



RIVER CAPITAL

FUELLING AMBITION

fund:AI THE NORTH'S FIRST DEDICATED
ARTIFICIAL INTELLIGENCE, MACHINE LEARNING
AND DATA SCIENCE FUND

RIVER CAPITAL EIS AI Fund

[Brochure](#)



Important notice

All abbreviations, acronyms or designations used in this disclaimer are as defined in the section on definitions and in the body of the document where appropriate. Reference to the Fund means the River Capital EIS AI Fund.

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take it is recommended that you seek personal financial advice from your stockbroker, solicitor, accountant or other financial adviser authorised by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000 (FSMA) specialising in advising on investments of this type, on whose advice you should rely.

This brochure constitutes a financial promotion pursuant to Section 21 FSMA and has been issued by River Capital Management Ltd (the "Manager") as an AIFM authorised and regulated by the Financial Conduct Authority in the UK, 180891, Company number 03099944, Suite 6C, The Plaza, 100 Old Hall Street L3 9QJ.

For further information on the River Capital EIS AI fund please go to www.rivercapitaluk.com and download the Information Memorandum.

The risks of investing

Your capital is at risk

The value of your investments may go down as well as up, and you may not get back the full amount you invested.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.

Tax reliefs are not guaranteed

The rates of tax, tax benefits and allowances that are described in this brochure are based on current legislation and HMRC practice. They are not guaranteed, are subject to change, and depend on personal circumstances.

Please note

This document should not be relied upon and should be read in conjunction with the investment memorandum which sets out the strategy and the risks associated to the fund. This document is not to be distributed to persons outside of the UK and is to be sent to the following category of recipients only;

- A professional client by reference to the client categorisation in the FCA Rules COBS 3.5.1;

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.

- A client of an authorised firm, whereby such firm is regulated and authorised by the FCA, that will confirm that this investment is suitable for them within the meaning of COBS 4.7.8 (2) R;
- An eligible counterparty within the meaning of COBS 3.6.1R;
- A certified high net worth individual within the meaning of Article 48 FPO and self-certifies as such in the form set out in Schedule 5 Part I FPO;
- A certified sophisticated investor within the meaning of Article 50 FPO and certifies as such in the form set out in Article 50(1) (b) FPO; and
- A self-certified sophisticated investor within the meaning of Article 50A FPO and self-certifies as such in the form set out in Schedule 5 Part II FPO.

The Fund is an Alternative Investment Fund for the purposes of AIFMD (as defined herein). The Fund is not a separate legal entity and is not considered to be a collective investment scheme as defined in section 235 FSMA. The Manager is authorised to act as AIFM to the Fund.

By accepting this brochure, you represent and warrant to the Manager that you are a person who falls within the above description of firms and/or individuals in respect of whom the Manager has approved it as a financial promotion.

This brochure is not to be disclosed to any other person, except where appropriate to your Adviser or as required by law or used for any other purpose. Any other person who receives this Memorandum outside of the above categories of firms and/or individuals should not rely on its contents.

Prospective Investors should not regard the contents of this Brochure or any associated documents as constituting advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers before contemplating any investment to which this document relates. No such advice has been given by the Manager and if you are in any doubt about the suitability of such an investment, you should contact your financial adviser before doing so.

Your attention is drawn to the section entitled 'The Risks of Investing'. Neither this Brochure nor any associated documents constitute, and may not be used for the purposes of, an offer or invitation to subscribe for any investment to which they relate, by any person in any jurisdiction outside the United Kingdom.

This Brochure and any associated documents and the information contained within them are not for publication or distribution to persons outside the United Kingdom. They do not constitute and should not be considered as an offer to buy or sell, or as a solicitation of an offer to buy or sell, any security or share.

No representation is made, or warranty given as to the accuracy, completeness, achievability or reasonableness of any projections, views, statements or forecasts, which are illustrative and rely on assumptions which the Directors consider to be reasonable. Prospective Investors must determine for themselves what reliance (if any) they should place on such statements, views, projections or forecasts.

Investment in the Fund may not be suitable for all recipients of this document. A prospective Investor should consider carefully whether an investment in the Fund is suitable for them, considering their personal circumstances and the financial resources available to them.

All statements, other than statements of historical facts, included in this document may be forward looking statements. Forward-looking statements may include, without limitation, statements relating to future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects, etc.

These forward-looking statements do not guarantee positive future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future.

Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation.

The manager does not undertake any obligation to update publicly or revise any forward-looking statements (whether to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Reliance on this Document for the purpose of engaging in any investment activity may expose a prospective Investor to a significant risk of losing all their capital or other assets invested. Any investment by a prospective Investor in the Fund may be difficult to value and is likely to involve an above average level of risk. Prospective Investors should consider all risks associated with the type of investment described, including the risk factors as set out in this document.

The manager of the Fund will be a person authorised to carry on investment business by the Financial Services Authority or under the FSMA.

Prospective Investors must rely on their own investigation of the Fund and examination of the risks involved, including the legal, taxation, financial and other consequences of investing in the Fund. This Brochure is dated October 2022.

River Capital Fund introduction

We are delighted to be able to introduce you to the River Capital EIS AI Fund. [fund:AI](#)

fund:AI is an 'Evergreen' EIS fund. River Capital expects to invest in circa 15 exciting high-growth Artificial Intelligence ("AI"), machine learning and data science companies from the North over the first 5 years of Fund:AI.

