



## **Symfonie Angel Ventures – Frequently Asked Questions**

### **Preface**

*The following is a general list of questions investors considering making an investment in Symfonie Angel Ventures often ask. The list does not represent the complete set of information on which investors should base their investment decision. Investors should also read the Offering Memorandum, Limited Partnership Agreement, Due Diligence Questionnaire and other materials about the Fund as Symfonie may produce and make available to potential investors. Investors should also consult with their financial advisors. This list does not constitute an offer of investment advisory services or a solicitation of investment. This list was published 12 May 2014.*

### **Q. What does the Fund invest in?**

The Fund invests mainly in the equity capital of startup and early stage companies. The Fund may also invest in loans to startup and early stage companies.

### **Q. What are your key investment criteria?**

We look for companies that offer innovative products or services and are run by experienced, capable entrepreneurs. Other important factors we consider when evaluating an investment include potential to grow revenues and cash flows quickly, ability to become financially stable without large unfunded capital expenditures, the prospects that we can exit the investment within five years and achieve our targeted return on investment.

### **Q. How diversified is the Fund?**

The fund's objective is to invest each tranche of the Fund into 8 to 15 companies. There is no guarantee or assurance the objective of diversification can be met. Some tranches may contain fewer than 8 companies.

### **Q. Where does the Fund invest?**

The fund is focused on companies whose principal offices are in the UK, Czech Republic and Poland. These are the countries where Symfonie has offices and staff who are best positioned to work with the companies in which the fund invests.

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**Q. Where do the companies sell their products and services?**

The Fund generally invests in companies that can sell their products and services internationally, both using internet and traditional channels.

**Q. Is there a focus on particular industries or business sectors?**

There is no restriction on the industry or business sectors in which the Fund can invest. Our investment team has significant experience in financial services, consumer goods, efficient energy projects, e-commerce and software solutions.

**Q. How do you find companies?**

Members of our investment team have careers that span more than a decade. Their wide network of professional contacts helps us identify and evaluate potential investments. We also receive enquiry from the growing community of entrepreneurs in the countries where we have offices.

**Q. What is your investment horizon?**

We prefer to make investments that we believe can be exited in three to five years.

**Q. How much do you typically invest in a company?**

In general we invest between €50,000 and €250,000 into each company.

**Q. What are the benefits of your investment process?**

Our investment process is a tool that can help us make good investment decisions that generate profits for our investors. Several studies have concluded that angel investors who spend more time doing research and due diligence generate higher returns than angel investors who spend less time on research and due diligence. By working closely with our investee companies we can add value and positively influence the prospects that our investments will be successful.

**Q. When will I receive capital distributions from the Fund?**

The Fund will distribute capital as and when the Fund exits its investments. Our goal is to exit investments within five years. There can be no guarantee or assurance that the Fund will achieve this goal. Investors should be prepared to hold their investment in the Fund for an undefined period of time.

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**Q. Can I reinvest capital distributions?**

Yes, providing the Fund is accepting new investments, you can opt to reinvest your capital distributions.

**Q. Will I receive income from the Fund?**

You should not expect to receive much income from the Fund. The primary source of return is expected to come from capital gains realised upon exiting investments.

**Q. How do I redeem my investment from the Fund?**

No. Unfortunately the Fund can only pay out capital after it exits one or more investments.

**Q. Can I sell or transfer my investment in the Fund?**

Investors cannot sell or transfer their investment in the Fund without first obtaining written consent of the Fund's General Partner. There is no guarantee or assurance that permission will be granted. For more information, [contact Symfonie](#).

**Q. Can I add to my investment in the Fund?**

Yes, providing that the Fund is accepting new investments.

**Q. How is the Fund structured?**

The Fund is a Limited Partnership formed according to the laws of the State of Delaware, in the United States. The Fund has Classes or tranches of capital, that are effectively separate sub-Funds. Currently the only Class open to new investors is the Prague 2013 Class.

**Q. Can I allocate my investment to specific companies in the Fund?**

It is possible to allocate your investment to one or more specific companies, providing that the Fund is able to add to its investment in those companies. [Browse the Company Pages](#) on our website for more details.

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**Q. How is my investment taxed?**

The Fund's status as a Limited Partnership means the Fund is generally not subject to taxation in the United States. Investors who are US residents or US citizens must declare and pay tax on their pro-rata share of the Fund's earnings each year. Non-US investors are generally not subject to taxation in the US and need not file or pay taxes in the US. Non-US investors should consult their local tax advisor to determine how to treat their investment in the Fund for purposes of taxation. In many instances investors are subject to taxation only after they receive profits in the form of income or capital distributions. In some countries long term capital gains are tax-advantageous.

**Q. What are the key risks of investing in the Fund?**

Investing in startup and early stage companies is risky. Investors can lose part or all of their invested capital. Capital invested into the Fund cannot be redeemed except when the Fund liquidates or exits one or more of its investments. Investors should be prepared to hold their investment for an undetermined length of time. Investors should carefully read the Fund's Offering Memorandum and should seek independent financial advice before making an investment in the Fund.

**Q. What types of investors may consider the Fund a suitable investment?**

The Fund is suitable only for investors who are able and willing to accept the risks of an investment in the Fund. An investment in the Fund by itself does not represent a complete investment program. Investors should consider the Fund in the context of their overall investment portfolio and their overall financial situation. Investors should seek independent financial, tax and legal advice before investing.

**Q. What are the key benefits of an investment in the Fund?**

Investing in startup and early stage companies can be rewarding. Various studies suggest that angel investors on average earn more than 25% average annual return. An investment in the Fund can also add diversification to a portfolio invested in other asset classes.

**Q. What reports will I receive?**

You will receive updates throughout the year about the performance of the Fund and the investments made. The Fund's accountant, Liccar & Co, prepares a set of accounts annually. Finally, each investor will receive an annual statement of their investment and income earned.

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**Q. Is the Fund regulated?**

Symfonie Capital, LLC is a registered investment advisor subject to the rules and regulations of the US Securities and Exchange Commission (SEC). The Fund is registered with the US SEC as a private equity fund. The Fund is not registered for sale on the basis of public offer or solicitation. The Fund is open only to private investors who certify to the Fund that they have sufficient experience and knowledge to invest in the Fund and that they are willing and able to bear the risk of investing.

**Q. What are the investment fees?**

The management fee is 2% per annum. The incentive fee is 15% of gains over and above a hurdle of 8%.

The incentive fee is charged and paid only after investors have received distributions of capital totalling their initial capital plus a net return of 8% per annum.

**Q. What is the minimum investment in the Fund?**

Investors can invest as little as €10,000 or local currency equivalent in the Fund. Investors wishing to invest less than €10,000 should contact Symfonie to discuss the possibility of an exception.

**Q. How do I invest?**

Investing in the Fund is easy. Read the Fund's Offering Memorandum and Limited Partnership Agreement. Investors are urged also consult an independent advisor. Download and complete the subscription agreement, which returned by post, e-mail or fax. Send your investment via secure bank transfer. For regulatory and compliance reasons investors must remit funds from a bank account registered in their own name. Once your investment accepted you will receive confirmation of your investment in the Fund.

**Questions? Comments? Our e-mail address is [info@symfoniecapital.com](mailto:info@symfoniecapital.com).**

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