Guinness EIS

Tax-Advantaged Investments

EIS Review

JANUARY 2020

Contents

Overview

Guinness Asset Management Ltd (“Guinness” or “the Manager”) is seeking to raise and invest up to £40 million before the end of the current tax year for Guinness EIS (“the EIS Fund” or “the Fund”). This will enable investors to obtain EIS Income Tax Relief in the 2019/20 tax year, or carry back to the 2018/19 tax year. Funds raised after the 6 March 2020 close will be invested in the 2020/21 tax year.

This is an evergreen, multi-cohort fund, and Guinness seek to raise between £10 and £15 million for the current tranche. This offer aims to deliver a gross return target of in excess of 1.25x money-in (net of all fees) over a four- to five-year investment horizon. The offer is open to new and existing investors and launched on 19 September 2016, with the next tranche closure scheduled for 6 March 2020.

Investment Details:

Score:	**85**
Offer Type	Evergreen
EIS Strategy	Generalist
EIS AUM (Pre-Offer)	£170 Million
Manager AUM	£2.2 Billion
EIS Risk Level	Medium Risk

Investment:

Minimum subscription	£20,000
Maximum qualifying subscription per tax year	£1 million
Early bird discount	None available

Closing Date:

The fund is evergreen, with tranche closures every few months, following which the subscriptions are deployed into investments. The next close after publication is 6 March 2020, with future tranches anticipated to close in June 2020, September 2020 and December 2020.

This document verifies that *Guinness EIS* has successfully completed our independent due diligence process, having passed through all stages of the governance process in the run-up to the report’s publication on the date listed below. It has therefore been awarded the MJ Hudson Cornerstone Trustmark.

Risk Warning for EIS Schemes

Individuals should always read and bear in mind the risk warning notices that are included within providers' investment offer literature / documentation, including prospectuses, information memorandums, securities notes, brochures and other related marketing literature. Whilst the following list is not exhaustive, some of the main risks to be aware of include:

- Investments are in small, unquoted companies and should be considered as high risk;
- Investments are illiquid and need to be held for at least three years in order to retain the initial income tax relief;
- An EIS/Seed EIS investment should be viewed as a long-term investment;
- Legislation, along with the nature and level of tax reliefs is subject to change. There can be no certainty that investments will be eligible or remain eligible for EIS/Seed EIS Relief;
- Historic investment performance cannot be used as a guide to future performance, and the value of any given investment may rise or fall;
- Many EIS/Seed EIS Schemes involve investment in a single company or sector and therefore should only be considered as a small part of an overall portfolio;
- Investors may not have independent representation on the Boards of investee companies which can mean their interests are not adequately considered relative to the executive team;
- EIS/Seed EIS investments should only be considered by sophisticated investors who understand, and have given careful consideration to, the underlying investment strategy and associated risks. For help in determining potential investment suitability, professional advice should be sought;
- Often there will be no regulatory oversight and investors will usually not be eligible for compensation if things go wrong.

Executive Summary

MANAGER:

Guinness Asset Management Ltd ("Guinness" or "the Manager") is a UK-based, privately owned, investment management firm, established in 2003 by Tim Guinness. As at December 2019, Guinness had total Assets Under Management ("AUM") of approximately £2.2 billion, spread across a range of tax-advantaged and institutional funds. Guinness has been increasing its AUM, fundraising and financial stability in recent years, and has good growth prospects into the future. It is a well-established fund manager, with a good reputation in both the tax-advantaged and the wider investment fund market.

PRODUCT:

Guinness EIS ("the EIS Fund" or "the Fund") aims to provide investors with a portfolio of between six and twelve EIS-qualifying investments in businesses, although historically investors have been invested into between nine and twelve companies. The investment strategy aims to invest in growing companies seeking capital to scale up operations. Guinness adopts a sector agnostic approach, and potential investee companies are screened for those companies that have historic annual revenues of at least £1 million, and have therefore demonstrated commerciality. As a result, the Fund is arguably at the lower end of the risk spectrum relative to other EIS products currently open for investment. This is reflected in the target return of in excess of 1.25x money-in (net of all fees) over a four- to five-year investment horizon. We note that the Fund has historically focused on companies involved in the generation of sustainable energy, and latterly in asset-backed investments. The focus changed initially following the exclusion of companies involved in the subsidised generation of electricity from the list of EIS-qualifying investments, and secondly following the Patient Capital Review ("PCR").

SUMMARY OPINION:

Guinness is an established investment manager, and currently manages £2.2 billion in assets under management across its institutional OEICs and tax-advantaged investments. Although the latter accounts for approximately 10% of total AUM, these tax-advantaged funds account for over 20% of revenues. Guinness currently operates both EIS and IHT products, with the current product under examination, the Guinness EIS, having launched in September 2016.

Guinness' historical EIS investment record was focused on an energy generation offering, and subsequently asset-backed investments with a capital preservation mandate. However, following the removal of energy generation as a qualifying trade for EIS investment, Guinness relaunched the Fund as an evergreen service in 2016. Post the PCR, Guinness adjusted its investment strategy, moving away from asset-backed investments toward the provision of scale-up capital to younger, riskier companies in line with current qualifying criteria.

Guinness will target investee companies which have generated at least £1 million in historic year revenue, with established and experienced management at the helm, with products aimed at both B2B and B2C. By doing so, Guinness feels that these companies have demonstrated commerciality of their product or service. Unlike many other EIS products on offer, which tend to target specific sectors of the market- in particular technology- Guinness adopts a sector-agnostic approach. Combined with an expected allocation of between six and twelve investee companies, investors can expect a lower level of concentration than some of its competitor EIS products. However, this lower level of risk comes with a lower return profile, with Guinness targeting a return of in excess of £1.25 (net of fees) over a four to five year time frame. This is in line with those achievable in asset-backed strategies but does not reflect the greater risks in the revised strategy (although Guinness point to the BVCA performance data to demonstrate that this level of return is in line with historical UK Venture Capital returns – see *Investment Strategy & Philosophy*, and target returns should not be taken in isolation when assessing the risk profile of a fund). Further, Guinness would also like to note that while it recognises that its returns target is conservative, it expects to exceed it. There has so far only been one exit under the current investment strategy, as all investments are still within the minimum 3 year holding period. Although this one exit made a return of 1.6x, and while we recognise Guinness' EIS track record, it is too early to ascertain its ability to deliver the targeted returns. Nonetheless, the current portfolio of investments are in-line with the investment strategy, and there has been some valuation uplifts in the portfolio. Although this is along with some valuation decreases, the team are showing positive signs toward meeting the target return for investors.

Overall, the product should appeal to those seeking EIS investment toward the lower end of the risk-spectrum due its focus on more established firms which have demonstrated commerciality in its product or service. Further, the historical level of deployment and level of diversification should add to the appeal. However, this is still a relatively new strategy for the investment team, and as such it has a limited, although growing track record of investments under the current strategy.

Positives

AT THE MANAGER LEVEL:

- Guinness is a relatively large investment manager and would comfortably sit within the top quartile of investment firms with a tax-advantaged product offering ranked by total assets under management, which is on an upward trajectory;
- The Manager has been making tax-advantaged investments since 2010 and is relatively experienced in this space. However, the Manager's institutional-focused non-tax product offering remains the fundamental driver of AUM growth;
- Fundraising for the Manager, including its tax-advantaged products has increased significantly in the past 5 years to 2019;
- The Manager's approach to client servicing is robust, transparent, and fit for purpose. Investor communications are thorough, supported by a sizeable investor relations team, with regular updates offered to investors;
- Guinness offers a relatively diversified product offering and we understand that recurring income accounts for greater than 90% of the Manager's total income stream in 2019. Consequently, we consider the Manager's revenue base to be relatively stable;
- We note that the Manager's tax-advantaged product offering accounts for only 20% of the Manager's turnover in 2019. Consequently, the Manager is less susceptible to legislative changes in the tax-efficient space than others might be;
- Guinness managed to significantly increase both revenues and profits for the 2018 financial year at over £15 million and £900,000 respectively, with a further rise in 2019. Further to this it has a solid capital base with no debt on its balance sheet and a good liquidity position. Based on the Manager's projections, financials look to be continuously improving into the future;
- The Manager's corporate governance standards are appropriate for the size of the business and there is appropriate policy documentation in place (i.e. compliance, allocations policy, conflicts of interest);

AT THE PRODUCT LEVEL:

- The investment team has worked together for over five years and, overall, the composition of the team has, to date, been stable with low employee turnover. The investment team and members of the investment committee have invested alongside the EIS, helping to show alignment between the Investment Team and investors;