The UK AI market is expected to grow significantly (at a compound annual growth rate of 35.9% from 2019-2025) and the UK is now recognised as being in an admirable position to become a global super-power in AI. This market is supported by UK government which launched the national AI strategy in 2021 with the aims of reflecting and protecting society whilst transforming the economy and our personal lives.

[fund:AI is the first Northern dedicated AI fund - targeting the underfished waters of the North for high-growth AI investment opportunities.](#)

It is our view that a majority of venture capital investments in the UK are highly concentrated in London and the South East, which accounts for the lion's share of venture capital activity. In an AI context, this leaves the North underserved, despite Manchester, Leeds, and Birmingham being in the top 10 AI UK cities and the North having produced at least 2 data Unicorns

We are particularly interested in identifying and investing in the next generation of AI companies who are developing platforms, applications and services. These companies will exist to improve society, business and our own personal lives. We categorise these companies as:

- For good
- For business
- For everyone

Pleasingly, most of our current pipeline companies solve important impactful real life problems, in such disciplines as health care, education, and sustainable agriculture. This means that fund:AI will inevitably and routinely be investing in "tech for good" and will be naturally aligned with the environmental, social and governance agenda.

Our investment team includes managers with deep operational experience in AI, machine learning and data science - people who have led AI companies and are recognised within the UK data industry as amongst the leading experts. Combined with experienced tech investors and an advisory network from organisations including Alder Hey Hospital and the University of Manchester, the Fund offers deep subject matter expertise to help originate, support and grow our AI investments.

River Capital, its team and advisors have over 15 years experience in investing, advising and founding exceptional AI and tech companies. This includes early investment into Blue Prism which is now a £1.25bn valued Unicorn in the North.

fund:AI will have two soft closes a year and we will target full deployment of capital within 6-12 months of each soft close.

The fund is targeting a return profile of 2x return on capital which does not include tax reliefs from the EIS structure and offers investors an opportunity to invest into a high growth UK tech sector.

We look forward to welcoming you as an investor in our fund!

**Mark Borzomato,
CEO, River Capital**



KEY FACTS

Fund Type	AIF
Soft Close	31st March and 30th September each year
Minimum Subscription	£25,000
Capital Deployment Horizon	Target 90% capital deployment into Investments within 12 months of the relevant Soft Close
Investment Focus	Early-stage AI enabled or tech enabled businesses with big data and potential for high growth
Geographical Focus	80% investment into the North
Exit Horizons	5-7 years
Target Investment Sizes	£500k-£2m (including follow on investments)
Target Returns	2 x return on capital from investments
Solicitors	Brabners LLP
Custodian	Mainspring Nominees Limited

We will make selective Investments in early- stage Investee Companies who are either AI enabling companies or tech enabled businesses with as yet untapped big data sets. These early- stage Investee Companies will have a high growth potential.

fund:AI will have a geographic bias towards the North. Circa 20% of our Investments may originate from further UK geographies but only where they qualify for EIS. Year 1 of the Fund we will seek to co-invest alongside other funders, either institutional or angel syndicates.

ABOUT THE FUND

fund:AI is an EIS fund that will aim to provide Investors with access to a unique selection of innovative AI companies that have an established proof-of-concept and commercial viability. It is intended for investors who want to achieve capital growth (rather than income) by investing in early-stage, unquoted companies which have the potential to increase in value significantly.

As an 'Evergreen' fund, fund:AI will have two Soft Closes per annum. The Fund will take advantage of the Enterprise Investment Scheme ("EIS") which was introduced by the UK government via the Finance Acts 1994 to 2022 ("FA").

Subject to an Investor's personal circumstances it is anticipated that Investors will be able to claim (S) EIS Reliefs in the tax year in which an Investment takes place into the underlying Investee Companies. (S)EIS Reliefs include upfront income tax relief, tax-free capital gains, and loss relief on each

Investment that returns less than you put in. These tax reliefs make investments in EIS qualifying businesses distinctly different from those in most other businesses. Typically, when you own shares in a business you risk losing up to the full amount you invest, while any gains you make are taxed. By investing in an EIS-qualifying early-stage business, any growth that you achieve should be tax-free and the tax reliefs can provide some additional relief if an investment doesn't work.

The Manager aims to fully deploy the Fund in 3-4 EIS eligible investee companies within 6 to 12 months of each Soft Close.

The Manager invests on behalf of Investors and aims to build a portfolio of circa 15 companies over 5 years, whereby the Investors are the beneficial owners of the shares in the Investee Companies.

EIS Introduced via the Finance Act

1994

Target Investment range

£500k - £2m

Target minimum return

2.0x capital

Target to be raised over the next 5 years

£20m

Target number of companies for deployment

15

Co-investment fund partners to be sought alongside

fund:AI

Fund leadership

Our team have deep sector experience in data-rich businesses having invested in or advised some of the North's 'Unicorn' AI companies



David Walters
Investment Director

David is recognised nationally as a member of the DataIQ100 – the most influential data and analytics practitioners in the UK and has operationally led Northern AI practices.

David was one of the first UK private equity Digital and Data Directors when appointed by Northedge Capital in 2016 helping their Portfolio companies to unlock the value in their data assets.

Prior to his Venture Capital career David was part of several PE backed management teams that successfully exited to trade by placing data at the heart of their organisations



Steve Charnock
IC Chair

A successful investor and entrepreneur Steve co-founded Cenkos Fund Managers and specialist SME investment business Seneca Partners.

