM
£10K INVESTMENT
£34,983.53



Read a detailed
description of this
scenario investment
on **page 23**

EIS offers investors generous tax reliefs

If you're unfamiliar with the benefits of EIS, they consist of a generous suite of tax reliefs and deferral options.

It may also be possible to 'carry back' all or part of your investment to the

preceding tax year as long as the limit for relief is not exceeded for that year. (The limit for the Enterprise Investment Scheme is £1m per tax year, rising to £2m provided £1m of this is invested in knowledge-intensive companies.)

EIS Income tax relief

30% of the amount invested

CGT disposal relief

Zero CGT on disposal

EIS Loss relief

Option to claim losses against capital gains or income

CGT deferral relief*

Defer CGT payable on disposal of any asset

IHT relief

IHT exemption after two years through business property relief (BPR)

What happens when I invest?

- 1** After investing with us through our online form, you're given a two week cooling off period before your investment starts deploying, during which time, if you change your mind, you can cancel your investment if you wish.
- 2** As soon as you sign up, we give you access to the Investor Dashboard, which shows all your investments, how much is currently deployed, and information on each of your portfolio companies.
- 3** Once your investment is fully deployed, we will notify you.
- 4** For as long as you continue to invest, we will continue adding companies to your portfolio at a rate of 50 per year.

£11,500,000
invested by 448 investors

How much would you like to invest?

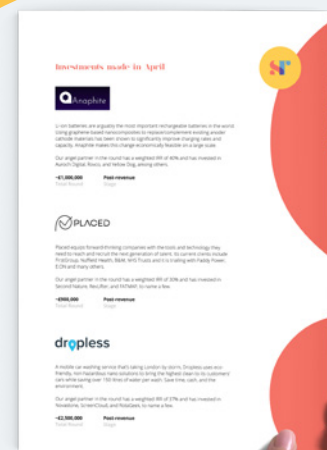
(£5,000 min)

You could receive **£**
in EIS tax relief
Eligible investors only, and subject to change

INVEST IN ACCESS EIS
(Payment within 14 days of application)

5

6



Key facts

DID YOU KNOW?

No other EIS fund on the market has a performance fee of less than 20%. Our 10% performance fee means you keep more of your upside.

No other EIS fund on the market offers diversification beyond 20 companies, and the vast majority make only 8-10 investments. The Access fund builds you a portfolio of 50 companies, and adds a further 50 in each subsequent deployment period, because we understand how vital it is to optimal portfolio growth.***

Fees*

Initial/setup fee	2% (1% for repeat investors)
Annual Management Fee	1.5% for 7 years**
Performance fee (carry)	10%
Performance fee hurdle	110%

General

Diversification	50 companies
Minimum subscription	£5,000
Sectors	Sector agnostic
EIS administration	Fully digital
Deadline	Evergreen. Capital invested goes to work straight away.

* VAT is chargeable on fees. ** Fees for years 4 to 7 are chargeable from returns only, and so do not reduce the amount of your capital deployed.

*** The timing of subsequent investments may affect the number of additional companies added to your portfolio, if previous and new deployments overlap.

We co-invest with the UK's top performing angel investors

We spent nearly two years indexing the UK startup market and all of its underlying investors. From this research we noted a few incredible stats including that, had you invested a fixed amount into each company from our index that raised capital in 2011, you would have witnessed a staggering 28% year on year portfolio growth rate.

However impressive that market growth is, our data went one step further and identified a group of angel investors who consistently outperformed the market. As a group these angels, who we have dubbed the "super angels", averaged 42% year on year portfolio growth, not including any tax reliefs they may have received from EIS.

Before we consider a startup for investment, it needs to receive investment from one or more super angels. Their approaches to due diligence vary, but they don't take it lightly, usually getting to know startups and founders very well before investing. Frequently, they also have significant sector expertise.

In addition, we conduct our own due diligence for an extra layer of safety. We check that:

- The business is raising between £500,000 and £5m. This selects out the very high risk early-stage opportunities, but ensures there is still plenty of potential for valuation growth left in the business.
- The business is UK incorporated and the funding round is EIS eligible.
- The super angel we are following is investing in the same funding round as Access, and that we're investing at the same valuation.
- The business isn't in an excluded sector, such as involved in arms or gambling.
- The company directors pass all required anti-money laundering (AML) and know your customer (KYC) checks.
- The super angel's investment is in-line with their normal investing habits we have on record. We check that the super angels aren't receiving compensation for referring Access.

Super angel testimonials



SR work quickly and intelligently, and are very supportive and responsive. I have heard nothing but appreciative and positive feedback from the entrepreneurs I invest in and work with.

Unlike most other institutional investors, **SR can move refreshingly quickly.** Their model allows them to compliment and efficiently enter the UK's fast-moving, early-stage business ecosystem.

I've found SR transparent, responsive and easy to work with. **They've removed many of the barriers and the administrative burden** for investors that make other co-funds so difficult to access, particularly for women.