- The Fund aims to provide some level of diversification between sectors and will invest across between six and twelve investee companies (historically between nine and twelve);
- There appears to be a strong pipeline of potential investee companies, with capacity for investment of over £20 million for the Q1 2020 tranche, and with the teams deployment track record, it is reasonable to assume that Guinness will be able to deploy investor money in a timely manner;
- Guinness boasts a sufficiently comprehensive investment process using diverse deal-sourcing channels that reflects their level of expertise in the EIS market. We note, however, that their investment process has historically focused on energy-related transactions, and asset-backed investments. We reviewed the Team's term sheet and note that they present a comprehensive level of due diligence and analysis behind the selected investment opportunities;
- The Manager requires board representation at each investee company and holds minority equity positions with veto rights on certain key actions that affect the risk/reward profile of the investment.
- Guinness has recently made the appointment of Bridget Hallahane as a Portfolio Manager; this is a welcome addition to the team, as not only will help to shore up the post-investment management process, but we also understand that Bridget will spend time assisting companies in with key strategic objectives ;
- Guinness requires investee companies to have generated historic year revenues of at least £1 million pounds and therefore demonstrating commerciality; this will help to mitigate, although not eliminate some of the risks associated with small company investment;
- Guinness has now deployed over £60 million under the current strategy and into companies which meet the "risk-to-capital" condition; however, while it has made a single exit, this was within the three-year holding period.

Issues to consider

AT THE MANAGER LEVEL:

- Tim Guinness owns 60% of the business, creating a somewhat concentrated ownership structure. However, over the last two years he has reduced his operational role in the firm, and Edward Guinness has become Managing Director. This reduces key man risk, and the Manager states that there is an operational board in place that meets every month and is responsible for key business decisions.
- The profile of the Manager in the tax-advantaged space was due to its association with asset-backed investment strategies until 2017, however we understand that Guinness has now raised more EIS and BR money into Growth strategies than renewable energy, where it was originally focused;
- Though AUM has been increasing, the Managers BR product currently account for less than 0.03% of AUM, which may impact the amount of resources which these products receive in comparison to its larger funds.

AT THE PRODUCT LEVEL:

- The Team has a limited recent track record operating a generalist growth-orientated EIS product, having refocused the investment strategy in November 2017. The deployment rate has, however, been impressive and there have been some valuation uplifts including one on an early exit. ;
- The 25% return targeted by the Fund over the five-year investment horizon, which implies a 4.6% IRR (approximately 8% IRR gross of fees), is lower than many other EIS products currently open. While we acknowledge that target returns from some managers may be overstated, we query whether Guinness' target return reflects the level of risk inherent in the growth strategy (although Guinness point to the BVCA performance data to demonstrate that this level of return is in line with historical UK Venture Capital).
- As a relatively new strategy (with a limited track record of exits) the quality of deal flow will have to be taken somewhat on trust, as the Team builds the networks and relationships to generate an increasing amount of passive leads as well as those the Team can source directly;
- The investment strategy is relatively new to the Manager and to the Fund. Consequently, there is limited performance and exit track record to evaluate and it is difficult to assess the likely performance of the Fund with any degree of confidence;
- The level of fees are generally in line with the market, although not markedly lower than that of the previous, more battle-tested, asset-backed investment strategy.
- No qualifying exits have been achieved under the revised strategy. However, there has been one exit achieving 1.6x return, though it should be noted that this exit did not qualify for tax relief as it was made before the 3 year minimum holding period;
- There is no performance fee hurdle which is disappointing given the low level of returns targeted.

Manager Quality

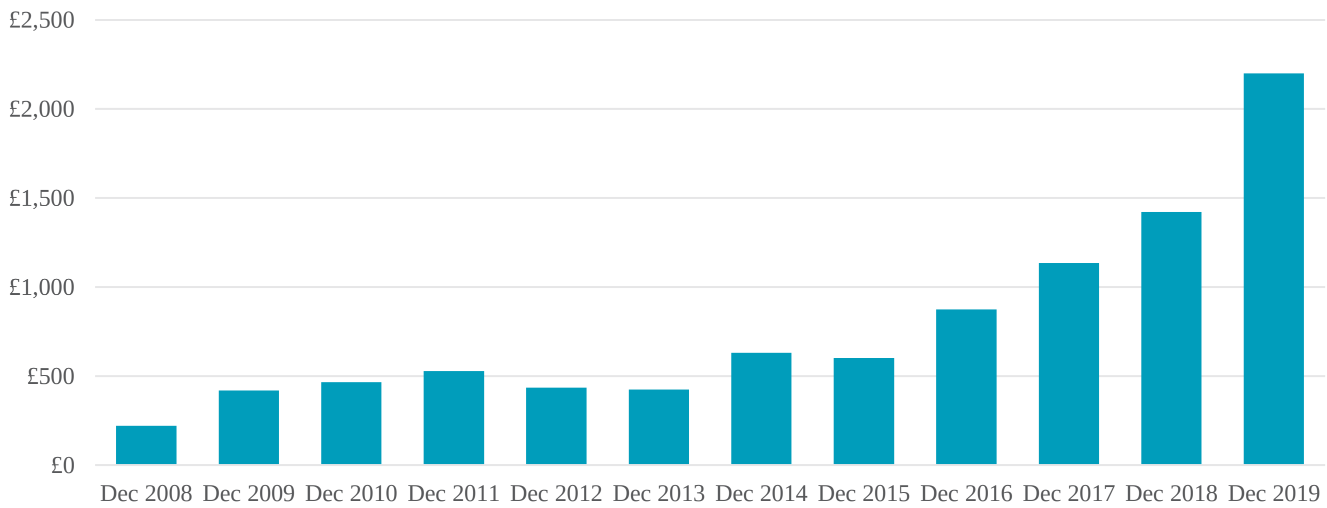
Manager Profile

Guinness Asset Management Ltd (“Guinness” or “the Manager”) is a UK-based, privately owned, investment management firm, established in 2003 by Tim Guinness following his departure as chairman of Investec Asset Management. Tim had previously been chairman of Guinness Flight Global Asset Management (“Guinness Flight”), a business he co-founded with Lord Howard Flight and sold to Investec in 1998.

Prior to 2008, Guinness principally acted as a sub-advisor to the Investec Global Energy Funds, however this relationship ended in February 2008 resulting in reduction in the Manager’s AUM from approximately £1.1 billion in December 2007 to £220 million by December 2008. Since 2008, the Manager has launched a number of its own funds, predominantly open-ended investment companies (“OEIC’s”) and over the past five years it has grown AUM at an approximate constant annual growth rate (“CAGR”) of 27% to over £2 billion as at 31 December 2019, approximately $320 million of which relates to Guinness Atkinson Asset Management (“Guinness Atkinson” formerly Guinness Flight US), the Manager’s U.S.-based sister company acquired from Investec in 2003.

The chart below presents the evolution of AUM since December 2008.

CHART 1: FIRM AUM AS AT 31 OCTOBER 2019 (MILLIONS)



Source: Guinness; AdvantageIQ

The Manager’s AUM consists mainly of its long-only equity income funds, while tax-advantaged funds make up just under 8% of its AUM. The majority of this portion (96%) is from the two EIS products, while the two BR produces make up just 4%. We note that the Manager has been making EIS investments since 2010, and entered the BR space in 2015, and so is relatively experienced in the tax-advantaged space. The Manager’s institutional-focused, non-tax-advantaged product offering remains the fundamental driver of AUM growth, and currently accounts for over 90% of total assets. We note that the Manager’s flagship fund is the Guinness Global Equity Income Fund, and has a specialism within the energy/sustainable energy generation sector and runs several bottom-up, long-only strategies in this space.