In 2016 Seneca invested in Manchester based Wejo Limited. Wejo is a connected vehicle, data rich company, that every day collects in near real time 14.6 billion data points. Steve was a member of the Seneca Investment committee overseeing the Wejo investment. In 2021 Wejo announced a reverse merger with Virtuoso at an estimated \$1.1billion pro forma equity value



Mark Borzomato
CEO

Mark is CEO at River Capital. With over twenty five year's experience in delivering and driving value from corporate transactions, Mark has spent the last 15 years in a variety of institutional mid market equity investment roles supporting early stage and SME businesses across a broad range of sectors.

Mark was part of the River Capital team who backed the Warrington based Robotic Process Automation business Blue Prism via the MLEF fund. Blue Prism were floated on AIM in 2016 and were valued at \$1.1bn in November 2021.



Dr Marc d'Abbadie
Head of Venture

Marc is a highly-experienced venture capitalist with more than 15 years' experience. A published Ph.D scientist and named inventor on revenue generating patents.

Marc led the management buy-out of SPARK Impact in September 2016, which was subsequently operationally merged with River Capital. He has managed several funds and has been involved with multiple exits, including trade sales, IPOs and to Private Equity.

Advisory Team

Our advisory team members provide world class support, resource and thought leadership from their respective sectors and areas of expertise including HealthTech academia, super-computing and go to market NED resource.



Claire Liddy
MD of Innovation
Alder Hey Hospital

Claire is an expert in health and life sciences technology and innovation with over 20 year's healthcare senior leadership track record. A qualified accountant with a commercial skill set and a member of various advisory boards and expert groups. Claire currently leads the UK's largest health led Innovation Centre based at Alder Hey Children's Hospital, Liverpool.



John Leake
Business Growth Director
Sci Tech Daresbury

John is Business Growth Director for Sci-Tech Daresbury where he led the establishment of the national science and innovation campus. The campus is home to a community of 150 science and technology companies from start-ups to international corporates like IBM and Hitachi. John is Chair of the UK Science Park Association, and has been a Board member for over 3 years.



Dr Richard Almendinger
Senior Lecturer in Data Science
Manchester University

Richard is Professor of Applied AI and School Business Engagement Lead at the Alliance Manchester Business School, The University of Manchester, and is a Fellow of the Alan Turing Institute.



John Lord
Founder
TruNarrative

John is a Founder and Investor with experience in both scaling to flotation and exiting to Trade Buyers. John was founder and CEO of Leeds based TruNarrative who were acquired by LexisNexis in August 2021. John has a deep knowledge of SaaS and DaaS with expertise in go to market.

Investment criteria

fund: AI will invest capital (including seed or development capital) to Investee Companies seeking to accelerate their growth or build out their platform. This includes but is not limited to:

- Launch and expansion of products
- Creation and expansion of data science teams
- Creation of IP/Product from un-tapped big data sets

Sectors include:

HealthTech, AgriTech, EdTech, MarTech, Internet Of Things, Robotics, Cyber Security, Data Science as a Service (DSaaS), FinTech, Retail, and Manufacturing.

Target investments across the life of the Fund range from:

£500k - £2m



Profile of Investments

fund:AI will invest in early stage, high growth opportunity businesses that are or have the potential to become rich in Data Science, Machine Learning and/or Artificial Intelligence.

This includes tech enabled companies using:

- Machine Learning and ML Ops
- Robotics
- Robotic Process Automation (RPA)
- Computer Vision
- Data Science as a Service (DSaaS)
- Natural Language Processing (NLP)

Typical use cases that can be improved by data rich companies adopting AI include:

- Disease detection
- Fraud prevention
- Improving customer service
- Supply chain optimisation
- Improving sustainability
- Patient care
- Fitness and wellbeing
- Personalised learning

