EXECUTIVE SUMMARY

AMPLIFY MUSIC SEIS 5

An opportunity to invest in a portfolio of ten pre-identified start-up music companies, each of which will be managed by a world-class artist manager, has already been granted provisional SEIS advance assurance from HMRC and has a clear strategy and route to exit.

The following summary of the opportunity to subscribe to Amplify Music SEIS 5 (Amplify 5 or the Service) must be read in conjunction with the full text of the Memorandum and prospective investors’ attention is drawn to the key risks that are set out therein.

Key Details

Sponsor
Sapphire Capital Partners LLP

Administrator
The Share Centre Limited

Solicitor
Maclay Murray & Spens LLP

Target Clients
Retail clients (subject to suitability and appropriateness)

Minimum Subscription
£10,000

Maximum Subscription
No maximum, but SEIS Income Tax Relief is capped at £100,000

Target Service Size
£1,500,000

Minimum Service Size
£500,000

Investment Horizon
Intending to exit investments within three to four years from the Closing Date

Closing Date
On or before Friday 31st March 2017

Highlights

Amplify 5 seeks to provide Investors with:

- a diversified portfolio of Investments in ten start-up companies operating in the music industry
- companies that benefit from management teams that include world-class artist managers
- straight forward artist development strategy that benefits from a clear route to exit
- potential revenues from publishing, live shows, merchandising, sponsorship and recordings
- potential for companies to secure Non-Returnable Advances to underpin returns
- investment oversight from a music investment specialist firm with EIS and SEIS experience
- provisional SEIS advance assurance from HMRC that all ten Investee Companies should qualify for tax relief
- priority over capital and assets of Investee Companies upon sale or winding-up thereof
- certainty of capital deployment in the Investee Companies in the 2016/17 tax year
- attractive, targeted, tax free returns of 145p for every 100p invested, excluding all Tax Reliefs
**Company Activities**
The activity of each Investee Company will be the development of one or more artist(s) (each a Signed Artist). Each Investee Company will undertake one of two separate trades:

- creating and exploiting recorded music and related products (Recording Companies)
- creating and exploiting songs, live performances, merchandising and related products (Publishing Companies)

Of the ten separate Investee Companies, five are Recording Companies and five are Publishing Companies. Across the Investee Companies, it is intended that revenues will be generated from publishing, live shows, merchandising, sponsorship and recordings.

**The Directors**
The Investee Companies will be managed by internationally renowned artist managers, who are MMF board members and a music investment specialist, Amp Channel Music (each a Director and together the Directors). Internationally renowned artists represented by MMF board members, amongst others, are: Arcade Fire; Arctic Monkeys; Laura Marling; Lily Allen; Keane; Mumford & Sons; Passenger; Robbie Williams; Sir Paul McCartney; and Will Young.

The MMF Director of each Investee Company will be responsible for selecting which artist(s) to develop from a short-list that has been pre-approved by both Directors. MMF benefits from:

- extensive collective experience in all aspects of artist development
- global connections in the music and broader entertainment industries
- access to cost-effective music production and distribution channels
- existing pool of suitable artist deal-flow with significant revenue potential

**Advantages of SEIS**
Like its better known sibling, the Enterprise Investment Scheme (EIS), the Seed Enterprise Investment Scheme (SEIS) comprises a variety of tax advantages available to UK tax paying individuals, subject to investments complying with the relevant conditions and requirements. SEIS is focused on smaller, earlier stage companies than EIS and hence the tax reliefs available are more attractive.

Reliefs potentially available include:

- 50% SEIS Income Tax Relief on qualifying investments of up to £100,000 per annum
- 50% Capital Gains Re-Investment Relief (i.e. 14%) against gains relief realised in the 2016/17 tax year
- Ability to elect to carry back investment to the 2015/16 tax year, up to annual limit
- 100% Capital Gains Disposal Relief on gains realised on the disposal of the investment
- Loss Relief to offset any capital losses realised (on a per company basis) against income or gains
- 100% Inheritance Tax Relief, provided investments are held for a period of not less than two years

For more information, please refer to the Tax Advantages section contained in Part 1 of the Memorandum.

**Fees & Expenses**
To ensure that Investors receive Tax Reliefs on the full amount of their investment in the Service, charges are made to the Investee Companies after the Administrator has executed the Investments rather than before.