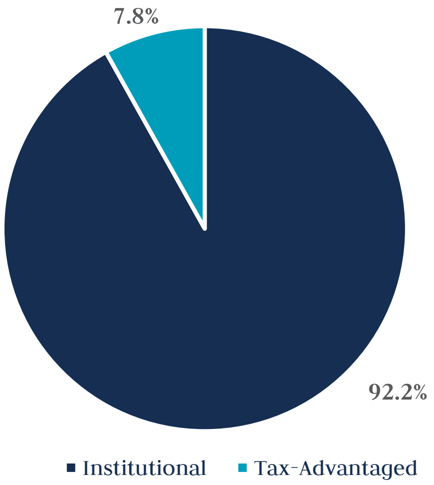
CHART 2: ASSETS UNDER MANAGEMENT BREAKDOWN AS AT DECEMBER 2019

FUND		DESCRIPTION	AUM (£'000)	AUM (%)
Institutional	Global Equity Income Fund	a dividend-focused global, long-only equity strategy with large exposure to the U.S. and Europe	1,038,831	52.9%
	European Equity Income Fund	A dividend-focused European (excluding UK), income and capital growth strategy	5,143	0.2%
	Asian Equity Income Fund	A dividend-focused long-term capital appreciation strategy in the Asia Pacific region	251,456	11.3%
	Global Innovators Fund	A capital-growth strategy focused on companies benefiting from innovations in technology, communication, globalisation or innovative management strategies.	349,741	15.7%
	Global Energy Fund	a growth-focused equity fund targeting companies in the energy sector	183,796	8.2%
	Sustainable Energy Fund	Investing in global sustainable energy markets	19,873	0.9%
	Global Money Managers Fund	Growth-potential companies in the asset management sector	4,719	0.2%
	Other	Includes Best of China, Emerging Markets Equity Income, Multi-Asset Funds and other GA Funds	59,466	2.7%
Tax-advantaged	Guinness EIS	initially launched as an asset-backed capital preservation strategy which historically focused on sustainable energy generation projects, but now adopts a generalist approach into younger companies.	155,606	7.0%
	Guinness AIM EIS	established to make EIS-qualifying investments in AIM-listed companies across a broad range of sectors.	12,713	0.6%
	Best of AIM	a new product, launched in 2018, will invest in AIM-listed companies which are expected to provide investors with Business Relief,	659	0.0%
	Sustainable Infrastructure Service	which invests in unquoted sustainable energy companies that qualify for BR,	5,342	0.2%
	Total		**2,227,952**	**100%**

Source: Allenbridge; compiled from information provided by Guinness.

The chart below illustrates the overall breakdown between Guinness' institutional and tax-advantaged funds, which collectively total over £2 billion.

CHART 3: GUINNESS AUM BREAKDOWN

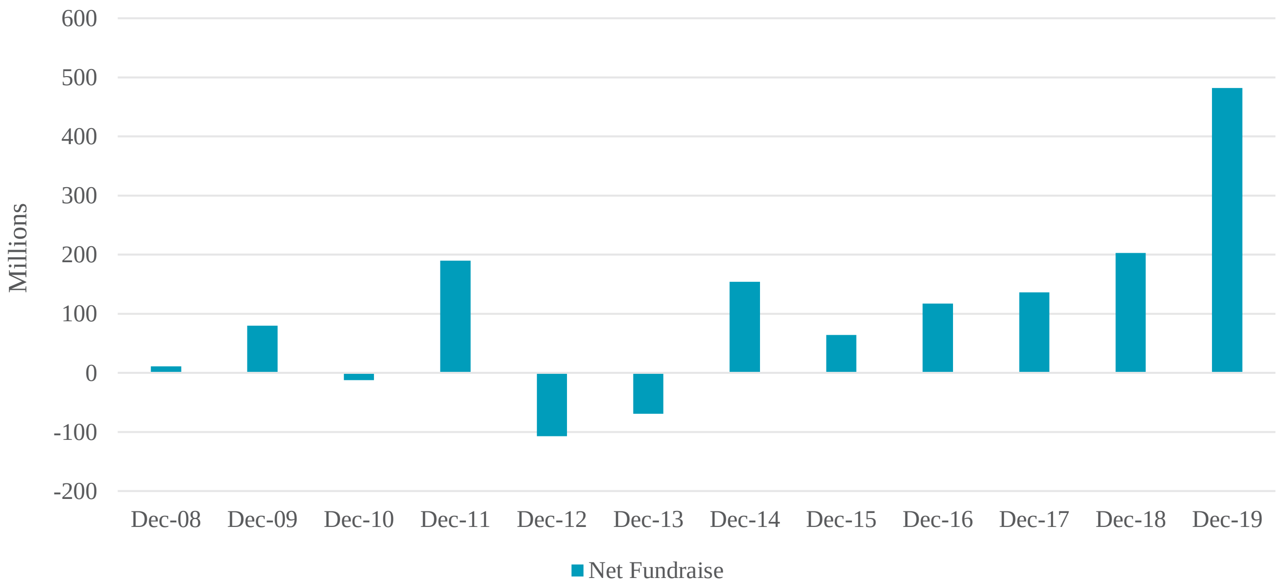


Source: Guinness; AdvantageIQ

We understand that the Manager had set an AUM target of £2 billion by the end of 2021, and has already exceeded this target as of December 2019. Guinness EIS raised £34 million in the 2018/19 tax year and is aiming to raise and invest up to £40 million in the current 2019/20 tax year.. We understand that the Manager has no plans to launch any further products.

In terms of the Manager's fundraising, despite some variability between 2008 and 2014. Net fundraising has been growing steadily for the last 5 years, reaching a total net fundraise of almost £500 million in year ending December 2019. The chart below presents a summary of The Manager's overall fundraising performance since 2008.

CHART 4: GUINNESS FUNDRAISING TRACK RECORD (MILLIONS)[1]



Source: Guinness; AdvantageIQ

[1]Calculated as the gross inflows, less gross outflows

With regards to its tax-advantaged fundraising track record, we note that shortly after it relaunched its flagship EIS service as an evergreen strategy, Guinness managed to significantly increase fundraising. More specifically EIS fundraising in 2017 was almost four times the amount in 2016. Guinness attribute this to a much wider take-up of the Guinness EIS by investors following the first EIS exits achieved in 2016, coupled with a contraction of longstanding EIS providers in the market. Though BR fundraising has been increasing, it is still relatively small. Guinness hired two new Business Development managers in 2019 to help promote its EIS and BR funds.

Guinness has a dedicated six-person sales and marketing team which carries out ongoing reporting to investors for its quoted fund range. In addition, there are two investor relations personnel focussed on the tax-advantaged products, with two business development managers who we understand, interact with advisers on a daily basis. Additionally, we note that The Share Centre provides custodian and administration services to clients on behalf of the Manager. Guinness has procedures in place that set the standards for client communication for each of its product lines. We note that the reporting frequency for EIS investors is bi-annual, in April and October. Additionally, Guinness will provide clients and their advisers with up to date valuations of their portfolios when requested.

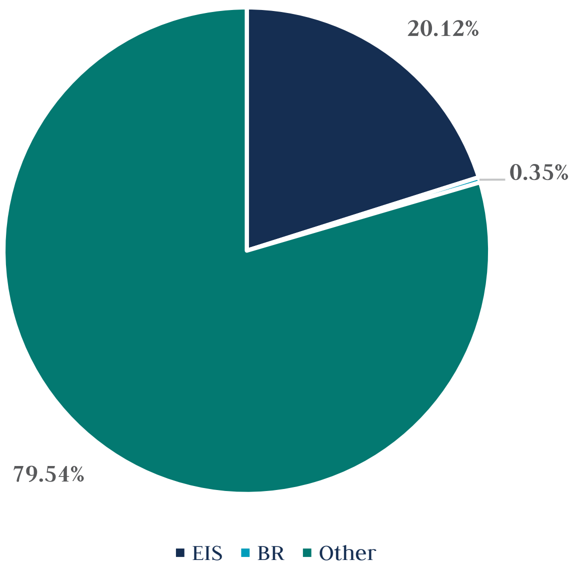
We note that the Manager follows the FCA rules for handling complaints, and maintains a complaint register. The Manager confirms that it has not had any complaints referred to the Financial Ombudsman over the last 12 months.

Financial & Business Stability

According to the latest financial information for the financial year ended December 2018, the Manager’s long only institutional funds accounted for almost 80% of its revenue base, while tax-advantaged funds, predominantly it’s EIS funds, made up the remaining 20% (with BR accounting for just 0.35%). It is interesting to note that that while EIS products account for just 10% of total AUM, they generated one fifth of total revenue and approximately 50% of pre-tax profits in 2018 (down to an estimated 16% of revenues and 38% of net-profits in 2019). According to the Manager, this is mainly a function of attributing central costs across the business, and consequently, it does not feel that its profitability is overly susceptible to legislative changes on tax-advantaged products. Nevertheless, with 50% of pre-tax profits coming from its non-tax advantaged offering, it is still reliant on these product offerings to some extent, although less so than many other providers within this space.

However, as with any other pure investment management firm, revenue growth will be vulnerable to AUM outflows and hence AUM should be monitored closely. Nonetheless, we consider the variety of products offered by the Manager to be a positive contributor to the stability of the business as there is less reliance on individual product offerings.