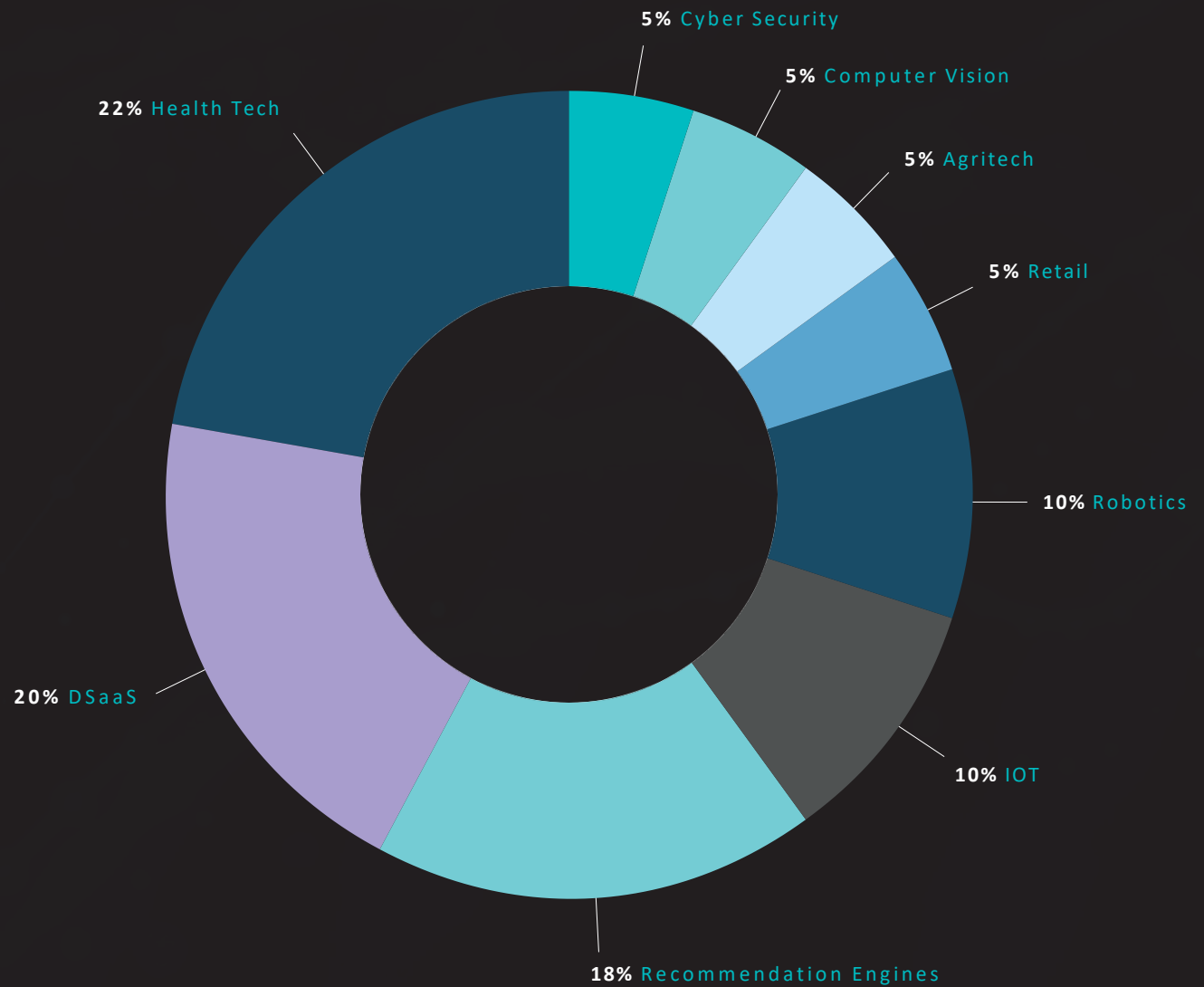


Pipeline sector breakdown

We have a strong pipeline of AI investment opportunities driven from across our Northern territories.

The majority of our new investments come from our network of advisors and our co-investment community.

We also see target investments from our work on various judging panels including Tech Nation Rising Stars.



River Capital believes that **Artificial Intelligence** is one of the most significant emerging trends in the UK.

The UK's AI market is estimated to grow significantly (at a compound rate of **35.9%** from **2019 – 2025**) and is expected to add **\$880bn** to the UK economy by **2035**. In 2021 UK AI investment reached record highs with UK AI scaleups raising almost double that of France, Germany and the rest of Europe combined.

In 2021 the **UK ranked first** in Europe and third globally, behind the USA and China in developing AI technologies with AI spending by UK business estimated to rise from **£16.7bn** in 2020 to between **£27.2bn** and **£35.6bn** by **2025**.

The UK AI Market

In September 2021 the UK government launched its National AI Strategy.

“Over the next ten years, the impact of AI on businesses across the UK and the wider world will be profound. New discoveries and methods for harnessing the capacity of machines to learn, aid and assist us in new ways emerge every day from our universities and businesses.”

“This National AI Strategy will signal to the world our intention to build the most pro-innovation regulatory environment in the world; to drive prosperity across the UK and ensure everyone can benefit from AI; and to apply AI to help solve global challenges like climate change.”

Presented to UK Parliament in September 2021 by the Secretary of State for Digital, Culture, Media and Sport

THE WORLD'S BIGGEST COMPANIES RECOGNISE THE IMPORTANCE OF AI

It is our view that the worlds biggest companies seem to recognise the importance of AI. Google bought British startup Deepmind, for \$500m in 2014 underlining the UKs deep expertise in the sector.

The impact of the sector shows no sign of abating with the UK governments 2021 National AI strategy describing Artificial Intelligence as the fastest growing deep technology in the world.

Exit values achieved recently confirm the potential of the sector, for example Manchester-based WEJO was acquired by Virtuoso for \$1.1bn in June 2021 whilst another Manchester based data company Matillion raised \$150m in a deal that valued the company at \$1.5bn in 2021.



wejo

Geography

The UK AI sector is high growth but with strong capacity to nurture and develop future unicorns. It is our opinion that the North lags behind London and South East of England in terms of AI investment.

The British Business Banks' Small Business Equity Tracker 2022 report shows that London & the South attracts 81% of English equity deals and 90% of investment by value. 2019 data from Beauhurst shows that 69% of high-growth companies in England are based in London & the South.

It is our view that companies based in the North attract less capital than those based in London & the South, despite the undoubted strengths of Northern companies.

With Manchester, Leeds, and Birmingham being in the top 10 AI UK cities, and the North having produced at least 2 Data Science Unicorns in 2021, it is the Manager's belief that this presents an excellent opportunity to invest in "underfished AI waters".



About River Capital

River Capital has deployed £195m of capital between January 2002 and Sept 2021 in equity and debt products supporting over 2,300 SME businesses in the process. In that time we have created or safeguarded over 15,900 jobs. Alongside investments made by the Manager, we have helped companies we have invested in to raise another £350m of leveraged 3rd party funds illustrating our strong co-investment network.

