

03 November 2017

Strictly Private and Confidential
To be opened by addressee only

Website Letter

5th Floor
Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Telephone + 353 1 470 0000
Telefax + 353 1 477 0000

Offer your clients the opportunity to achieve up to 40% income tax relief.

Dear Sir/Madam,

We are delighted to inform you that we have launched **The Davy EII Tax Relief Fund 2017 (“the Fund”)** in conjunction with Davy and BDO. We are Ireland’s longest running and most experienced EII Scheme Manager.

FUND FACTS

- Opportunity for higher rate taxpayers to obtain all-income tax relief of up to 40%, subject to terms and conditions.
- Tax relief is granted in two tranches as follows:
 - i. Tranche 1 will enable investors to deduct 30/40ths (if they are a higher rate taxpayer) of the amount subscribed to the Fund from their total income for income tax purposes for either the tax year of subscription ending on 31 December 2017 or the tax year of investment by the Fund ending 31 December 2018; and
 - ii. Tranche 2 will enable investors to deduct 10/40ths (if they are a higher rate taxpayer) of the amount subscribed to the Fund from their total income for income tax purposes in the year of assessment following the end of the four year investment period subject to certain conditions being satisfied by the companies in which the Fund invests (as further detailed in the Prospectus).
- The Fund will invest in a portfolio of **established SMEs in a range of sectors** which will help reduce exposure to any one sector.
- The **minimum subscription** is €5,000 with subscriptions thereafter in multiples of €1,000 up to a **maximum** of €150,000.
- Closing date for receipt of the completed investor Application Form(s) together with a personal cheque/draft made payable to **First Names Trust Company Ireland Limited a/c The Davy EII Tax Relief Fund 2017** and AML documentation (as detailed in the Prospectus) is **31 December 2017** or earlier in the event of excess demand.
- Existing Davy clients have the option to debit the investment amount and once-off fee from their Davy personal client account by completing the Debit Instruction Form in Appendix IV of the Prospectus and submitting it with the completed investor Application Form and AML documentation.
- All of the above documentation must be returned to: **BES Management DAC, Beaux Lane House, 5th Floor, Mercer Street Lower, Dublin 2.**

COMMISSION

BES Management DAC will pay a **3% commission** to appropriately authorised Investment Product Intermediaries who hold a valid appointment in writing with BES Management DAC on the introduction of any investor funds to The Davy EII Tax Relief Fund 2017.

A **once-off fee of 3%** of the original investment amount is payable by the investor at the time of subscription, in addition to the investment amount. This fee does not qualify for income tax relief.

Please note that your firm **cannot** offer investment advice to your clients on, or receive and transmit to us a client investment application form for an investment in The Davy EII Tax Relief Fund 2017 unless your firm is appropriately authorised to advise on collective investment funds like The Davy EII Tax Relief Fund 2017, either as:

- an investment business firm under Section 10 or 26 of the Investment Intermediaries Act 1995; or
- a certified person who holds a valid certificate from an approved professional body; or
- a solicitor acting as an investment product intermediary under Section 2(7) of the Investment Intermediaries Act 1995,

and you/the firm hold a valid appointment in writing from BES Management DAC.

As your firm does not currently hold a valid appointment in writing from BES Management DAC, please find enclosed an Investment Product Intermediary Appointment Application to BES Management DAC. This appointment application form must be completed, signed and returned to BES Management DAC, 5th Floor, Beaux Lane House, Mercer Street Lower, Dublin 2 in order to be considered for such an appointment.

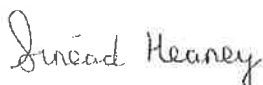
Prospective investors in The Davy EII Tax Relief Fund 2017 should determine the suitability of the investment based on an assessment of their own personal circumstances, attitude to and capacity for investment risk. The investment may be suitable for investors who:

- do not need access to their investment for the term of the Fund, which will be at least four years from the date the Fund makes its investments;
- will be able to avail of income tax relief at the higher rate on the full investment amount, within the relevant limits and restrictions;
- are aware they may lose some or all of their investment; and
- can afford to lose some or all of their investment.

A complete list of the risks of investing in the Fund is set out in the enclosed Prospectus which is also available to download from our website, www.bes.ie.

If you have any queries or require additional copies of the Prospectus, please contact BDO on 01-4700455/besinfo@bes.ie or Davy on 1890-85 85 85. Alternatively, you can visit our website www.bes.ie.

Yours sincerely,



BES Management DAC

WARNING:

If you invest in this product you may lose some or all of the money you invest.

The value of your investment may go down as well as up.

If you invest in this product you will not have any access to your money for at least four years from the date the Fund makes its investments.

Other risks and terms and conditions apply.

BES Management DAC. is regulated by the Central Bank of Ireland.