CHART 5: REVENUE BREAKDOWN (AS AT DECEMBER 2018)



Source: Guinness; AdvantageIQ

TABLE 1: KEY FINANCIAL METRICS SUMMARY OF GUINNESS ASSET MANAGEMENT

(£'000)	2014	2015	2016	2017	2018	2019 ESTIMATE	5 YR. CAGR
Revenue	3,972	5,029	7,683	12,173	15,535	*20,800*	39.3%
Revenue growth (%)		*27%*	*53%*	*58%*	*28%*	*34%*	
Cost of Sales	2,386	2,953	4,691	7,801	9633.00	*N/A*	41.7%*
Cost to Income ratio	*60%*	*59%*	*61%*	*64%*	*62%*	*N/A*	
Operating Profit	98.2	384.1	531.1	852.3	1,241	*2,980*	97.9%
Net Profit	60.8	308.7	374.7	686.5	957	*2,400*	108.6%
Net Profit Margin (%)	*1.5%*	*6.1%*	*4.9%*	*5.6%*	*6.2%*	*11.5%*	
Net Assets	1,866	2175	2550	3236	4193	*6,500*	28.4%

Source: Guinness

*4 Year CAGR for Cost of Sales, from 2014 to 2018.

Guinness Asset Management are a profitable and growing company, with Revenue and profits growing year on year from 2014 to the latest financial accounts at December 2018. The Manager has provided estimates for 2019 end of year financials, which look to continue in this growth trajectory. If these predictions are to be correct, Guinness will have a 5 year Revenue CAGR of almost 40%, and net profit CAGR of 109%. Net assets have also considerably increased, which more than tripled from 2014 to 2018.

In addition to the promising progression at both the top and bottom line, we note that the Manager is largely equity funded and has a solid capital and liquidity position (with net assets of over £4.1 million, according to the latest published financial accounts), which suggest a stable and conservatively run business.

The Manager currently employs 44 people and operates out of two offices, one in London and one in Los Angeles, United States, the latter being where Guinness Atkinson is based. We note that at the time of our last meeting with Guinness, it indicated a target headcount of 45 by 2021, which we understand it is on track to achieve.

We consider the Manager's concentrated ownership structure, with Tim Guinness owning 60% of the equity in the business, as presenting a risk to the provision of sufficient challenge on business decisions. However, in our previous meeting with Guinness, it was emphasised that there is an experienced senior management team, and it was noted that Tim is taking a less significant role in the business, with other members of the senior management team becoming increasingly involved in the management of the business, which was confirmed as an ongoing theme in our most recent meeting.

Quality of Governance and Management Team

We consider the Manager's organisational structure to be simple, flat, and appropriate for the nature of its business. The board, which consists of Tim Guinness, Edmund Harriss, Edward Guinness, Andrew Martin Smith and Jim Atkinson, (see the appendix for a summary of their experience), have the ultimate decision-making responsibility for the Manager. However, we note that despite the concentrated ownership structure, we understand that Guinness has made some active changes in the last year, with Edward Guinness becoming Managing Director, Andrew Martin Smith being appointed to the Board and Tim Guinness undertaking less day-to-day responsibilities within the business.

We understand that all members of the board have equal voting rights, however we note that the governance structure would benefit from the appointment of a non-executive director. We note that all members of the Board are suitably qualified with long track records in the asset management industry: for example, Andrew Martin Smith was the Chief Executive of Hambros Fund Management; Jim Atkinson served as the president of MAX Funds; Edmund Harriss has been managing Asian equity funds since 1994; and Tim Guinness, the Manager's founder, is a value investor with over 35 years' experience.

Guinness has a comprehensive set of internal controls in place to manage the operations of the business. This includes a bespoke code of professional conduct and ethics manual, a conflicts of interest policy, and other relevant documents we would expect of an institution of this size with a predominantly institutional client base. We have reviewed these documents as at December 2019 and found them comprehensive. We note that the Manager updates these documents regularly.

TABLE 2: OVERSIGHT COMMITTEES/WORKING GROUPS

COMMITTEE	DETAILS
Senior Management Committee	**Mandate:** Board-level strategic/operational discussions **Members:** Tim Guinness, Edward Guinness, Andrew Martin Smith, Edmund Harriss, Deborah Kay, Giles Robinette **Frequency:** Monthly
Investment Committee	**Mandate:** Will review and approve all the investment decisions taken by the Manager. **Members:** Tim Guinness, Andrew Martin Smith, Edward Guinness, Lord Flight and Shane Gallwey **Frequency:** Quarterly

Work In Progress Committee	**Mandate:** Rank and comment on investment opportunities in a live document, decide which opportunities to take to the Investment Committee. **Members:** Shane Gallwey, Edward Guinness, Chris Villiers, Malcolm King, Hugo Vaux, Ashley Abrahams, Bridget Hallahane and Adam Barker **Frequency:** Weekly
Compliance, Operations & Risk Committee	**Mandate:** Compliance, regulatory and risk issues. **Members:** Giles Robinette, Caroline Posse, Charlotte Warre, Edward Guinness, Tim Guinness, Edmund Harriss **Frequency:** Monthly

Source: Guinness Asset Management; AdvantageIQ

Giles Robinette holds the firms SMF16 (Compliance Oversight) function, while Edmund Harriss holds the SM17 (Money Laundering Reporting) function, with both being senior members of the management team. Guinness' dedicated compliance team are responsible for, amongst other things, ensuring adherence to the reporting requirements of the FCA and the Central Bank of Ireland. Finally, we have previously reviewed Guinness' detailed procedures manual that covers internal procedures, policies and conduct. We note that there are currently no regulatory issues affecting the Manager. Overall, we are comfortable that the quality of the governance procedures is commensurate with the size of the organisation.

Product Quality Assessment

Investment Team

The investment team ("the Team") comprises nine investment professionals who are responsible for managing Guinness' tax-advantaged product offerings, which includes two EIS products and two BR offerings. All members of this team are involved in this EIS, and the team receive back office support, which we are told continues to expand in line with the level of assets within Fund. In terms of the core team, there has been the recent addition of Bridget Hallahane in February 2019, who heads the portfolio management. There are also plans to expand this function further by adding in some junior staff members to support Bridget.

The team is led by Shane Gallwey, who was previously a director at Northland Capital Partners where he advised growth companies on capital structuring, and has been with Guinness since 2010. Most members of the team have backgrounds in private equity and corporate finance, with generalist backgrounds, rather than any sector specific expertise. Nonetheless, the Team has worked together for over five years, and its composition has, to date, been largely stable with low employee turnover; further we understand that the team has a vast network of sector specialists who can be called upon to help with due diligence where specific sector expertise is needed.

We are encouraged by the addition of Bridget Hallahane to the team. Bridget's role involves undertaking a review of investee company accounts, board packs, helping management teams in making key hires. We also understand that she will look to assist investee companies by running training programmes in order to upskill company management in relevant business areas. These have included forming a Finance Director club for investee company finance directors to meet and increase knowledge on relevant issues such as R&D tax credits and employee share options, and a digital marketing seminar run by a former director of WPP. As the portfolio continues to expand, having a dedicated individual tasked with the ongoing monitoring process will help to promote a greater level of oversight, and the remainder of the team can focus on deal origination and execution.

We note that the Team has a track record of investing in EIS-qualifying investments: since 2010 it has invested over £170 million into EIS-qualifying companies. More specifically, Guinness has an established track record of investing in EIS-qualifying, energy-generating companies, and latterly in asset-backed, EIS-qualifying companies operating in a number of different sectors. Performance of these investments has, for the most part, been encouraging. However, as has been noted in previous reviews, Guinness has a limited but growing track record of investment into riskier, growth companies which meet current HMRC rules; and, is yet to exit any investments made post the outcome of the Patient Capital Review. As such, it is difficult to comment on the Team's ability to execute and exit the identified investment opportunities over the proposed investment horizon. However, the team has now been executing this current strategy for over two years, and we acknowledge that there has been some positive performance in the underlying portfolio, with some valuation uplifts, as well as one profitable exit (though it did not qualify for tax relief). We also note that the teams previous experience, along with the fact that it will target investment into later-stage, revenue generating companies with established management teams, it somewhat mitigates the need for early-stage, growth investment expertise, when compared to other Managers targeting investment into seed or pre-revenue companies.

Finally, addressing the Team's stability and incentives, we note that there appears to be a very collegiate approach to the investment process aided by a flat team structure and the sharing of responsibilities across team members; this helps mitigate potential key man risk issues. The investment team and members of the EIS investment committee have collectively invested over £1.8 million across both the Guinness EIS and Guinness AIM EIS, helping to align the incentives of the Investment team with those of the investors into this product. The team appears to be well resourced, and we welcome the addition of a dedicated portfolio monitoring function. However only time, and a number of exits, will tell whether the team are capable of making suitable returns under the current strategy.