Recently relocating to grade 1 office space in the heart of the vibrant Liverpool city commercial district, today the Manager employs 18 staff and is responsible for the management of £131m(as at Sept 2022) across the North West of England. We manage a blend of private and public funds, with funding sourced from the British Business Bank, MSIF, COOP Bank, Unity Bank, Mersey Pension Fund, EIB and Barclays Bank.

We have a diverse product offering of Venture Capital, Private Equity Capital and Debt. Supporting early stage, high growth business is a particular strength of the investment team and in the year to March 2021 our Equity book increased by 105% despite the impact of Covid-19, followed by a 23% increase in the year to March 2022. During the calendar year of 2021 we deployed £8.7m of which £3m was in equity investments.

River Capital formed an operational alliance with Spark Impact in 2019 as part of our continuing desire to grow funds under management supporting early-stage companies.

In the last 12 months we have received over £110,000,000 in funding requests and up to 300 introductions to new companies looking for capital. Opportunities come to us from a wide range of sources, including legal and financial advisors, accelerators, our professional networks and our venture partners.



Value creation

The Management team provide more than capital. Our AI eco-system in the North provides support to our Investee Companies from some of the world leaders in their fields including **Alder Hey innovation lab**, **Sci Tech Daresbury** and the **University of Manchester**.

The Manager is also a member of a number of technology platforms that provide free credits to companies it has invested in. This includes CRM platform **Hubspot** and the **Amazon Web Services (AWS)** activate programme. All of our seed investments can enjoy up to £25,000 credits from **AWS** to support their **Data Science**, **Machine Learning** and **AI programmes**.





John Walker
Non Exec Chairman

John was a founding partner of leading European Private Equity firm Equistone, following 20 years' PE experience, notably at Barclays Private Equity. John has led investments into & successfully exited multiple companies. He has also sat on the boards of over 20 businesses. Since leaving the PE world, John has held various Non-Executive Directorships as well as Chair roles. John has chaired the River Capital Board since 2019.



Helen Pitaway
Non Exec Director

20 years experience in leveraged finance. M&A track record with N M Rothschild and Director at Alcentra, Europe's leading CDO fund manager, with strong tech focus and €20bn under management. Board roles in finance, social housing and property development.



Steve Charnock
Chair of Venture IC

Steve is a qualified chartered accountant who brings a wealth of experience in investing and growing organisations. A successful investor and entrepreneur he was recognised for his analytical skills by Reuters and he co-founded Cenkos Fund Managers and Seneca Partners.



Dr Rob Toomey
Chair of PE IC

An experienced Venture Capitalist with 3i, Rensburg VCT plc and River Capital. A qualified accountant having been the Finance director of a large independent food group and non executive director of a number of companies in various sectors.



Mark Borzomato
CEO and Head of Equity

Mark is CEO at River Capital and is a qualified accountant with over twenty five year's experience in delivering and driving value from corporate transactions. He has worked in global industry, 'big 4' and regional advisory practices, and has spent the last 15 years in a variety of institutional mid market equity investment roles supporting early stage and SME businesses across a broad range of sectors. Mark was part of the management team that acquired SPARK Impact, which subsequently formed an operational alliance with River Capital in 2019, creating the current organisation.



Paul Humphray
Head of Debt

Experienced lender to the SME sector across the NW Former Senior Business Bank Manager now leading the Debt Team at River Capital.



Dr Marc d'Abbadie
Head of Venture

Marc is a highly-experienced venture capitalist with more than 15 years' experience. A published Ph.D scientist and named inventor on revenue generating patents, Marc led the management buy-out of SPARK Impact in September 2016, which was subsequently operationally merged with River Capital. He has managed several funds and has been involved with multiple exits, including trade sales, IPOs and to Private Equity.



Sarah Moss
Head of Finance

ACMA CGMA with over 25 year's experience across a number of industries and sectors.26 Supporting businesses to achieve long term success.

Equity Team



David Walters
Investment Director

David has deep AI and Data sector operational experience having established and exited Data and AI practices and companies.

A member of the DatalQ100, Data Director at NorthEdge Capital and now Investment Director at River Capital, David has been a CTO for PE backed companies for over 15 years.



Jonathan Newton
Investment Manager

Jonathan is a chartered accountant and investment manager at River Capital focusing on identifying and assessing opportunities and supporting them through the investment journey.

Jonathan joined River Capital from Mazars M&A team where he spent over five years advising owner managers and private-equity houses on a range of transactions including equity investments, disposals and acquisitions.



Martin Sutton
Venture Partner

Martin is a commercially focussed leader with extensive experience in scaling VC-funded SaaS businesses from the seed stage onwards.

Martin recently spent 6 years at **Peak AI** as CRO joining pre-seed through to series C having raised \$125m of funding.

Prior to this Martin lead the sales team at Israeli start-up XtremIO which generated \$1b of revenues in 18 months from product launch following its acquisition by Dell EMC.



Marion Savill
Portfolio Director

Marion has over 25 year's experience working with the boards of private equity backed companies in a wide range of sectors and from early stage through to trade sale and flotation.

Marion was an Investment Director at 3i plc prior to joining River Capital.

Jerry Mobbs
Portfolio Director

Jerry has over 30 years' experience of investing in, managing and exiting investments in SMEs across the North of England and Wales.

He has previously worked with Finance Wales having spent many years with Merseyside Special Investment Fund, following five years with a regional venture capital fund in Yorkshire.



Support Team

Ethan Dent - Marketing Manager

Emma Rogers - Investment Support Manager

Rebecca Starkings - Compliance

Technology companies River Capital and/or our team have been involved with.





