

INGENIOUS MEDIA



INGENIOUS  
BROADCASTING  
2015/16

AN OPPORTUNITY IN  
TELEVISION PRODUCTION

# AN INTRODUCTION TO INGENIOUS BROADCASTING 2015/16

Ingenious is proud to be the largest independent investor in the UK's creative economy.

I am pleased to introduce our latest discretionary managed service, Ingenious Broadcasting 2015/16, investing in companies creating high quality television content.

Since its launch in 2006, our Ingenious Broadcasting service has gone from strength to strength, gaining significant traction in the market and backing the production of over 140 television programmes, including *The Fall*, *Jonathan Strange & Mr Norrell*, *Frankenstein's Chronicles* and *Teletubbies*.

I hope you will share our enthusiasm for this latest opportunity in the sector. We always recommend that you take professional advice before deciding if an investment is right for you.

However, if you have any questions in the meantime, please contact us on 020 7319 4291.



Neil Forster  
Chief Executive, Ingenious

A handwritten signature in black ink that reads "Neil". The signature is written in a cursive, slightly stylized font.

## WHY INGENIOUS?

For 17 years, Ingenious has been at the forefront of investing in the UK economy and in that time we have raised and deployed £8 billion.

At Ingenious, our goal is to provide clients with a range of innovative investment opportunities, from a firm that they can trust to manage their money carefully.

### OUR BUSINESS PRINCIPLES

- Providing straightforward solutions to financial planning and investment challenges
- Understanding risk and managing investments accordingly
- Managing clients' money with the same level of care we expect for our own investments
- Backing our judgment and investing our money alongside our clients

### OUR COMMITMENT TO YOU

- Careful, transparent management of your funds under strategies designed to deliver attractive, risk-adjusted returns
- Dedicated nationwide client relationship team to support your investment needs
- Blue-chip professional infrastructure providing first class finance, legal and technical support on investment activities

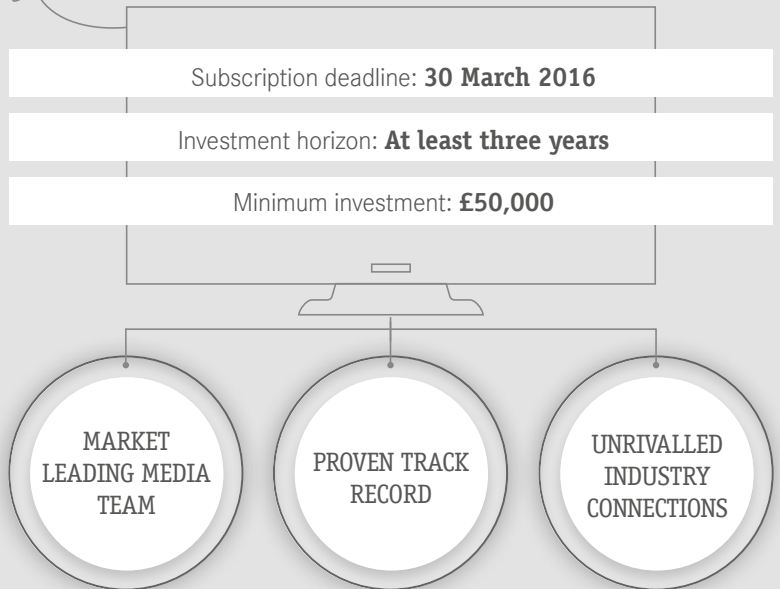
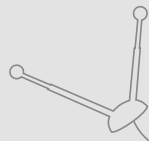
# INVESTMENT OPPORTUNITY

We are delighted to present Ingenious Broadcasting 2015/16, providing clients with the opportunity to invest in a portfolio of companies developing and producing television programmes.

For 17 years, Ingenious has been at the forefront of creating innovative, efficiently structured and well managed investment opportunities in the UK creative economy. Throughout that time the film and television sector has remained at the heart of our business, with our total media fundraise currently in excess of £7.5 billion.

Our investors will benefit from risk mitigation through diversification, investing in multiple companies engaging in the production of a broad slate of commercial projects.

“ An opportunity to invest in companies producing high quality TV programmes ”



## ILLUSTRATIVE RETURNS

- The service targets an average annual tax free return to investors of between 8% and 16% p.a.<sup>1</sup>
- A broad portfolio of projects ensures diversification and reduces risk on returns
- The below table illustrates how an investment might work

SUMMARY FINANCIAL ILLUSTRATION <sup>1</sup>	LOW CASE (£)	HIGH CASE (£)
Investment	100,000	100,000
Less EIS income tax relief at 30%	(30,000)	(30,000)
Net cost of investment	70,000	70,000
Investment proceeds <sup>2</sup>	90,000	109,000
Total return	29%	57%
Average annual return (tax free) <sup>2</sup>	8%	16%
Average annual gross equivalent return <sup>3</sup>	15%	30%

**1.** For illustrative purposes only, please see the Service's Brochure for further details on the assumptions underlying the illustrative returns. The financial illustration is based upon a single investment of £100,000, income tax relief applied against an investor's 2015/16 income tax liability, anticipated tax rates in force or expected to be in force and a realisation of the qualifying investments in each Investee Company after 3.5 years of trade. The value of an investment may go down as well as up and you may not get back the full amount invested. **2.** Illustrated investment proceeds are net of all fees paid to the Manager. **3.** Average annual gross equivalent return is the return that an alternative investment would have to deliver in order for an investor paying income tax at 45% to achieve the same post tax return as that provided by the Service.