We present the biographies of the Team and the Investment Committee in the Appendix to this report.

Investment Strategy & Philosophy

As has been noted previously, the investment strategy for the Fund has been altered twice since 2015. Initially Guinness would invest in individual companies, wholly owned by EIS investors, in order to invest in renewable energy projects, with a significant level of asset backing. However, following the removal of renewable energy as an EIS-qualifying trade in 2015, Guinness relaunched the Service in 2016 and adopted a more generalist approach, but maintained its capital preservation mandate. The strategy was again revised more recently following the PCR, and introduction of the "risk-to-capital" condition, introduced by HMRC in November 2017.

Although the investment philosophy now targets investment into younger (post-seed), growth companies, it has maintained a gross return target of in excess of 1.25x money-in (net of all fees) over a four to five-year investment horizon. The investment strategy aims to expose investors to a portfolio of between six and twelve EIS-qualifying investments across a range of sectors, but are expected to pass the following criteria to be considered:

1. Businesses with experienced management teams, in particular a preference for serial entrepreneurs which have therefore developed a level of expertise in identifying (and managing) companies with a potential for growth
2. Businesses with good visibility on future revenue and cash flow growth; potential investee companies should have a mature profile, and a clearly defined growth trajectory ideally underpinned by commercial contracts or agreements in place for new site openings or product launches
3. Businesses requiring additional funds to expand their working capital; Guinness favours companies with growing sales figures and therefore require additional funding in order to fund stock and debtor growth.

In addition to this, investee companies are expected to have generated historic year revenue of at least £1 million (although exceptions will be made), and thus have demonstrated a certain level of commerciality. The Manager plans to invest between £500,000 and £5 million into each investee company, with an average investment size of £2.3 million in the 2018/19 tax year. Investment will generally be into companies undertaking Series B fundraising for scale-up capital. In our meeting with the Manager, it was noted that while it will consider co-investment it is not a prerequisite, rather as a matter of circumstance. Guinness pointed to the likes of established venture capital investors such as Downing, Pembroke VCT, Octopus, Cambridge Innovation Capital and a number of family offices as institutions that have invested alongside Guinness in the past. Currently around 50% of Guinness' investments are syndicate investments covering a list of 22 different institutions.

The 25% return targeted by the Fund over the five-year investment horizon, implies a 4.6% IRR (approximately 8% IRR gross of fees) level of return. Guinness is keen to point out that, according to a report compiled by the British Venture Capital Association ("BVCA"), UK venture funds with a post-2002 vintage, have generated an historic IRR of 7.8% since inception and therefore in line with the Fund's target gross return. We note that this level of return is somewhat conservative in comparison to many of the other EIS products currently on offer, however, when considering the type of investee companies which it will target (later stage companies with a sector agnostic approach), a lower level of return is arguably to be expected. However, the target return does not provide any liquidity premium as might be expected.. An allocation across a minimum of six investee companies could result in an allocation of as much as 17% into a single company, which does give rise to concentration risk. However, Guinness has pointed out that, in practice, investors have previously been allocated across many more than that. Across the last five tranches, investors have been allocated into between nine and up to twelve companies. Investors with existing EIS portfolios focussed on technology stocks will potentially get significant diversification benefits.

We acknowledge the fact that Guinness has an extensive record of EIS investments, and its record is this regard is for the most part encouraging. It is also encouraging to note that it has managed to invest over £62 million into companies which meet the current criteria as outlined by the strategy above. However, the fact that the Manager has had to amend its EIS investment strategy twice in less than five years (as a result of changes made to the EIS qualifying rules) cannot be overlooked. As such we are unable to comment on the efficacy of the strategy, or the investment team's ability to meet the stated target return. That being said, the fact that Guinness will be targeting later-stage investee companies, while a number of EIS managers tend to target earlier-stage, and therefore riskier, companies (and therefore at a higher target return), should bring some comfort to investors. We further acknowledge that the investment team has been overseeing this strategy for over two years now, and is therefore starting to build a track record.

Pipeline/Prospects and Current Portfolio

The Fund was relaunched as an evergreen structure in October 2016. Under that structure, the Fund no longer invested in renewable energy, but instead focused on asset-backed investments, with a generalist approach. The first of these investments was made in April 2017, and the last made in November 2017, and we understand that in this period, Guinness deployed almost £40 million into nine separate investee companies. However, as these investments were made under the previous strategy, they are not an accurate reflection of the growth-focused investments that incoming investors can expected to be allocated in. The overall AUM of the EIS, including investments made under the old strategies is £170 million.

As has been noted, following the Patient Capital Review ("PCR"), and in particular the introduction of the "risk-to-capital"[1] condition, which applied from Royal Assent on 15 March 2018, the investment team amended its investment strategy once again, and it will now make investment into growth companies, with a more sector agnostic approach. Since April 2018. Guinness has made 56 investments across 24 individual companies, totalling over £60 million as outlined below. There have been some significant valuation changes in the new portfolio, there has similarly been significant downward valuations in two of the portfolio companies; My Home Group Ltd, and Alpha Charlie Limited.

TABLE 3: GUINNESS EIS PORTFOLIO GROWTH INVESTMENTS POST NOVEMBER 2017

COMPANY	DATE OF INITIAL INVESTMENT	TOTAL INVESTMENT	CURRENT VALUE	UNREALISED VALUE	PROPORTION OF PORTFOLIO
Cera Care Ltd	07/03/2018	£6,303,976	£6,864,610	1.09x	12%
Hanzo Archives	07/03/2018	£2,002,272	£2,002,272	-	4%
Jones Food Company	07/03/2018	£4,900,000	£1,397,562 (+£6,295,437)[1]	1.57x	2%
My Home Group Ltd	07/03/2018	£2,400,022	£400,794	-0.17x	1%
SmileOne Ltd	07/03/2018	£3,003,219	£3,003,219	-	5%
Worker X	07/03/2018	£2,502,841	£2,502,841	-	4%
Gravity Fitness Ltd	04/04/2018	£2,999,355	£2,999,355	-	5%
MWS Technology Limited	04/04/2018	£2,037,228	£2,559,440	1.26x	4%

[1] The risk to capital condition applied from Royal Assent on 15 March 2018, however, since 4th December 2017 HMRC declined advance assurance if it did not appear to meet the risk to capital condition

Popsa Holdings Ltd	04/04/2018	£1,735,834	£2,876,511	1.66x	5%
Great British Prawns Limited	03/08/2018	£2,745,102	£2,745,102	-	5%
Alpha Charlie Limited	05/09/2018	£2,249,101	£1,527,388	-0.68x	3%
Pasta Evangelists Limited	19/09/2018	£1,799,997	£2,040,963	1.13x	4%
Headbox Solutions Limited	19/10/2018	£3,002,630	£3,057,374	1.02x	5%
Draper & Dash Ltd	27/12/2018	£3,007,774	£3,015,574	-	5%
Imagen Ltd	03/01/2019	£1,811,500	£1,811,500	-	3%
Edge10 (UK) Limited	18/01/2019	£1,000,020	£1,000,020	1.12x	2%
Iris Fashion Limited	13/02/2019	£1,000,020	£1,000,020	-	2%
Wolf & Badger Ltd	18/02/2019	£4,500,020	£4,500,020	-	8%
Doctify Ltd	03/04/2019	£1,999,965	£1,999,965	-	4%
Thriva	03/04/2019	£2,199,998	£2,199,998	-	4%
Baby Mori Ltd	04/04/2019	£2,534,997	£2,534,997	-	4%
Blu Wireless Technology Ltd	05/04/2019	£2,071,196	£2,071,196	-	4%
Fifty Technology Limited	24/07/2019	£1,000,002	£1,000,002	-	2%
Global Pricing Innovations Ltd	05/11/2019	£923,523	£923,523	-	2%
Total		£60,480,571	£63,282,620	1.05x	