Springpod[®]

River Capital invested £550,000 and led our £2m growth round in June 2021. Springpod are a data rich careers platform helping young people to access virtual and remote work placements in the UK and USA.

River Capital bring more than capital to Springpod and have created true impact investing through their data and technology operational expertise and breadth of AI eco system, helping us to make important technology and data growth decisions.



Oliver Fisher, Co-founder Springpod



Supply Well

River Capital led our seed round in Sept 2021 and have invested £700,000 to help us get ready for a Series A round. Supplywell are a tech first marketplace platform to help schools find supply teachers using our innovative data led services.

During our growth phase River Capital have been key in supporting the management team with introductions to advisors and operational experts as well as strategic AI and data workshopping.



Raina Heverin, Co-founder Supplywell



Carebeans

Carebeans is a SaaS based technology platform providing leading software services to the care industry in the UK. River Capital led a co-investment round and invested £350,000 in December 2022 to help us to scale our tech platform and to acquire a sales organisation.

During the investment phase the River Capital team provided critical strategic thinking that helped us to fashion our tech and AI strategy as well as introducing us to experienced Non Executive directors and chair candidates.



Nick Lawford, CEO and Co-founder Carebeans

Northern Data/AI exits

Example Data/AI company exits the Manager and/or its team has been involved with



- Warrington based Robotic Process Automation (RPA) industry leader
- A River Capital investment in 2006 with a series of follow investment from River Capital
- Floated on AIM in 2016
- Valued at \$1.5bn in November 2021 creating a true Northern 'Unicorn'



- Manchester based connected vehicle company managing over 16 trillion data sets
- Since 2014 Wejo has made it simple and secure to share and access connected car vehicles on a global scale
- In 2021 Wejo announced a reverse merger with Virtuoso at an estimated \$1.1bn pro forma equity value.
- fund:AI chairman Steve Charnock part of investment Committee that invested through Seneca EIS fund in 2016



- Leeds based Identity fraud platform using data science and machine learning to automate
- Founded by fund:AI advisory team member John Lord in 2016.
- Trade deal to LexisNexis in Aug 2021 for c £130m

EIS Tax Reliefs

Income Tax Relief

Investors can obtain income tax relief up to a maximum of 30% on the amount invested in EIS Qualifying Companies. The claimable amount is capped at £1,000,000 per annum or £2,000,000 provided that the additional £1,000,000 is invested into Knowledge Intensive Companies.

This equates to a maximum relief of £300,000 (£600,000 if the additional £1,000,000 is invested in Knowledge Intensive Companies) and is limited to the Investors' tax liability in the tax year in which the funds are invested into each Investee Company. Shares must be held for at least three years from the date of issue or the tax relief will be withdrawn.

While we expect these conditions to be met as EIS investments are intended to be long term investments, we cannot guarantee this. For example, there may be an attractive offer to buy a company in your Portfolio before the minimum holding period has ended. Or a company may need to be restructured to maximise its chances of success.

While we expect such cases to be unusual, you will need to pay back the relief you claimed in respect of that company if it ceases to meet qualifying conditions or is sold within the minimum holding period.

Capital Gains Tax Exemption

Investors are exempt from capital gains tax realised on the disposal of EIS-qualifying shares providing the shares were held for at least three years and initial Income Tax Relief has been awarded but not withdrawn.

Inheritance Tax Relief

Under Business Property Relief, shares which have been held for at least two years may qualify for 100% Inheritance Tax Relief providing the shares are in a trading company and are still owned at the date of death. No upper limit is applied to the claimable amount of Inheritance Tax Relief.

Loss Relief

If shares are disposed of at a loss, the investor can elect that the amount of the loss, less Income Tax relief given, can be set against income of the year in which they were disposed or, on income of the previous year instead of being set off against any capital gains.

Claiming Gains Tax Relief

Investors will be able to claim tax relief with an effective date matching the date the funds are invested into the individual Investee Companies. It is the Manager's intention to invest 90% of the funds raised within 6 to 12 months of the relevant Soft Close date. In order to claim the reliefs, the Manager will provide all Investors, via the Fund Investor Portal, an EIS3 certificate in respect of each Investment completed.

Claiming Tax Relief

Investors will be able to claim tax relief with an effective date matching the date the funds are invested into the individual Investee Companies. It is the Manager's intention to invest 90% of the funds raised within 6 to 12 months of the relevant Soft Close date. In order to claim the reliefs, the Manager will provide all investors, via the Fund Investor Portal, an EIS3 certificate in respect of each investment completed.

Further detail on EIS Taxation Reliefs are provided within Appendix 1 of this Memorandum.

SNAPSHOT

- 30% INCOME TAX RELIEF
- CAPITAL GAINS TAX EXEMPTION
- UP TO 45% INCOME TAX RELIEF ON LOSSES
- INHERITANCE TAX RELIEF QUALIFYING
- CGT DEFERRAL AVAILABLE

What are the fees and charges?

