

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 product 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 EIS (the “Product”)

Name	Guinness EIS
Provider / Manufacturer	Guinness Asset Management Ltd (the “Manufacturer”)
Contact	020 7222 3475 or eis@guinnessfunds.com for more information
Competent Authority	The UK Financial Conduct Authority
Dated	01 January 2021

What is this product

Type:	Enterprise Investment Scheme (“EIS”)
Type:	To achieve capital growth over the medium term by investing in companies which qualify for Enterprise Investment Scheme tax reliefs.
Intended retail investor	The Product is intended for investors who do not require liquidity on their investment, can take on a high level of risk in order to get a higher potential return and who plan to stay invested for the duration of the Product, which is likely to be between 3 and 5 years.
Insurance benefits:	The Product is not designed to create particular insurance benefits and has no particular insurance costs.

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

Risk indicator



The risk indicator assumes you keep the product for 5 years. The summary risk indicator is a guide to the level of risk this Product compared to other products. It shows how likely it is that the product will lose money because of movements in the market. This Product does not include any protection from future market performance so you could lose some or all of your investment.

We have classified this product as 6 out of 7, which is the second-highest risk class.

The investment is in an Enterprise Investment Scheme: pursuant to the information memorandum for the Product (the “Information Memorandum”) you do not have discretion to cash out your investment early and if the Manufacturer does permit you to transfer it to a third party you may not get back all of your original investment. You may also have to pay significant costs to exit this Product. There is no particular market for investments of this nature and therefore if you find yourself forced to sell this Product this may severely impact any potential sale price. The following are some of the other risks materially relevant to the Product which are not taken into account in the summary risk indicator:

- 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. If the Product is not able to pay you what is owed, you could lose your entire investment. The product invests in early stage, unquoted companies which are inherently risky.

You should refer to the Information Memorandum for further information on relevant risk factors.

Investment £10,000				
Scenario		1 year	3 years	5 years (recommended holding period)
Unfavourable return amount	What you might get back after costs	£8,114	£5,417	£3,316
	<i>Average return each year</i>	-18.9%	-15.3%	-13.4%
Moderate return amount	What you might get back after costs	£9,879	£10,124	£10,388
	<i>Average return each year</i>	-1.2%	0.4%	0.8%
Favourable return amount	What you might get back after costs	£11,286	£15,410	£21,689
	<i>Average return each year</i>	12.9%	18.0%	23.4%

This table shows the money you could get back over the next 5 years (recommended holding period), 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 comparable investments 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 the Manufacturer is unable to pay out?

Mainspring Nominees Limited (the “Custodian”), 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.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the Product itself, for three different holding periods. They include potential exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

Table 1: Costs over time

The person selling you or advising you about the Product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Table 1: Costs over time			
Investment scenario (£10,000 – subscription)	If you cash in after 1 year <i>Please note these are notional amounts as Guinness EIS shares are illiquid</i>	If you cash in after 3 years <i>Please note these are notional amounts as Guinness EIS shares are illiquid</i>	If you cash in after 5 years (at the end of the recommended holding period)
Total costs	£563	£1346	£1,766*
Impact of return (RIY) per year	5.6%	4.5%	4.4%

*Assumes that the target return of £1.25 per £1.00 investment is met, net of all fees, and includes the performance fee, where applicable

Table 2: Composition of costs

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

Table 2: Composition of costs			
One off costs	Entry costs	3% Direct investor fee 2.2% transaction fee	The impact of the costs you pay when entering your investment.
	Exit costs	0.3% custodian transaction fee	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.2% p.a.	The impact of the cost of buying and selling underlying investments for the Product.
	Other ongoing costs	2% p.a.	The impact of the costs we take each year for managing your investments.
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	N/A	The impact of carried interests

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

The Product is designed for medium-term investment; you should be prepared to stay invested for at least 5 years. You may not take out money early or transfer your interest save in limited circumstances as determined by the Manufacturer.

How can I complain?

If you have any complaints, you should contact the Manufacturer at 020 7222 3475, eis@guinnessfunds.com. If the Manufacturer cannot resolve your complaint, you may be entitled to refer the complaint to the Financial Ombudsman Service. The Financial Ombudsman can be contacted at: Email: complaint.info@financial-ombudsman.org.uk or Tel: 0800 023 4567.

Other relevant information

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

The main documents relating to the Product are available from the Manufacturer.

Important Information

Guinness Asset Management Limited is authorised and regulated by the Financial Conduct Authority.
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Phone calls will be recorded.

The Information Memorandum contains more complete and detailed information of risk, charges and expenses that are to be borne by an investor. The documentation should be read carefully before investing.

Guinness EIS will invest in small unquoted companies. Such investments can be more risky than larger companies or those listed on the main market of the London Stock Exchange. Shares in unquoted companies may be subject to transfer restrictions and may be difficult to sell. It may be difficult to obtain information as to how much an investment is worth or how risky it is at any given time. Investing in unquoted companies may expose you to a significant risk of losing all the money invested. Before investing, you are strongly recommended to consult an authorised person specialising in advising on investments of the kind described in the Information Memorandum.

The tax reliefs referred to in this document and in the Information Memorandum are those currently applicable. However, Investors should be aware that tax reliefs can change. Their applicability and value will depend upon the individual circumstances of a given Investor, and Investors should seek their own independent professional advice on their particular tax situation and the application of such tax reliefs prior to making an investment in the Service.

Guinness Asset Management Limited