# INVESTMENT STRATEGY

## BUSINESS MODEL

We will target investment in companies developing and producing commercial television content whose business models are driven by the ability to charge commercial production fees and have the benefit of broadcaster licences, distributor minimum guarantees, applicable tax incentives and strong sales estimates provided by first class international distributors.

## RISK MITIGATION

Investors' risk will be efficiently managed through a combination of the expert management of the Ingenious team and diversification by investing in a portfolio of companies each producing different television projects.

## PROVEN MARKET

Demand for media content continues to rise and shows resilience to general prevailing economic conditions. This presents a significant opportunity for UK production companies. The recent introduction and expansion of TV tax credits has further encouraged international rights owners to use the UK's world class expertise in television production.

### INGENIOUS BROADCASTING HIGHLIGHTS



## TRACK RECORD

The Ingenious Broadcasting service has gone from strength to strength since its launch nine years ago, gaining significant traction within the market. We have an aggregate fundraise to date now exceeding £400m and a track record of successfully producing over 140 television programmes totalling over 550 hours. Blue-chip production and distribution partners include World Productions, Hat Trick, Mammoth Screen, Red Planet, DHX, BBC Worldwide, ITVS Global Entertainment and Endemol Distribution.

Ingenious Broadcasting has capitalised over 200 companies and all 130 companies that have reached their three year anniversaries have returned, or are on track to return, funds to investors within six months. These companies have generated net average annual returns ranging from 4% to 12%. Please note that past performance is not a guide to future performance, your capital is at risk and you may get back less than you invested.

“ We have produced over 140 television programmes for major production companies ”



# EXAMPLE PROJECTS

## COALITION

Charts a fictional version of the behind the scenes story of what happened following the 2010 UK parliamentary elections and the forming of a new coalition Conservative and Liberal Democrat government. Broadcast on Channel 4 and directed by BAFTA-winning Alex Holmes.

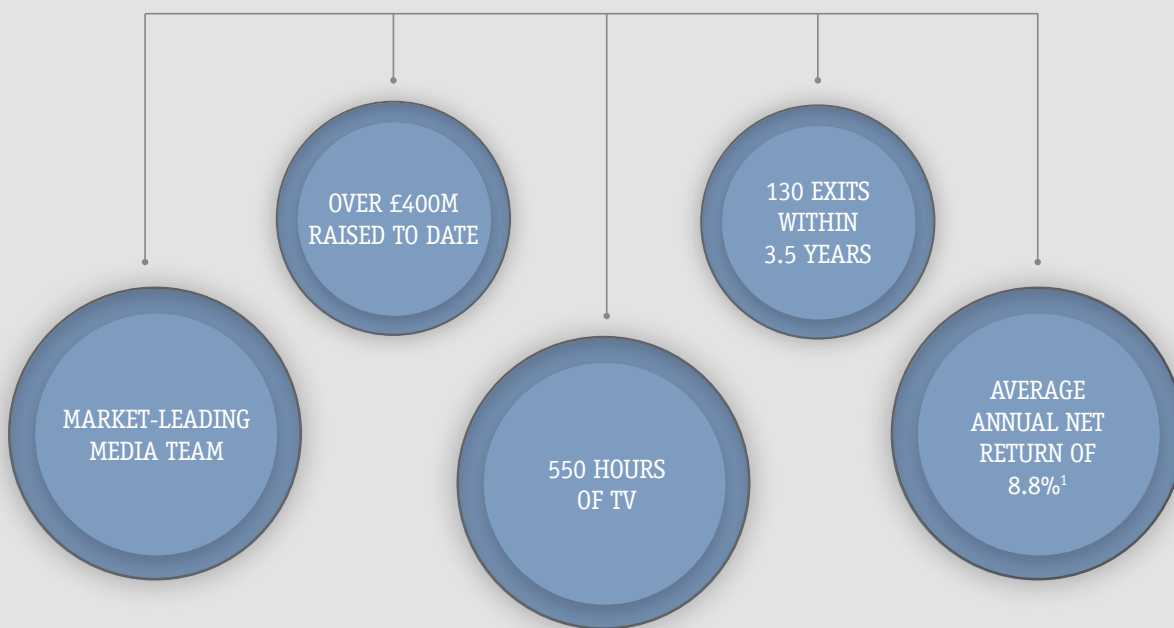
## LILY'S DRIFTWOOD BAY

Produced in Northern Ireland, this ambitious 52-part animated series was created with ground-breaking stop-motion animation, using real-life 3D objects. Winner of the 2015 Broadcast Award for Best Pre-school Programme.