Source: Guinness; AdvantageIQ

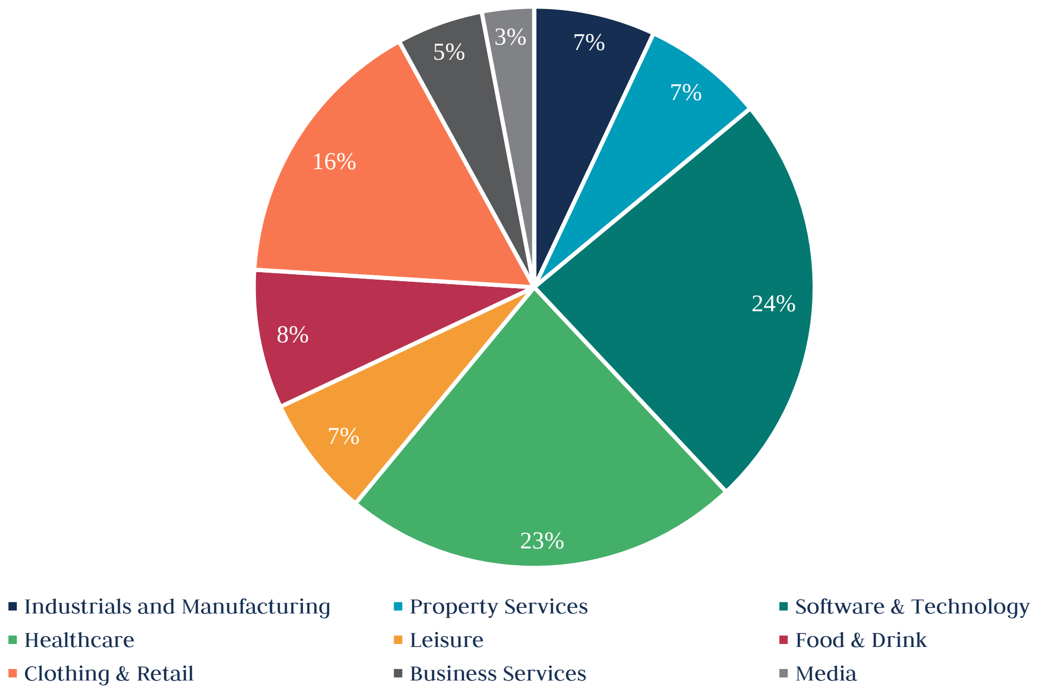
[1] Guinness made a partial exit to Ocado

Note: This table does not include follow-on investments into companies originally invested into before November 2017. These investment rounds will be accounted for in the previous table

Guinness made a partial exit on Jones Food Group, following a bid from Ocado. While this meant a significant profit for investors, the exit was made within the required three-year holding period, meaning that investors would have had a clawback from HMRC on the initial 30% tax relief. However, the gains generated from the realisation were enough to more than compensate investors; and, it does arguably indicate Guinness' ability to successfully exit investments under the current strategy.

A breakdown of the current EIS portfolio (as measured by initial investment amounts), as invested in under the current investment strategy is illustrated below

CHART 6: CURRENT EIS GROWTH PORTFOLIO BREAKDOWN AS AT JANUARY 2020

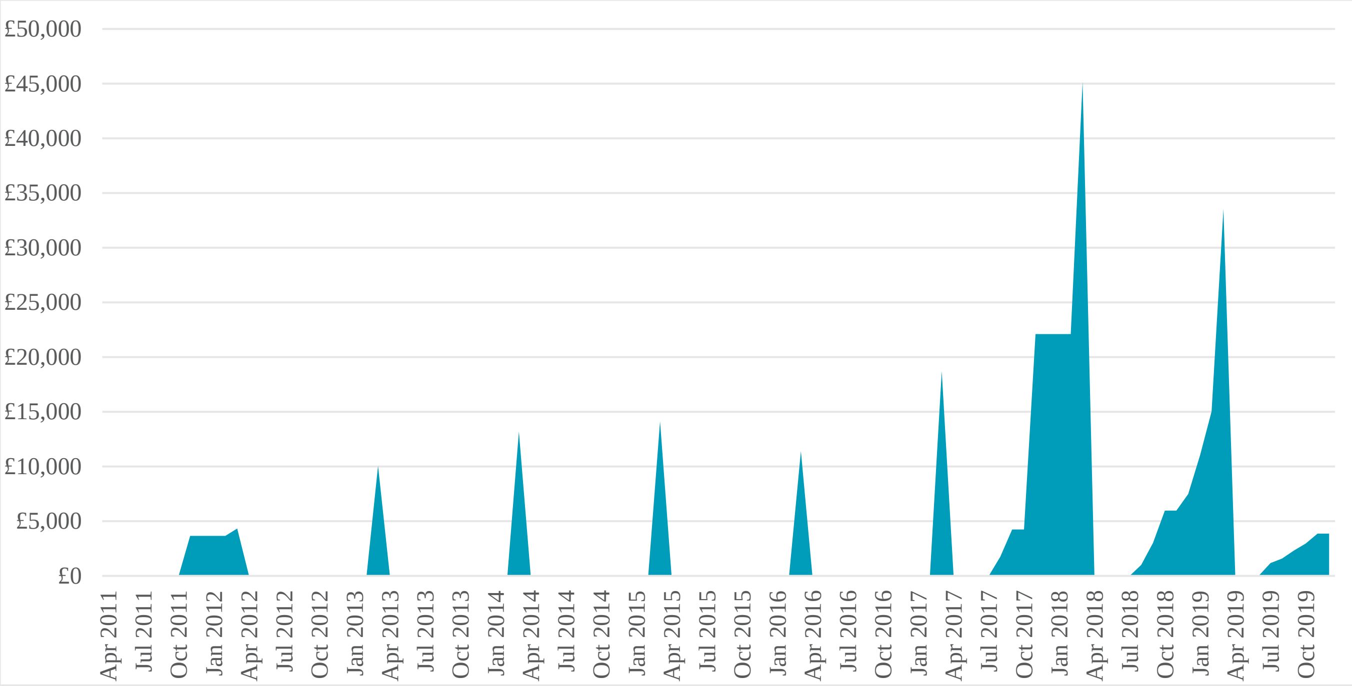


Source: Guinness, AdvantageIQ

The current portfolio is split across a number of different sectors, with the two largest being Software & Technology and Healthcare which account for nearly half by investment value. However, given the wide range of verticals within these sectors, we have been informed that these companies are split over a number of sub-sectors within.

The graph below shows the deployment of the service since its inception in 2011 by tax year. As can be seen, the deployment has significantly improved since April 2017, with Guinness has managed to deploy in excess of £30 million over the two previous tax years. According to Guinness, the aim is to have all of an investors subscription deployed within the same tax year, and this target has always been met.

TABLE 4: DEPLOYMENT FOR GUINNESS EIS SINCE INCEPTION (MILLIONS)



Source: Guinness, AdvantageIQ

As the Service operates tranche closures, the portfolio outlined above serves more as an illustration of previous investments made by the Service, and it does not necessarily indicate the companies into which investors will be allocated (unless as a result of follow-on funding). However, we have been provided with the pipeline of investee companies which Guinness has earmarked for investment for the current raise.

Guinness will source deal flow from its network of industry contacts, industry events, and increasingly through referrals from existing investee companies. In addition to this, Guinness indicated that there may be some crossover with investee companies which were initially earmarked for investment through its AIM EIS service, but may have decided to hold off from listing. This approach is common among managers within this space.

According to the pipeline provided below, at the time of writing Guinness has capacity to deploy over £20 million for the Q1 2020 tranche, expected to close on 12th March, spread across as many as 12 separate investee companies, which would mean the EIS would achieve similar deployment levels to the two years prior.

TABLE 5: CURRENT PIPELINE FOR Q1 2020 TRANCHE

COMPANY	SECTOR	TOTAL INVESTMENT	FOLLOW-ON/ NEW INVESTMENT	STAGE OF DUE DILIGENCE
1	Digital Marketing	£3.5 million	New	Completed
2	Business data transfer	£2 million	New	Final stages
3	Pricing for Big Pharma	£1 million	New	Completed
4	Mobility Scooters	£3 million	New	In progress
5	Event Booking	£2 million	Follow-on	Completed

6	Professional services	£1.8 million	New	In progress
7	Retail loyalty platform	£3.5 million	New	Completed
8	Digital text books	£1.5 million	New	N/A
9	Premium food	£1.3 million	Follow-on	Completed
10	Photobook app	£1 million	Follow-on	Completed
11	TV voting platform	£3.0 million	New	In progress
12	Home health testing	£1.5 million	Follow-on	Final stages
Total		**£25.5 million**		

Source: Guinness

The current pipeline appears to provide a level of diversification, with all 12 targeting considerably different sectors. Four of these investments will be follow-on investments, and as a result the potential conflict of interest when it comes to establishing the valuation of companies for follow-on investment must be flagged. However, Guinness has indicated that all follow-on funding will go through the same due diligence process as it would as an initial round, and the Investment Committee must adhere to the firm's conflict of interest policy. Investors will need to decide for themselves that this is sufficient to manage this conflict.