BES Management DAC. is a joint venture company owned by Davy and BDO. J&E Davy, trading as Davy, is regulated by the Central Bank of Ireland. Davy is a member of the Irish Stock Exchange and the London Stock Exchange. BDO is authorised to carry on investment business in the Republic of Ireland by the Institute of Chartered Accountants in Ireland.

THE DAVY EII TAX RELIEF FUND 2017



Managed by BES Management DAC which is a joint venture company owned by Davy & BDO. BES Management DAC is regulated by the Central Bank of Ireland.

ESTABLISHED IN 1995

www.bes.ie

WANT TO ACHIEVE UP TO 40%* INCOME TAX RELIEF?

The Employment and Investment Incentive Scheme ("EII Scheme") is an income tax relief incentive scheme (previously the Business Expansion Scheme (BES)) which provides all-income tax relief to Qualifying Investors for Investments in certain qualifying small and medium sized trading companies ("SMEs").

The Davy EII Tax Relief Fund 2017 ("the Fund") will be managed by Ireland's longest running EII Scheme Manager, BES Management DAC, which is a joint venture between Davy and BDO.

Key Characteristics of BES Management DAC

- Successfully raised six EII Scheme Funds over the past six years;
- Previously raised 19 BES Funds over 22 years;
- Raised over €166 million which is invested in 161 Irish companies; and
- Funds are managed by a professional and experienced management team.

BENEFITS OF INVESTING IN THE DAVY EII TAX RELIEF FUND 2017

1. Opportunity for Qualifying Investors who are and will remain higher rate taxpayers to avail of one of the few remaining all income tax reliefs currently offering up to 40%** Income tax relief*** (subject to certain qualifying conditions).
2. Opportunity for Qualifying Investors to invest in a diversified fund with a minimum four year Investment term which will:
 - Spread your Investment over a portfolio of established SMEs;
 - Invest in indigenous Irish companies with future growth potential; and
 - Target a range of industries which will help reduce exposure to any one sector.
3. Avail of a professional, experienced and knowledgeable Investment team.

Investors should ensure that they obtain, read and fully understand the Prospectus before making a decision to invest in the Fund.

WARNING: If you Invest in this Fund you may lose some or all of the money you invest.

The value of your Investment may go down as well as up.

If you invest in this Fund you will not be able to cash in your Investment and you will not have access to your money for at least four years from the date the Fund makes its Investments.

FUND FACTS

Minimum Investment:

€5,000

Maximum Investment:

€150,000

Proposed exit date:

2022

Fund closing date:

31 December 2017

A once-off fundraising fee of 3% will be payable in addition to the Investment Amount. This fee does not qualify for income tax relief.

CONTACT US

Prospectus & Application Form are available either online at www.bes.ie or from:

Davy

Davy House, 49 Dawson Street,
Dublin 2.

E: davysselect@davy.ie

T: 01 6149000

BDO

Beaux Lane House,
Mercer Street Lower, Dublin 2.

E: besinfo@bes.ie

T: 01 4700455

* An Investment in this Fund offers Qualifying Investors paying income tax at the higher rate, income tax relief up to 40% in two tranches.

** Being the current higher rate of income tax and assuming the continuation thereof.

*** Investors can deduct 30/40ths of the amount subscribed to the Fund, exclusive of the 3% fundraising fee, from their total income for income tax purposes for either the tax year of subscription ending 31 December 2017, or if so desired for the tax year of Investment by the Fund ending 31 December 2018. Investors may be entitled to deduct 10/40ths of the amount subscribed to the Fund, exclusive of the 3% fundraising fee, from their total income for income tax purposes for the year of assessment following the end of the four year Investment period subject to the fulfilment of certain conditions detailed in the Prospectus. The total income tax relief of 40% will only be obtained if you have and continue to have sufficient income taxable at the higher rate, the current higher rate of income tax remains at 40% and the qualifying conditions to obtain the second tranche of relief of 10/40ths of the amount subscribed to the Fund are fulfilled. Please see the Fund's Prospectus for terms and conditions.

Below is a sample of companies in which previous Funds managed by BES Management DAC have invested:

