

# Hybrid SEIS scheme investment fund launched: the Mercia Growth Fund

Submitted by: Vitis Public Relations

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Mercia Fund Management launches Mercia Growth Fund – a hybrid SEIS/EIS fund offering a unique opportunity for attractive returns from a balanced portfolio of companies, whilst taking advantage of income tax, inheritance tax and capital gains tax benefits under the Enterprise Investment Scheme ('EIS') and Seed EIS ('SEIS').

Birmingham/Oxford, 20 July 2012. Mercia Fund Management has launched the Mercia Growth Fund ([http://www.merciafund.co.uk/open\\_funds](http://www.merciafund.co.uk/open_funds)) capitalising on the recent introduction of Seed EIS (SEIS ([http://www.merciafund.co.uk/open\\_funds/seis-scheme](http://www.merciafund.co.uk/open_funds/seis-scheme))) and the marked enhancements to EIS in the Finance Act.

Mercia Fund Management believes a hybrid fund will provide investors with a combination of maximised tax efficiency and the flexibility to invest in either EIS or SEIS from the same fund.

Mercia Fund Management has an established reputation for sourcing, investing and scaling businesses capable of rapid revenue growth to profitability (examples include the university spin outs Allinea and Native Antigen Company as well as non-university investments such as LM Technologies). Through its first fund (Mercia Fund 1), it has established strong partnerships with eight universities (including the Universities of Warwick and Birmingham) gaining access to proprietary investment opportunities with protectable intellectual property.

Mercia Fund Management's active hands-on approach and its ability to both invest and leverage in further investment from third parties helps reduce the risk and enhance the returns from these investments. Many of these investment opportunities will be strong candidates for SEIS. Through Mercia Fund Management's extensive deal flow and its existing portfolio under management, at least 50% of the prospective Mercia Growth Fund investments are already known to the management team.

Mercia Fund Management recognises EIS ([http://www.merciafund.co.uk/open\\_funds/eis\\_scheme](http://www.merciafund.co.uk/open_funds/eis_scheme)) and SEIS as a highly attractive, tax-efficient investment vehicle for professional investors, UK wealth managers and UK family offices. Advantages include:

- 50% income tax relief (irrespective of your tax bracket) for SEIS investment
- 30% income tax relief for EIS investment
- Capital gains tax deferral (or mitigation for SEIS)
- Tax free capital gain
- 100% exempt from inheritance tax after two years
- Substantial loss relief.

Dr. Mark Payton, Managing Director of Mercia Fund Management said: "Mercia Growth Fund is perfectly positioned to help high earners seeking tax efficient investments. We see our new hybrid fund building on the successes of Mercia Funds 1 and 2 which have collectively invested in excess of £9 million and leveraged additional funding of circa £50 million in 34 businesses to date."

The Mercia Growth Fund closes on 31st October 2012, but may close sooner if the investment target is reached.

Past performance is not a guarantee of future returns.

For more information: [http://www.merciafund.co.uk/open\\_funds](http://www.merciafund.co.uk/open_funds)

Mercia Fund Management is a leading provider of venture capital exclusively to growing technology businesses

#### About Mercia Fund Management

Mercia Fund Management is a venture capital fund manager with over £14 million under active management.

We provide investment capital to businesses seeking early stage (via Mercia Fund 1 which is partnered with eight universities), expansion and development capital to unquoted cash generative UK based companies.

[www.merciafund.co.uk](http://www.merciafund.co.uk)