Although Guinness will target an allocation of between six and twelve investee companies, we understand that historically investors have been placed into between nine and twelve companies. Assuming a raise of £13 million (or even slightly less) this should similarly be the case, and investors should be afforded a level of diversification in order to mitigate the risk which these investee companies may present.

Investment Process

The Manager has described its investment process as follows in AdvantageIQ:

TABLE 6: INVESTMENT PROCESS

INVESTMENT PROCESS	DETAILS
Deal sourcing/ origination	The Investment Manager sources Investments through its networks of contacts. Guinness Asset Management has made more than 70 EIS investments since 2011, and has consequently established a broad pipeline of investment opportunities and introducers.
Deal filtering and selection	All origination leads are discussed at the Investment Manager's regular pipeline meetings where they are prioritised according to the investment strategy. These meetings take place at least every two weeks.

Due diligence process	Origination leads that have been prioritised are initially screened internally. The Investment Manager will usually secure a period of exclusivity while due diligence is completed. This may involve external advisers and concludes with negotiating investment terms. The findings are compiled into a long-form investment memorandum, which is circulated to the Investment Committee for discussion at Investment Committee meetings.
Deal approval	If the Investment Committee grants final approval for a potential Investment, it provides the Investment Manager with a budget and timeframe for completing the transaction. The Investment Manager primarily manages transactions internally, but it may also engage third parties such as lawyers and accountants for transaction support.

Source: Guinness; AdvantageIQ

Guinness have formerly introduced a weekly 'work in progress' meeting, where the team will discuss the current deals in the pipeline and share ideas on the sort of due diligence that will need to be carried out for specific companies. This means that all team members are knowledgeable on the companies, therefore limiting dependence on individuals.

Guinness has provided examples of documentation that is used throughout the investment process. The example term sheet provided includes the proposed investment, the conditions of investment, as well as provisions to introduce specific individuals to the board of the investee company. The short paper, which would be used in investment committees and other more regular meetings, covers an overview of the company, its business plan, its market/competitive position, and details of the management team. During our last review of Guinness EIS, in February 2019, we were also provided with a copy of commercial due diligence undertaken by an external third party (Wilson Partners Corporate Finance), undertaken as part of the due diligence process.

Overall, all documents that have been reviewed by Allenbridge appear to be comprehensive and detailed for purpose. Furthermore, Guinness have been transparent in our discussions over its investment process, and we are comfortable that it adopts a sufficiently comprehensive investment process using a diverse deal-sourcing channel that reflects the team's level of expertise in the EIS market.

Risk Management

We identify the following as the key risks of an investment in the Fund: failure/poor performance of an investee company, execution risk, liquidity risk, exit risk and maintenance of EIS tax benefits. We have assessed the policies and controls that Management has in place to minimise these risks and have found them to be appropriate for the size and strategy of the Fund.

Risks relating to investee company default are partly mitigated during the investment process through the analysis and due diligence undertaken before an investment decision is made. As has been noted, where necessary (for example where it does not have an adequate level of expertise), Guinness will outsource elements of the due diligence process, including commercial and financial due diligence. According to the documentation with which we have previously been provided, an examination of the market opportunity and competitive landscape will be undertaken as part the due diligence process.

Execution risk is controlled through an ongoing, active involvement by the Team in the management of the underlying investments. The Manager will require board representation at each investee company and will hold minority equity positions with veto rights on certain key actions that affect the risk/reward profile of the investment; such as the introduction of leverage or a change of focus for the business.

Investors can expect to be allocated across a portfolio of between six and twelve investee companies, and according to Guinness investors in the previous five tranches have been spread across between nine and twelve investee companies. Even at the lower end of this spectrum, investors will be afforded a level of diversification; however, we note that there are no formal allocation restrictions in place. Further, as has been noted previously as Guinness will target investee companies which have generated historic year revenue in excess of £1 million, they present a lower risk profile than younger companies which have yet to prove commerciality

Guinness has recently made improvement to its portfolio monitoring function. As mentioned previously, Guinness has hired Bridget Hallahane as a Portfolio Manager, who has introduced a 100 day plan to the investment monitoring process. This 100 day plan would require companies to submit regular information, including KPIs, budgets and key hires, which would all be compared quarterly targets. We are told that Bridget has also encouraged the rest of the team to improve their expertise in portfolio monitoring by attending courses with the BVCA. This dedicated portfolio monitoring function is an encouraging development and will help to improve the general oversight of underlying investee companies.

Guinness has provided the term sheet for one of its recent investments, and along with the requirement for a seat on the board (in the position of non-executive director), the document stipulates the conditions of investment. This includes the submission of monthly management accounts, annual budgets (along with an annual presentation of the business plan) among others..

We note that HMRC Advance Approval is sought to ensure that new investee companies is EIS-qualifying at the time of investment. Guinness has told us that if the Investee company has sought Advance Assurance in the last 18 months leading up to Investment, then Guinness may seek advice from Phillip Hare on the continuity of this qualifying status, rather than push the date of Investment further back by asking Advance Assurance to be sought again.

In terms of valuations, Guinness follows a policy of maintaining valuation at cost or at the most recent investment round. It should be noted that the EIS portfolio information provided to us by Guinness included a reason for each valuation change in the portfolio, and all valuation increases are based on follow-on investment rounds.

Finally, as Guinness EIS invests over quarterly tranches, there could potentially be a number of different tranches investing in the same company as part of the same investment round. Guinness will need to ensure fair allocation to ensure one group of investors is not favoured over another. Accordingly, we have reviewed Guinness's allocation paper for these tranches. This paper thoroughly outlines the allocation protocols, and the likely allocation for the current pipeline, based on a number of theoretical allocation scenarios that are also outlined in the document.

Key Features

The table below outlines the fees charged by Guinness EIS. The service will charge investee companies a 2% initial fee, a 0.2% dealing fee and a 2% annual management charge (AMC) of the subscription amount, as well as a custodian fee of 0.2%. This custodian fee was previously charged as two separate fees; a 0.35% dealing fee, and a £60 administration fee. Guinness will now charge fees on behalf of the custodian, therefore creating a flat rate for investee companies. By charging all of the fees mentioned above to the investee company, 100% of investor subscriptions will be eligible for tax relief. However, Investors will be charged a performance fee of 20% for total returns above 100%. This means that investors will pay a performance fee even if their portfolio returns do not meet the target return; Although, encouragingly the hurdle is measured on a portfolio basis, which we feel is the correct approach.

TABLE 7: FEES PAID BY INVESTOR AND INVESTEE

FEE (excluding VAT)	CHARGED TO: INVESTOR	CHARGED TO: INVESTEE COMPANY
Initial Fee	-	2%
Custodian Fee	-	0.2%
Arrangement Fee	-	-
Annual Management Fee[1]	-	2%

Annual Admin/Service Fee[1]	-	-
Dealing Fee	-	0.2%
Director's or other Company Fees	-	-
Exit Performance Fee	20%	-
Exit Performance Hurdle	1.00x	-
Available discounts	n/a	
Other Fees	-	
Adviser/Intermediary charges	-	
Execution Only Fees	3% initial fee	
Direct Application Fees	3% initial fee	

Source: Guinness

[1] Charged on the Initial Subscription Amount

Performance

Although originally launched in 2010, as has been noted, the Guinness EIS has adjusted its investment strategy twice. Firstly in 2015 following the removal of renewable energy as a qualifying trade for the purposes of EIS tax relief, and secondly following the PCR in November 2017. While the Service does have a demonstrable track record of exits and positive returns to investors, it has yet to make a qualifying exit of the investments made according to the current strategy. The table below shows the valuation changes in the portfolio of new investments made after the 2017 rule changes. Though there have only been two decreases in comparison to seven increases in value, both of these valuation decreases have been significantly larger at -32% and -83%. Nonetheless the overall value of the portfolio has made a marginal increase.