## JONATHAN STRANGE & MR NORRELL

A seven-part television series for BBC One, adapted by Peter Harness from Susanna Clarke's best-selling novel of the same name. Eddie Marsan and Bertie Carvel star in this fantastical account of the return of magic to an alternative post Napoleonic England.

### INGENIOUS BROADCASTING TRACK RECORD



1. Assuming net income tax relief of 30%. Please note that past performance is not a guide to future performance and you may get back less than you invested.

## PROVEN EXPERIENCE

Investment in Ingenious Broadcasting affords investors the benefit of the Ingenious team's global industry connections and depth of experience to select premium investment opportunities while working to manage risk efficiently. This, together with our unparalleled professional financial, legal and administrative infrastructure, has ensured that investors to date have been rewarded with reliable, consistent and timely returns on their investments.

### ANY QUESTIONS?

We always recommend that you take professional advice before deciding if an investment is right for you. However, if you have any questions in the meantime, please contact our Client Relationship Team on 020 7319 4291 or email [hello@theingeniousgroup.co.uk](mailto:hello@theingeniousgroup.co.uk)



# THE FINE PRINT

Potential investors should consider the Brochure and Investor Agreement in full and seek advice from a suitable professional adviser before deciding whether to proceed. Some of the key considerations for an investor may include the following:

## RISK FACTORS

A full overview of risk factors is set out in the Brochure. Some of the key considerations for an investor may include:

- Availability of suitable investment opportunities
- The level of returns generated by Investee Companies
- The EIS qualifying status of such Investee Companies
- Tax rules, rates and regulations, which are subject to change, and the availability of tax reliefs which will depend upon individual circumstances

Any investment involves a high degree of risk and investors are strongly advised to seek appropriate legal, financial and tax advice before making any decision to invest.

Past performance is not a guide to future performance and may not be repeated.

You should consider an investment in the service as a medium term investment and investments made by the Manager are likely to be illiquid. The investment horizon is at least three years.

## HOW TO APPLY

After reading the Brochure and the Investor Agreement, please complete the relevant Application Form and return it to us.

- The minimum individual investment size is £50,000
- The subscription deadline is 5.00pm on 30 March 2016

## FEES AND CHARGES

- An upfront arrangement fee equal to 1.5% of total capital invested in each Investee Company
- An upfront initial monitoring fee of 2% of subscription for advised retail clients and up to 5% for other investors
- An annual monitoring fee of 1.5% of the total capital invested in each Investee Company
- An annual custodian and depositary fee of approximately 0.25% of the net asset value of the Service
- All fees will be charged by the Manager to the relevant Investee Company and will be subject to applicable VAT. Full details of all fees and charges are set out in the Brochure and the Investor Agreement

## FACILITATION PAYMENTS (applicable for advised retail clients)

- The Manager can facilitate the payment of adviser charges from the investor to their adviser, if requested

## COMMISSIONS (not applicable for advised retail clients)

- Payable by the Manager
- 3% of subscription amount or 2.5% with trail commission of 1% payable over two years

## IMPORTANT INFORMATION

This document constitutes a financial promotion pursuant to Section 21 of the Financial Services and Markets Act 2000 (FSMA) and relates to Ingenious Broadcasting 2015/16 (the Service). It is issued by Ingenious Media, a trading division of Ingenious Capital Management Limited (the Manager), 15 Golden Square, London W1F 9JG, which is authorised and regulated by the Financial Conduct Authority. Investment management is provided by the Manager. This information does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for the Service. Any decision in connection with an investment in the Service should be made only on the basis of information contained in the Brochure and Investor Agreement. If you are in any doubt about the content of the Brochure, Investor Agreement, and/or this document and/or any action you should take, you are strongly recommended to seek advice immediately from a financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on opportunities of this type. Nothing in this document or the Brochure or Investor Agreement constitutes investment, tax, legal or other advice by the Manager and your attention is drawn to the section headed "Risk Factors" in the Brochure. The Services provided by the Manager will not be suitable for all recipients of this document or the Brochure or Investor Agreement.

All statements of opinion or belief contained in this Overview or the Brochure or Investor Agreement and all views expressed and statements made regarding future events or illustrative returns of the Service represent the Manager's own assessment and interpretation of information available to it as at the date of the Brochure. No representation is made, or assurance given, that such views, statements, and illustrations of financial performance are correct, attainable or complete or that the objectives of the Service will be achieved. The views, statements, and illustrations of financial performance are based upon various assumptions and estimates which involve significant elements of subjective judgment and analysis and which are subject to uncertainties and contingencies; actual results could differ materially from those set forth in such views, statements, and illustrations. Prospective investors must determine for themselves what reliance (if any) they should place on such views, statements or illustrations, and no responsibility is accepted by the Manager in respect thereof.

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