

Purpose:

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this products and to help you compare it with other products.

You are about to purchase a product that is not simple and may be difficult to understand.

Guinness AIM EIS

Provider/ Manufacturer	Guinness Asset Management Ltd (the "Investment Manager")
Contact	020 7222 3475 or eis@guinnessfunds.com for more information
Competent Authority	Guinness Asset Management Ltd (Company No. 04647882) is authorised and regulated by the Financial Conduct Authority
Dated	11 November 2019

What is this product

Type:	Enterprise Investment Scheme ("EIS")
Objectives:	Capital growth over the medium term by investing in companies that qualify for EIS tax relief. These tend to be high risk but quoted on AIM and NEX exchanges
Intended retail investor	Investors looking for listed shares in small companies as part of their investment portfolio
Insurance benefits:	The Product is not designed to create particular insurance benefits and has no particular insurance cost

What are the risks and what could I get in return?

Risk indicator



The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the markets.

The risk indicator assumes you keep the product for 5 years as per the information given in the Information Memorandum. The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the markets. We have classified the Product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance as a very high level. Whilst listed on AIM/ NEX, the Investment Manager is appointed as a discretionary manager of the AIM EIS portfolio and is therefore responsible for any decisions regarding the sale of shares. Investors should not consider investing funds which are, or may be, required during the life of the service. The Product does not include any protection from future market performance, exchange rate movements or interest rate movements so you could lose all or some of your investment. You should refer to the Information Memorandum for the Product for further information on relevant risk factors

Performance Scenarios – all assume an average 4.5 year investment horizon (in line with the Guinness AIM EIS Information Memorandum)			
Investment scenario (£10,000 subscription)	1 year	3 years	5 years (recommended holding period)
Unfavourable (10th percentile) return amount	£7,500	£4,122.62	£1,805.82
<i>Annual return</i>	-25.0%	-19.59%	-16.39
Moderate (50th percentile) return amount	£9,890	£10,179.35	£10,419.48
<i>Annual return</i>	-1.35%	-0.60%	0.84%
Favourable (90th percentile) return amount	£11,350	£15,574.01	£19,329.69
<i>Annual return</i>	13.5%	18.58%	18.66%

Source: Guinness Asset Management estimates based on historic market returns for the venture capital sector.

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence [for the venture capital sector] from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the Product. The figures shown include all the costs of the Product itself, but may not include all the costs you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Guinness Asset Management is unable to pay your investment return after the designated holding period?

The Custodian, The Share Centre Limited, participates in the Financial Services Compensation Scheme, established under the Financial Services and Markets Act 2000, which provides compensation to eligible Investors in the event of a firm being unable to meet its customer liabilities. Further information is available from the Custodian.

How long should I hold it and can I take money out early

Recommended Holding Period - 5 years

Investors should understand that the Guinness AIM EIS is a medium-term investment, and it may be difficult to sell or realise the investments. Realising an investment early may have negative tax consequences.

An Investor may terminate the Investment Manager's appointment at any time by not less than 14 days written notice to the Investment Manager. Where an Investor gives such notice of termination the Investment Manager will not sell any Investments and the Investor will need to provide instructions to the Custodian in respect of the transfer of any Investments and cash held on the Investor's behalf. In such circumstances, the Investor acknowledges:

- that they may lose EIS Income Tax Relief and/or CGT Deferral Relief in respect of Investments sold on the Investor's instructions; and
- the Investor cannot instruct the Investment Manager to sell particular shares of an Investee Company on their behalf in conjunction with such termination;

How can I complain?

Should an Investor have a complaint, he should contact the Investment Manager. If the Investment Manager cannot resolve the complaint to the satisfaction of the Investor, the Investor may be entitled to refer it to the Financial Ombudsman Service.

The Financial Ombudsman can be contacted at: Email: complaint.info@financial-ombudsman.org.uk Tel: 0800 023 4567.

What are the costs?			
Investment scenario (£10,000 – minimum subscription)	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years (at the end of the recommended holding period)
Total costs	£470	£940	£2,160
Impact of return (RIY) per year	4.70%	3.13%	4.32%

**Assumes that the target return of £1.30 per £1.00 investment is met, net of all fees, and includes the performance fee.*

What are the costs?			
One off costs	Entry costs	3% Direct investor fee	This is applied for investors who have not been advised on this product. Guinness Asset Management will be responsible for assessing your suitability for investing.
		0.35% custodian transaction fee	The impact of the costs you pay when entering your investment
	Exit costs	2% transaction fee	The impact of the costs you pay when entering your investment – deferred until exit*.
1.75% p.a. annual management fee		The impact of the costs we take each year for managing your investments – deferred until exit*.	
Ongoing costs	Portfolio transaction costs	£60 p.a.	The impact of the cost of custodian services.
	Other ongoing costs	See exit costs	See exit costs
Incidental costs	Performance fees	20% on excess returns	The impact of the performance fee. We take these from your investment if the product produces excess returns over the initial investment amount across the portfolio.
	Carried interests	0	N/A

**Guinness transaction fees and annual fees are deferred until exit – i.e. charged upon liquidation of each stock. This allows for applicable tax reliefs to be available on the total investment amount.*

Other relevant information

Performance scenarios are based on information contained in the Guinness AIM EIS Information Memorandum and the BVCA Private Equity and Venture Capital - Performance Measurement Survey 2015