Chemstore[®]
HAZARDOUS MATERIALS EXPERTS 

netwatch
creating a fearless environment

 **ClaimVantage**


The Happy Pear

MAXIMUMMEDIA

**Irish[®]
Breeze**

RISKS OF INVESTING IN THE DAVY EII TAX RELIEF FUND 2017

- This is a medium to long term Investment (minimum of four years from date of Investment of the funds) and there is no early exit mechanism.
- If you invest in this Fund you may lose some or all of the money you invest.
- There is no guarantee that the Fund will achieve its Investment objectives.
- Investors are exposed to the performance of the small and medium sized companies in which the Fund will invest.
- Income tax relief which is available in two tranches may not be granted or may be withdrawn if the conditions of the legislation are not satisfied by the Manager, the Fund, Investee Companies and/or Qualifying Investors.
- The Manager may not succeed in finding suitable companies and/or fully investing the Fund which may result in a return of uninvested funds and a reduction or recovery of the income tax relief already claimed or potentially available to Investors.
- You may not have sufficient income taxable at the higher rate so that part or all of the first tranche of income tax relief on 30/40ths of the Investment Amount, if obtained, could be obtained at a lower rate than the higher rate then applying.
- The higher rate of income tax could reduce from its current 40% rate so that the second tranche of income tax relief on 10/40ths of the Investment Amount, if obtained, for the year of assessment following the end of the four year Investment period could be obtained at a lower rate than the current 40% higher rate.
- You may not have sufficient income taxable at the higher rate so that the second tranche of income tax relief on 10/40ths of the Investment Amount, if obtained, could be obtained at a lower rate than the higher rate then applying. No income tax relief will apply to the second tranche of income tax relief on 10/40ths of the Investment Amount for the year of assessment following the end of the four year Investment period if you have no taxable income at that time.
- The risks attached to this Investment are set out in detail in the Prospectus of the Fund and should be read carefully by potential investors.

WARNING: This information is based on our understanding of current tax legislation and the current Revenue Commissioners interpretation thereof and is subject to change without notice.

WARNING: This information is intended as a general guide only and is not a substitute for individual tax or Investment advice. Potential investors should seek competent professional tax and Investment advice specific to their circumstances prior to investing in this Fund. Investors are responsible for establishing their entitlement to participate in this Investment and for making their own income tax relief claims.

BES Management DAC. is regulated by the Central Bank of Ireland.

BES Management DAC. is a joint venture company owned by Davy and BDO. J&E Davy, trading as Davy, is regulated by the Central Bank of Ireland. Davy is a member of the Irish Stock Exchange and the London Stock Exchange. BDO is authorised to carry on Investment business in the Republic of Ireland by the Institute of Chartered Accountants in Ireland.

This does not constitute an offer or an invitation to subscribe to the Fund nor does it constitute Investment advice as it does not consider the knowledge and experience, Investment objectives or financial situation of any particular person. Applications for subscription may only be made on the basis of an Application Form. A more comprehensive list of risks attaching to this Investment are set out in the Prospectus for the Fund, which investors should read and fully understand prior to making a decision to invest.

OFFER YOUR CLIENTS THE OPPORTUNITY TO
ACHIEVE UP TO 40%* INCOME TAX RELIEF

THE DAVY EII TAX RELIEF FUND



BES Management DAC is regulated by the Central Bank of Ireland.

* An Investment in this Fund offers Qualifying Investors paying income tax at the higher rate, income tax relief of up to 40% of the Investment Amount in two tranches.

ESTABLISHED IN 1995

www.bes.ie

IPI APPLICATION FORM TO BES MANAGEMENT DAC (FOR INVESTMENT INTERMEDIARIES AUTHORISED BY THE CENTRAL BANK)

Name of Firm

Date

Registered Address

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Correspondence Address (if different from the Registered Address)

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Telephone Number

Fax Number

Email Address.....

Number of Years in Operation

Legal status of firm: (please tick one of the following)

Individual

Partnership

Limited Company

Unlimited Company

Unincorporated entity

Other

If other, please specify

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Company Registration Number (if any)

Names of Partners/Directors/Principals

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How long has the firm been providing investment business services?

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Please list the product producers and insurance companies with whom your firm holds a current investment product intermediary appointment:

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1. Please indicate (by ticking the appropriate boxes) the current Central Bank authorisation of your firm

- Authorised under Section 10 of the Investment Intermediaries Act for
 - Insurance policies
 - Collective investments
 - Listed shares and bonds
 - Tracker bonds
 - PRSAs

Or

- Deemed authorised under Section 26 of the Investment Intermediaries Act

2. Does your firm carry professional indemnity insurance cover for investment business services complying with the Central Bank's Prudential Requirements for Investment Intermediaries?

- Yes No

3. Has your firm ever had an investment product intermediary appointment cancelled by a product producer or insurance company?

- Yes No

(If yes, please provide details in the 'Other Information' box below)

Other Information

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Check list
Please return the following documents with your completed application form:

- Letter of authorisation from the Central Bank of Ireland, including Schedule
- List of directors (if a corporate entity)

Declaration

This declaration should be signed by the Managing Director, Managing Partner or Principal of the firm, as appropriate.

I/We on behalf of the firm declare that the information provided herein is complete and accurate in all respects and that the firm is in compliance with the terms of the Investment Intermediaries Act 1995, as amended, and the Insurance Acts. I/We on behalf of the firm request that BES Management DAC appoints the firm as an investment product intermediary for the receipt and transmission of orders for investment in the Davy EII Tax Relief Fund for the purposes of that Act.

Signature

Name (Block Capitals)

Position

Date