River Capital fees

Fee	Individual Investor	Advised Client	Description
Initial Charge	3%	2%	An initial fee as a percentage of the Subscription amount, will be charged by the Manager upon acceptance into the Fund. This fee is to cover all initial legal, professional and transaction costs.
Annual Management Charge (AMC)	2.0%	1.5%	An AMC as a percentage of the Subscription, will be charged and taken one year in advance for each year of the life of the Fund. This fee is to cover ongoing management of the Fund Portfolio and the costs of administering the Fund. In circumstances where there are insufficient funds available to meet the AMC, these will roll up and will be deducted at a later date when sufficient funds are available from the sale of shares in the Fund Portfolio.
Performance Fee	20% of profits above a hurdle of 110% of Subscription		In order to align interests between the Manager and the Investor, the Manager will be entitled to a performance fee of 20% of the profits above the hurdle rate of 110% of the subscription amount.

Charges payable by the Investee Company. A one-time arrangement fee of up to 3% of funds invested will be payable to the Manager by the Investee Companies upon Investment. An annual monitoring fee will be payable by an Investee Company at a rate of 2% of funds invested.

What are the fees and charges?

Adviser & Custodian Fees

Fee	Individual Investor	Advised Client	Description
Adviser Initial Charges	NA	Up to 3%	If an investor requests that a payment be made to their adviser for the advice they received, this will be deducted from the investor's subscription amount and paid to their adviser.
Adviser Annual Management Charge (AAMC)	NA	Up to 1% for 4 years	If an investor requests that a payment be made to their adviser for the advice they received, this will be deducted from the investor's subscription amount and paid to their adviser.
Annual Custodian Fees	0.25%		An annual fee is charged quarterly in arrears which covers all Custodian and administration duties.
Custodian Dealing Charge	0.25% of monies paid by investors on sale of shares		A 0.25% charge paid to the Custodian by the Investor upon each sale of shares in Investee Companies.

Fees payable to the Custodian may be deducted by the Custodian at source, upon presentation of an invoice to the Manager.

To the extent that an Investor's funds remain uninvested (but above the 90% minimum), the Manager will use such funds to pay ongoing Fund charges, such as the AMC and Annual Custodian fees and any Investor-agreed ongoing Advisor remuneration. All fees and charges levied by the Fund are subject to VAT.

Illustrative example

Example Fees

	Individual Investor	Advised Client
Subscription Amount	£100,000	£100,000
Initial Charge	(£3,000)	(£2,000)
AMC	(£2,000)	(£1,500)
Annual Custodian Fee	(£250)	(£250)
Max available for company investment	£94,750	£96,250
Adviser Initial Charge (if applicable, assumes 1.5%, up to 3% possible)	NA	(£1,500)
AAMC (if applicable, assumes 0.5%, up to 1% per annum for 4 years possible)	NA	(£500)
Max available for investment into Investee Companies (post optional charges)	£94,750	£94,250
Minimum Investment into Investee Companies	£90,000	£90,000

River Capital commits to investing a minimum of 90% of an Investor's net Subscription after the deduction of any Adviser initial charge (where applicable) into EIS Qualifying Companies, with a maximum investment into EIS Qualifying Companies of c. 95%.

The exact amount invested is subject to the amounts required by each Investment. Total amounts will be confirmed once the Fund is fully invested (pursuant to Soft Close).

Investors should note that the (S)EIS Relief available will be determined by the net amount invested into EIS Qualifying Companies and not by the Subscription. Accordingly, Investors will not receive 30% of the Subscription in respect of (S)EIS Relief.

Illustrative example

Returns Scenarios

Performance	2x Value	1x Value	Loses all value
Total Investment	£100,000	£100,000	£100,000
Net Investment*	£95,000	£95,000	£95,000
Less Income Tax Relief	(£28,500)	(£28,500)	(£28,500)
Net Cost of Investment	£71,500	£71,500	£71,500
Performance	2x Value	1x Value	Loses all value
Sale of Shares	£190,000	£95,000	£-
Less Net Cost of Investment	(£71,500)	(£71,500)	(£71,500)
Total Gain/Loss	£118,500	£23,500	(£71,500)
Capital Gains Tax**	£-	£-	£-
Loss Relief***	£-	£-	£32,175
Net Gain/Loss	£118,500	£23,500	(£39,325)
Percentage Gain/Loss	166%	33%	(39.3%)

*In this model it is assumed that 95% of the initial Investment is invested into the underlying Investee Companies. It is assumed that charges amounting to 5% of the initial Investment are deducted from the initial Investment amount prior to Investment into the Investee Companies.

**No capital gains are paid as long as the shares are held for a minimum of 3 years.

***Loss relief is assumed to be available at 45%.

The scenarios are illustrative and there is no guarantee that projections will be achieved. Tax treatment is based on individual circumstances, you should seek independent tax advice.

Investor Relations Portal

Each Investor in the Fund gets access to the Fund Investor Portal. The Fund Investor Portal is administered by the Custodian using industry leading technology Data Exchange FIS Private Capital Suite©. The platform enables Investors (and their associates) to monitor their Fund Portfolio online. It provides interactive, 24/7 access to deal details, including amounts subscribed to the Fund, last share price of each Investee Company and digital storage of important documents that relate to the Fund.



What is the application process?

1. Expression of interest

- Email us at investor.relations@rivercapitaluk.com or call us on 0151 236 4040 to express an interest
- We will then send you a risk warning and observe a 24-hour cooling-off period
- We will then ask you if you wish to leave the investment journey or receive the application form, information memorandum & investor agreement.

2. Application

- Read our information memorandum and investor agreement
- Complete the application form and send it to us on investor.relations@rivercapitaluk.com

3. Account Setup

- We will confirm acceptance of your application
- We will create your investor account and a date for access to your personalised investor portal

3. Deposit

- Deposit subscription amounts via bank transfer or cheque
- Investor portal will be updated with subscription details.