Why do we invest with super angels?

01

They connect companies to the right investors for more capital and support

02

They demonstrably invest into high potential startups and generate returns

03

They are excited to open early stage investing to new investors

04

They create more high potential companies, and grow the economy

Why do they share deal flow with Access?

We can move quickly and provide a clear, reliable cheque size and standard terms

We help them bring additional capital to early stage deals, avoiding further rounds of negotiation

They join a community of super angels. We facilitate relevant connections and further amplify their networks

We provide curated deal flow from the other super angels with proven track records

We invest across all sectors

Our startups span all sectors and industries, ranging from cleantech to biotech, finance, medical, construction, energy and many more. Collectively they represent some of the best, brightest and most innovative startups around. As you might expect, given they've been handpicked by some of the most experienced and successful angel investors around.

We've included a short list of some of the most recent startups added to our investor portfolios. You can find a complete list on our [startups page](#).



Raindrop

Raindrop is a fully digital and flexible pension solution. It works to reunite savers with their lost pensions and bring all their fragmented pots together into one, easy-to-use and flexible pension.

Pharmenable

PharmEnable combines machine learning and a diverse virtual compound library in an efficient drug discovery platform. This platform is rapid, cost-efficient, and effective at identifying new hit candidates. PharmEnable's computational screening programme provides novel chemical starting points for challenging biological targets.





Oxwash

Oxwash aims to disrupt the traditional, environmentally costly washing and dry-cleaning industry. This starts by using ozone to sterilise fabrics at lower temperatures. It continues with utilising electric cargo bikes for hyper-local pickups and deliveries, with the intention to become the first truly sustainable, net-zero impact washing company in the world.

Nuggets

Nuggets is an award winning B2B2C platform that keeps personal and payment information secure and does away with passwords. Blockchain technology provides the security, while biometric verification means never having to remember another password or username.





I'm already familiar with startup investing, but I hadn't seen this approach before and really welcomed it. Conducting extensive due diligence takes a lot of time and effort – all the more so for a high volume of companies, which is needed to build to a solid, diversified early-stage portfolio. Access addresses this, and I get confidence from knowing every single company is being backed by a top performing UK angel investor as well.

Shilpa **Sikota Taylor**

PRODUCT MANAGER

Our investment process

1 CONNECT

We engage with our hand-picked network of the UK's top angel investors.

We spent two years identifying the top angel investors in the UK and building relationships with them in order to co-invest with them. These angels ensure we have access to some of the most compelling and promising startups across all sectors. Our investment process begins when an angel from our hand-picked network brings us an investment opportunity to review.

2 ANALYSE

We screen all proposals so only the best are taken forward.

We check that the company fits within the overarching Access model. This includes making sure the businesses is raising between £500,000 and £5m on a pre-money valuation that is less than £15m, and that the company is EIS eligible and that it is not operating in an excluded sector. We also confirm that the company fits within the angel's typical investing behaviour: the type of company, stage of raise, amount being raised, pre-money valuation of the company, and how much the angel is investing.

3

REVIEW

We give each opportunity a full legal and security check.

We conduct a legal and structural review of the company and the round. This includes AML and KYC on company directors and significant shareholders, checking EIS eligibility of the company, and reviewing the legal documents for the round.

4

INVEST

We get in even earlier to do the most with your money.

Once a company has passed all of our checks, we begin the investment process. Our angel network allows us to access deals earlier than many other funds, increasing the potential for higher return multiples for our investors. But before this, we give each of our investors a two-week cooling-off period. This gives them time to reflect, make any further analyses, and if for any reason they decide to reconsider, they are free to do so.

5

DEPLOY

We give our portfolio our all.

We monitor the performance of your portfolio and provide investors with updates throughout the lifespan of their deployment. While individual company updates are made available through the investor dashboard, we provide formal biannual reports that includes portfolio performance and key updates from portfolio companies as well as sending informal updates when key events occur.

6

ORGANISE

We make your life as simple as possible.

After you invest we will work closely with your portfolio companies to produce EIS certificates for the round. Once ready, we store them on your dashboard so you are able to access and download them whenever you need. When it's time to make your claim for tax relief, we provide a document with all the information HMRC needs that you can simply attach to your tax return.



7

EXIT

Our timing is impeccable.

Exit opportunities mostly come in the form of companies being acquired, companies going public, or larger investors offering to buy out earlier investors in later funding rounds. Should an early opportunity to exit arise we will review it and make a decision that we believe is in the best interest of the investors.

Should this result in the sale of all, or some of the shares from the fund, we act on behalf of the investors and facilitates the payout from the company to the underlying investors.

Investment in practice: a scenario

Olivia is a well-paid executive in the energy sector. She's very interested in the future of renewable energy in particular, but is always curious to hear about business innovations across all sectors. She has a small portfolio of traditional investments already, but she's looking for a way to back some of the new and compelling businesses she's particularly passionate about. She knows that while investing in startups is high risk, it also has the potential to generate significant returns. She's looking for a place to get started in startup investing, that mitigates the risk as much as possible, and doesn't require an excessive initial investment.