Initial Fee: .................................................................7% of the amount invested
Intermediary Fee: ....................................................3% (payable from the Initial Fee)
Administration Fee: ..............................................................0.5% per annum
Performance Fee: .................35% of returns to Investor above 105p per 100p invested
Mr Jones completes and submits an Application Form for Amplify 5, along with a cheque for £100,000

Amplify 5 closes on or before 31st March 2017 with £1.5 million in aggregate subscriptions

Prior to 5th April 2017, The Share Centre invest funds in shares of the ten Investee Companies

After trading for four months the Investee Companies will apply for SEIS certificates for the Investors

Following receipt of the SEIS certificates, Mr Jones will submit them to HMRC and receive the relevant tax reliefs. Certificates are currently expected to be available within 6 months of Closing Date

Two years after the allotment of shares Mr Jones’ holding should qualify for 100% exemption from inheritance tax

After the three-year SEIS Minimum Holding Period has expired, the Directors will consider the opportunities to realise value in each Investee Company

As each shareholding is realised, Mr Jones instructs The Share Centre either to return his share of the capital in cash or to re-invest in another Amplify Music service

Illustrative Timeline

This timeline is for illustrative purposes only, based on a hypothetical investor, but should give prospective investors a sense of the expected timeline for Amplify 5.
Financial Illustrations

The blended target return of 145p per 100p invested has been calculated using the industry knowledge and experience of the Directors who have previously worked across a range of music investments. It is important to note however, that objective data in relation to SEIS Qualifying Shares is difficult to obtain.

**Illustration for an Investor benefiting from SEIS Income Tax Relief only**

<table>
<thead>
<tr>
<th></th>
<th>Base Case (£)</th>
<th>Target Case (£)</th>
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</thead>
<tbody>
<tr>
<td>Cost of Investment</td>
<td>£100,000</td>
<td>£100,000</td>
</tr>
<tr>
<td>Less Income Tax Relief at 50%</td>
<td>-£50,000</td>
<td>-£50,000</td>
</tr>
<tr>
<td><strong>Net Investment</strong></td>
<td>£50,000</td>
<td>£50,000</td>
</tr>
<tr>
<td>Investment Proceeds</td>
<td>£50,000</td>
<td>£145,700</td>
</tr>
<tr>
<td>(after deduction of Performance Fee)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Loss Relief (assumes 45% taxpayer)</td>
<td>£6,750</td>
<td>£2,700</td>
</tr>
<tr>
<td><strong>Total Return inc. Reliefs</strong></td>
<td>£106,750</td>
<td>£198,400</td>
</tr>
<tr>
<td><strong>Total Return on Net Investment</strong></td>
<td>14%</td>
<td>197%</td>
</tr>
<tr>
<td><strong>Average Annual Return</strong></td>
<td>4%</td>
<td>56%</td>
</tr>
<tr>
<td><strong>Average Gross Equivalent Annual Return</strong></td>
<td>7%</td>
<td>102%</td>
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**Illustration for an Investor benefiting from SEIS Income Tax Relief and CGT Reinvestment Relief**

<table>
<thead>
<tr>
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<th>Target Case (£)</th>
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<tbody>
<tr>
<td>Cost of Investment</td>
<td>£100,000</td>
<td>£100,000</td>
</tr>
<tr>
<td>Less Income Tax Relief at 50%</td>
<td>-£50,000</td>
<td>-£50,000</td>
</tr>
<tr>
<td>Less 50% Capital Gains Relief at 28%</td>
<td>-£14,000</td>
<td>-£14,000</td>
</tr>
<tr>
<td><strong>Net Investment</strong></td>
<td>£36,000</td>
<td>£36,000</td>
</tr>
<tr>
<td>Investment Proceeds</td>
<td>£50,000</td>
<td>£145,700</td>
</tr>
<tr>
<td>(after deduction of Performance Fee)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Loss Relief (assumes 45% taxpayer)</td>
<td>£6,750</td>
<td>£2,700</td>
</tr>
<tr>
<td><strong>Total Return inc. Reliefs</strong></td>
<td>£120,750</td>
<td>£212,400</td>
</tr>
<tr>
<td><strong>Total Return on Net Investment</strong></td>
<td>58%</td>
<td>312%</td>
</tr>
<tr>
<td><strong>Average Annual Return</strong></td>
<td>16%</td>
<td>89%</td>
</tr>
<tr>
<td><strong>Average Gross Equivalent Annual Return</strong></td>
<td>30%</td>
<td>162%</td>
</tr>
</tbody>
</table>
The Financial Illustrations above assume that the Service is fully subscribed, the proceeds are invested equally across the ten Investee Companies and that a realisation of the Shares occurs three years and six months after the Closing Date.