4. Investment

- We aim to invest 90% of funds between 3-12 months of subscription
- Investments will be made across EIS qualifying investee companies

5. Tax Relief

- EIS3 certificates will be made available on the portal
- Certificates can be filed with tax returns

6. Monitor

- We will actively monitor and work with the companies
- You can review your investments and our portfolio monitoring reports via the portal

What to do next

Before completing the application form, please read the investment documents and get in touch with your financial adviser to discuss the appropriateness of the River Capital EIS AI Fund for you.

When you are ready to invest:

- Email us at investor.relations@rivercapitaluk.com or call us on 0151 236 4040 to express an interest and we will be happy to help (please note that we cannot provide investment or tax advice).

After we receive an application we will send an investor:

- An acknowledgement that we have received your application (typically within seven business days).
- EIS3 certificates will be made available on the River Capital Investor Portal to enable you to claim your reliefs (expected within four to six months of investment).
- Half yearly valuation statement and portfolio update (once your funds have been invested). Available via the River Capital Investor Portal.

DEFINITIONS

Adviser:	FCA authorised and regulated independent financial adviser.	FPO:	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529), as amended.
Affiliates:	In relation to an undertaking, any other undertaking which is under common Control with such firstmentioned undertaking.	FSMA:	The UK Financial Services and Markets Act 2000, as amended from time to time. River
AI:	Artificial Intelligence.	Fund or Fund:AI:	Capital EIS AI Fund.
AIF:	Alternative investment fund pursuant to the AIFMD.	Investee Companies:	EIS Qualifying Companies invested in by the Fund.
AIFM:	Alternative investment fund manager pursuant to the AIFMD.	Investments:	Means the investments in EIS Qualifying Companies held for Investors.
AIFMD:	The UK Alternative Investment Fund Managers Regulations 2013.	Investment Manager and Agreement:	Means the investment management Management agreement between the Investor as set out in Appendix 3.
AMC:	Annual management charge.	Investment Objectives:	Means the investment objectives as described on page 9 of this Memorandum.
Application Form:	The application form in Appendix 3 of this Memorandum.	Investment Restrictions:	Means the investment restrictions as described on page 9 of this Memorandum.
COBS:	The conduct of business sourcebook in the FCA Rules.	Investment Team:	The Manager's business team as set out on page 23 of this Memorandum.
Control:	The power of a person or entity to secure (whether alone or with others, and whether directly or indirectly, and whether by the ownership (directly or indirectly) (legally or beneficially) of share capital, partnership interests, units or other interests, the possession of voting power, the control of the composition of a entity's board of directors or equivalent, or otherwise) that the affairs of another entity are conducted in accordance with the wishes of the first mentioned person or entity, and "Controlled" shall be defined accordingly.	Investors:	Investors in the Fund.
Custodian:	Mainspring Nominees Limited.	Knowledge Intensive Companies:	An EIS Qualifying Company which meets the requirements described in Chapter 4 of Part 5 Income Tax Act 2007.
Directors:	The directors of the Manager.	North:	North West and the North East, Yorkshire & the Humber as defined by the British Business Bank in its small Business Equity Tracker 2022 report
EIS:	Enterprise Investment Scheme.	Portfolio:	Means cash and investments held for an investor.
EIS Provisions:	The provisions of Part 5 ITA and sections 150 and 150 A, B and C and Schedule 5B of the Taxation and Chargeable Gains Act 1992 (in each case as inserted and/or amended from time to time).	Prospective Investors:	Prospective investors into the Fund.
EIS Qualifying Companies:	Companies satisfying the requirements of Chapter 4 of Part 5 Income Tax Act 2007.	(S)EIS Reliefs:	The reliefs in respect of income tax and capital gains tax available to certain subscribers of shares pursuant to either the SEIS Provisions or EIS Provisions.
EIS-Qualifying Investments:	Shares in an EIS Qualifying Company which meets the requirements described in Chapter 4 of Part 5 Income Tax Act 2007.	SEIS Provisions:	Means the provisions of Part 5A ITA and sections 150 E, F and G and Schedule 5BB of the Taxation of Chargeable Gains Act 1992 (in each case as inserted and/or amended from time to time by the FA).
ESG:	Environmental, social and governance. Evergreen A fund which can regularly admit Investors into the Fund over a period of several years, often through a series of Soft Closes	Soft Close:	The admission of Investors into the Fund, which is intended to take place on or before the end of October 2022 and subsequently at the end of every September and March (and/or on such other dates that the Manager determines).
FA:	The Finance Acts 1994 to 2022 inclusive (including the Finance (No 2) Act 2015 and the Finance (No.2) Act 2017).	South:	Which includes for these purposes the South East, the East and the South West as defined by the British Business Bank in its Small Business Equity Tracker 2022 report.
FCA:	The UK Financial Conduct Authority or any successor or replacement body.	Manager, we or our or River capital:	Alliance Fund Managers Limited trading as River Capital.
FCA Rules:	The rules made by the FCA as amended from time to time, including the handbook, principles and evidential provisions.	Nominee:	Mainspring Nominees Limited.
		Unicorn:	A business valued at or over \$1 billion.
		UK:	The United Kingdom of Great Britain and Northern Ireland. An
		Subscription:	Investor's subscription in the Fund.
		Three Year EIS Periods:	Three years from the later of the issue of shares to an investor in relation to an EIS- Qualifying Investment or the commencement of the Investee Companies' trade.