Her financial adviser tells her about the Access Fund, which will allow her to gain access to some of the most promising startups on the market and invest early, thanks to their network of experienced angel investors. Even better, Access employs a data-driven approach that works to minimise risk through a diverse portfolio of 50 or more companies, and the minimum investment is £5,000.

In addition to the chance of significant returns, her advisor tells her, investments into EIS qualifying businesses will allow her to claim 30% income tax relief, as well as reliefs on capital gains tax, inheritance tax, and may offer loss relief for any businesses that fail. These benefits help to offset the risk of investing in startups.

Olivia proceeds to invest £10,000 into Access. The initial fees are taken – 2% set up fee, and 3 years annual management fee, at 1.5% per year, totalling 4.5% + VAT in advance – leaving £9,220 to be invested into EIS companies. Over the following 12 months, Access invests into early stage companies, adding them to Olivia's portfolio. Olivia's investor dashboard is updated throughout this period so she can see what her portfolio contains, and how much of her investment has been deployed. At the end of the deployment period, though she could have made claims throughout it, Olivia makes a claim for the 30% income tax relief on each company in her portfolio, which amounts to approximately £2,766.

Over the next ten years, some of her companies perform very well, returning 10 times her initial investment, some perform reasonably well, returning three times the initial investment, some return the same amount initially invested, and some fail, losing the invested capital.

Olivia is able to benefit from capital gains free growth on the sale of shares in the companies that have grown in value (so long as the shares have been held for a minimum of 3 years), and claims loss relief against income tax for the companies where she lost money. The Access Fund charges Olivia a performance fee of 10% + VAT which is applied only on profits realised beyond 110% of each investment. In Venture Capital this performance fee is often referred to as a "carry".



The Access Fund is perfect for my situation. It is extremely simple and quick to manage, relatively low risk compared to self-selecting startups, and generates excellent returns over the long-term. The EIS tax relief and CGT tax advantages during my lifetime, and, IHT benefits for my children & grandchildren make it a fantastic solution.

Brian **Winstanley**

RETIRED

UNDERSTANDING THE RISKS

It's important to know the risks of investing in Access before you commit.

Your capital is at risk and there is a chance you could lose money.

Investing in early-stage companies is a high risk investment. The value of the companies could fall in value, potentially to nil. You may not get back the amount you invested.

Investments in smaller companies can fluctuate significantly.

Access invests in smaller, unquoted companies that are not listed on a stock exchange. Investments in these generally have a higher rate of failure and there is no active market on which to trade shares.

EIS-qualifying status may be lost.

There is no guarantee that any of the companies we invest in will maintain their EIS-qualifying status. If a company loses its qualifying status, tax advantages on your investment in that company will be withdrawn from that point.

Furthermore, if an investment loses its status within three years of investment, you may be asked to repay any upfront income tax relief that you have already claimed in respect of that company (and any gains that you deferred into the shares of that company will come back into charge).

Due to the nature of the companies we are investing in, we cannot guarantee that an investment will remain EIS-qualifying, or that shares in a company will not be sold within the three-year minimum holding period.

It might not be possible to sell your shares.

As you're investing into the shares of unlisted early-stage companies, there isn't an active market in the way there is for listed companies' shares. Your investment will be returned to you in the form of the proceeds of sale in stages, as and when we secure an exit from each company for all investors in that company. We do not expect that we will be able to sell your shares if you need to withdraw from an investment before an exit.

Tax rules can change.

The EIS tax reliefs, rates of tax, and tax allowances described in this document are based on current legislation, interpretation based on case law, and HMRC practice. We can't guarantee that tax rules won't change in the future. The value of tax reliefs also depends on your own personal circumstances.

This is a long-term investment.

While the minimum holding period required for EIS tax relief is three years from the date of investment into each company, you should be prepared to hold your shares in each company for much longer, potentially up to ten years or more.

Past performance is not an indicator of future results.

The past performance of our investment teams and any funds they manage is not a reliable indicator of future results. Nor should you rely on any forecasts made about future returns.

Unquoted companies are not valued as frequently as listed companies.

The companies we invest in are unlisted, and unlike listed companies, they are not valued daily. We will show the most up-to-date valuation available for each of the companies you are invested in on your Investor Dashboard.

How to apply

If you have any questions about the application process, we'll be happy to help. You can call us on **01223 478 558**.

To apply online, you'll need to visit our website at syndicatoroom.com/join, and register for a free account. Once this is done, you can click 'Invest in Access EIS' on your dashboard, and complete the online application form. You'll find more information about the investment process on page 20 of this document.

Please note, the minimum investment is £5,000.

The Access Fund:

Co-invest with the UK's top-performing angel investors

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01223 478 558

www.syndicateroom.com