The base case assumes that:
• none of the Investee Companies are successful and that the Investee Companies must rely on Non-Returnable Advances
• Non-Returnable Advances across the Portfolio are on average equal to 50% of amount invested in each Investee Company (Non-Returnable Advances to Recording Companies being lower and Publishing Companies being higher)
• after the expiry of the SEIS Minimum Holding Period any intellectual property (music rights etc.) held in the Investee Companies is sold for negligible value
• the Investee Companies are liquidated and capital is returned to Investors

The target case assumes that:
• four of the Investee Companies are unsuccessful, two break even and four are successful to varying degrees
• after the expiry of the SEIS Minimum Holding Period any intellectual property (music rights etc.) held in the four unsuccessful Investee Companies is sold for negligible value and the Investee Companies are liquidated and capital is returned to Investors.
• any intellectual property (music rights etc.) held in the six remaining Investee Companies is sold for a fair value and the Investee Companies are liquidated and capital is returned to Investors

The above returns are set out for illustrative purposes only and are not a reliable indicator of future performance. The Investee Companies are small, high risk ventures and therefore an Investor may not receive any investment proceeds, and may lose the entirety of their Investment. The calculations shown above are net of all related fees, charges, expenses and taxes. No warranty as to future outcome is implied or should be inferred.

How to apply

After reading the Memorandum in full and seeking advice as necessary, please complete the Application Form and return it to The Share Centre.

General Enquiries

Making the right investment decision is more important than ever in the current climate, and we want prospective investors to feel comfortable that they are able to make an informed decision about whether or not to invest in Amplify 5.

In the first instance, prospective investors should contact their financial adviser. For any further information, please do not hesitate to contact Portunus Investments on:

Telephone: .........................................................020 3411 9575
Email: .......................................................... amplify@portunusinvestments.co.uk
Important Information

This Executive Summary is a summary of the Memorandum for Amplify Music SEIS 5 (Amplify 5 or the Service) and is issued by Sapphire Capital Partners LLP (Sapphire Capital), which is authorised and regulated by the Financial Conduct Authority. Investment administration of the Service is provided by The Share Centre Limited (the Administrator), which is authorised and regulated by the Financial Conduct Authority.

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 Memorandum. If you are in any doubt about the content of the Memorandum, 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 Memorandum constitutes investment, tax, legal or other advice by Sapphire Capital or the Administrator and your attention is drawn to the key risks that are set out in Part 6 of the Memorandum. Amplify 5 will not be suitable for all recipients of this document or the Memorandum. All statements of opinion or belief contained in this Executive Summary or the Memorandum and all views expressed, statements made and all projections and forecasts regarding future events or the anticipated future performance of the Service represent Sapphire Capital’s own assessment and interpretation of information available to them as at the date of the Memorandum. No representation is made, or assurance given, that such views, statements, projections, forecasts or anticipated future performance are correct, attainable or complete or that the objectives of the Service will be achieved.

The views, statements, projections, forecasts and anticipated future performance are based upon various assumptions and estimates which involve significant elements of subjective judgement and analysis and which are subject to uncertainties and contingencies; actual results could differ materially from those set forth in such projections, views, statements, forecasts and anticipated future performance. Prospective investors must determine for themselves what reliance (if any) they should place on such statements, views or forecasts, and no responsibility is accepted by Sapphire Capital in respect thereof.

Risk Warnings

The following summary of risks should be read in conjunction with the full text of the Memorandum and prospective investors’ attention is drawn to the key risks that are set out therein.

Investors should be aware that the value of each Investment in an Investee Company may fluctuate. In addition, there is no guarantee that the valuation of an Investment will fully reflect the underlying net asset value or the ability to buy and sell the Investment at that valuation. Investors should be fully aware of the high-risk nature of seed investments in start-up companies. Investors should consider carefully whether an investment in Amplify 5 is suitable for them in the light of the information in the Memorandum and their personal circumstances.

It is strongly recommended that Investors seek the advice of their financial adviser or other appropriately qualified professional adviser.