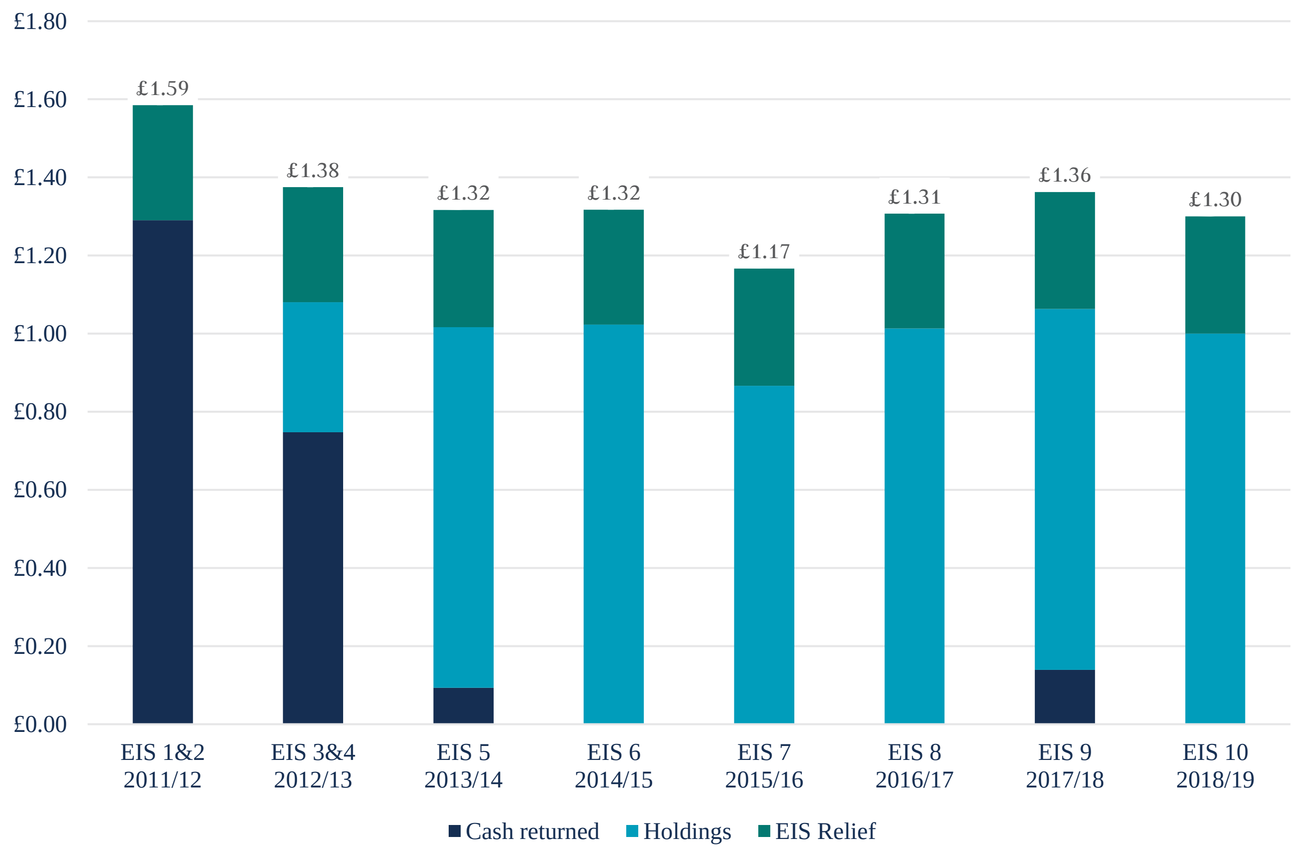
TABLE 8: VALUATION CHANGES IN NEW PORTFOLIO COMPANIES

NUMBER OF COMPANIES IN THE POST-NOVEMBER 2017 PORTFOLIO	INCREASED IN VALUE	VALUED AT COST	DECREASED IN VALUE
24	7	15	2

There has been one exit under the new strategy, of Jones Food Company. Jones Food Company, which is a tech-enabled salad and herb producer, was approached by large food retailer Ocado. Guinness agreed that selling a holding to Ocado would be the best thing for the business, and as such it sold 80% of the Funds holding for 1.6x, after a period of just 15 months. The other 20% is still being held to benefit from the projected uplift in the value of the company. However, it should be noted that this exit was made within the minimum 3 year holding period and as a result, HMRC would have clawbacked their EIS tax relief clawback.

The chart below, and provided by Guinness, indicates the amount of cash returned per £1 invested, including EIS tax relief since the funds inception, across all tranches and by tax year. While it is encouraging to note that Guinness has a positive track record of returns, albeit in some years when excluding tax reliefs are excluded, performance is less impressive. The most relevant tax years are for 2017/18 and 2018/19 during which the current investment strategy was implemented. There has been a marginal uplift in valuation for the 2017/18 tax year due to the exit mentioned above (albeit an element of tax relief would have been withdrawn). More recent tranches in the 2018/19 tax year remain valued at cost.

TABLE 9: VALUATIONS PER £1 INVESTED



Source: Guinness

Appendix 1: Key Personnel

Key Investment Professionals

NAME	JOB TITLE	BIOGRAPHY
Shane Gallwey	Fund Manager	Shane has launched, advised, invested in and sold a number of EIS & BPR-qualifying businesses. Prior to Guinness, he spent six years with HSBC Investment Bank in equity research and corporate finance, four years with an investment fund in Gibraltar, and a further five years advising growth companies on EIS/VCT structuring and financing. Shane holds an MA from the University of Edinburgh, and is a CFA Charterholder.
Edward Guinness	Fund Manager	As well as being a Fund Manager on the Guinness EIS Team, Edward has managed the Guinness Alternative Energy Fund since 2007, raising over US$100 million and making investments in listed wind, solar, hydroelectric and energy efficiency companies globally. He joined HSBC Investment Bank in 1998 working in the Energy & Utilities Team in Corporate Finance, Tiedmann in New York in 2003 and Guinness Asset Management in 2006.
Dr Malcolm King	Fund Manager	Malcolm joined Guinness Asset Management's EIS Team as an Investment Manager in 2013. Prior to joining Guinness, Malcolm worked for the Carbon Trust and its subsidiary CT Investment Partners (now 350 Investment Partners) where he led or managed 15 transactions in the cleantech and renewables sector. From 2006 to 2008 Malcolm worked as a Consultant for Angle technology plc where he was heavily involved in the management of the Carbon Trust Angle Incubator, the leading cleantech incubator of its kind in Europe. Malcolm has a PhD in Physical Chemistry from Cambridge University and a BSc (Hons) in Chemistry from the University of Pretoria.
Chris Villiers	Fund Manager	Chris joined Guinness EIS investment management team in 2015 after spending 10 years working in the carbon and renewable energy markets. The majority of this time was spent with EcoSecurities (a wholly owned subsidiary of JP Morgan) ultimately as Head of Portfolio Management. Between 1999 and 2004 Chris worked in Corporate Finance at Dresdner Kleinwort. He holds an MA from the University of Edinburgh and an MSc from Imperial College in Environmental Technology.
Hugo Vaux	Fund Manager	Hugo joined the Guinness EIS investment management team in 2012. His role includes sourcing and assessing potential transactions, monitoring existing investments and assisting on marketing. Prior to joining Guinness Hugo gained experience at SandAire Wealth Management undertaking micro and macro analysis in the investment team. He has an MSc in Finance and Investment from Bristol and a BSc in Economics from Exeter.

Ashley Abrahams	Fund Manager	Ashley Abrahams joined Guinness Asset Management in 2018 and is an Investment Manager in the Guinness EIS Team. Prior to joining Guinness Asset Management, Ashley worked for CBPE Capital and CIL Management Consultants. He has worked with companies in most sectors of the UK economy and has a focus on helping develop and support growth strategies for SMEs. Ashley graduated from the University of Cambridge and has a joint honours MA (Cantab.) in Management Studies and History. Ashley completed an MBA with the Smartly Institute, a disruptive learning platform.
Bridget Hallahane	Portfolio Manager	Bridget recently joined Guinness Asset Management to lead our portfolio management function. Previously she worked as the Chief Financial Officer at Active Partners whom focus on investment in high growth SMEs. During this time, she developed both the finance and portfolio management function. For 12 years she worked at PricewaterhouseCoopers across a range of teams including assurance, transaction services and business recovery. Bridget has international experience across a broad range of sectors and size of companies. She graduated from University College London and is a qualified as a Chartered Accountant.
Adam Barker	Associate	Adam joined Guinness Asset Management in January 2018 and works with the EIS team on reviewing and analysing investment opportunities. He graduated in 2016 with a BSc in Mathematics and was previously at Sanlam Private Wealth where he worked as an analyst on the Global Equities team.
Andrew Martin-Smith	Fund Manager	Andrew Martin Smith began his career at Hambros Bank in 1975 as a graduate from Oxford University. He has over 30 years' experience in the financial services industry and currently works as a senior adviser with Guinness Asset Management as well as managing the Guinness AIM EIS Fund. He is Chairman of Parmenion Capital Management and a Director of Church House Investments and three quoted investment trusts. Andrew has spent the last 20 years specifically involved in the fund management industry firstly as Chief Executive of Hambros Fund Management. He joined Berkshire Capital Securities after Hambros' successor fund management interests were acquired by Investec, and joined Guinness Asset Management in 2005.

Source: Guinness; AdvantageIQ

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