

KEY INFORMATION DOCUMENT



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.

Product: Deepbridge Life Sciences Enterprise Investment Scheme

Manufacturer and Investment Adviser: Deepbridge Advisers Ltd ('Deepbridge')

Investment Manager: Enterprise Investment Partners LLP ('EIP')

Website: www.deepbridgecapital.com

Call: 01244 746000 for further information

Competent Authority of the PRIIP Manufacturer in relation to the KID: Deepbridge is authorised by the Financial Conduct Authority as an Appointed Representative of EIP, FRN 609786.

Date of production of this Key Information Document:
1st April 2018

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

What is this product?

Type: Enterprise Investment Scheme Fund.

Structure: A discretionary managed service structured as an Alternative Investment Fund.

Objectives: The objective of the Deepbridge Life Sciences EIS is to generate tax-efficient capital growth of 170p for every 100p invested net of all fees and before income tax relief claimed under the Seed Enterprise Investment Scheme.

Intended retail investor: Based on their ability to bear investment loss, investment time horizon, thematic knowledge and past experience of tax-incentivised venture capital schemes, as well as their liquidity needs and their investment objectives, who do not need access to their capital in the short and medium term, and require access to personal taxation reliefs.

Insurance benefits and costs: Not applicable.

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 this product. It helps you to assess it and compare it with other products. It takes into account how likely it is that you might lose money and whether the money you have invested has some form of protection. This product has been classed 6 out of 7 because there is a possibility that investors may lose all of their initial investment, though not more than their original investment. It is unlikely that subscribers to this product will have access to their capital for at least 5 years from the date of their subscription and the recommended minimum holding period is 5 years. This investment product involves the investment of your subscription into one or more private companies that are unlisted. Therefore, no established secondary market exists for the trading of shares in private companies. Due to the nature of the investing in small and unlisted private companies, investors must be aware that their capital invested is at risk and investors could lose all their capital invested. Tax reliefs currently available under the Enterprise Investment Scheme, and the stated target investment return, are not guaranteed and may not be delivered.

Performance scenarios, assuming the potential use of income tax reliefs and loss relief against income tax (assuming a higher rate tax payer, and an investment of £10,000)

This table shows the money you could get back over the next five years, under different scenarios, assuming that you invest £10,000. The scenarios shown are a simplified representation of possible outcomes. You can use these scenarios to compare with the scenarios of other products, because they are calculated under similar conditions. The scenarios presented are not an exact indicator of future performance, but an estimation of the potential outcomes. What you get will vary depending on how the market performs and how long you keep the product.

This product cannot be easily cashed in, meaning it is very hard to estimate the money you would get back if you cash in before the recommended holding period. It may be that cashing in is not possible or, if possible, by incurring high costs or by making a large loss. You may also lose tax reliefs by cashing in early.

The figures shown take into account all costs associated with the product, but may not include all the costs that you pay to your advisor or distributor, and do not take into account your personal tax situation, which may also impact on what you get back. For a more complete overview of the assumptions that were made in producing the performance scenarios, please review the Information Memorandum for the product which is available on our website.

Performance Scenario	For each subscription of £10,000	STAGE		
		Early (1 yr)	Intermediate (3 yr)	Recommended (5yr)
Unfavourable	What you might get back after costs	£1,020	£5,100	£8,500
	Average return each year ⁽¹⁾	-89.80%	-20.10%	-3.20%
Moderate	What you might get back after costs	£1,530	£7,650	£12,750
	Average return each year ⁽¹⁾	-84.70%	-8.54%	4.98%
Favourable	What you might get back after costs	£2,040	£10,200	£17,000
	Average return each year ⁽¹⁾	-79.60%	0.66%	11.20%

⁽¹⁾ Figures based on annually compounded returns What you might get back after costs – Average return each year (£)

The above performance scenarios are theoretical, and it may not be possible to realise the value of the investment prior to the recommended holding period.

- This table shows the money you could get back over 1 year, 3 years and 5 years, under different performance scenarios, assuming that you invest £10,000 per year.
- The scenarios presented are an estimate of future performance based on evidence from the past and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment.
- This product cannot be cashed in. This means it is difficult to estimate what you would get back if you cash in before the minimum holding period of three years as required by HM Revenue & Customs to qualify for the tax reliefs available under the Enterprise Investment Scheme. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so. You may also be subject to the reclaim by HM Revenue & Customs of any tax reliefs claimed under the Enterprise Investment Scheme.
- The figures shown include all costs of product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect what you get back.

What happens if Deepbridge is unable to pay out?

Should an investee company experience financial difficulties, it is possible that investors will lose all of their investment in that company. If returns are not made to the investor due to the failure of an underlying investee company, then it is likely that investors will be able to claim loss relief under the Enterprise Investment Scheme.

The Financial Services Compensation Scheme (FSCS), established under the Financial Services and Markets Act 2000, provides compensation to eligible claimants in the event that EIP is unable to meet its liabilities. Payments under the protected investment business scheme are currently limited to a maximum of the first £50,000 of the claim. Further information is available from the Investment Manager or the Financial Services Compensation Scheme at www.fscs.org.uk.

What are the costs?

Costs over time: The costs shown here are the costs of this product. There may be other costs charged to you by the person who is either selling this product to you or advising you on this product. 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.

The Deepbridge Life Sciences EIS Fund is 100% manager fee-free at point of investment, if subscriptions are received via a financial adviser. Please refer to the 'Costs and fees' section in the Information Memorandum for full details.

Deepbridge will receive an incentive fee of 20% of the amount of cumulative total cash returned to the Deepbridge Life Sciences EIS by each Investee Company in excess of 120% of the amount of funds invested in the respective Investee Company. For clarification, once the Investor has received in cash the first 120 pence per 100 pence invested (ignoring any tax relief and representing a 20% Hurdle Rate on funds invested), any additional distributable cash will be paid as to 80% to the Investor and 20% to Deepbridge.

Investment scenarios	If you cash in after year 1	If you cash in after year 3	If you cash in after year 5
Total costs	20% over 120% returned	20% over 120% returned	20% over 120% returned

Composition of costs

For investors that invest via a suitably qualified and authorised financial intermediary, Deepbridge charges all fees, apart from the aforementioned performance fee, to the investee company and these are taken in to consideration when returns are calculated or projected.

For clarity, the fees charged by Deepbridge to the Investee Companies are:

One-off costs	Corporate advisory and arrangement costs	Up to 5% of funds invested in the Investee Company.
	Investor marketing fee	Up to 5% of funds invested in the Investee Company.
	Dealing fee	0.65% on the sale and purchase of shares.
Recurring costs	Annual maintenance charge	2% per annum on the funds invested.
	Custody fees	0.5% per annum on the funds invested.

If a subscription is made without a financial adviser involved, Deepbridge may facilitate the levy an additional charge of 2.5% as an administration charge, which will be deducted from the investors subscription.

Reduction in Yield

The Reduction in Yield shows the impact total costs have on what you get back. The total costs take into account one-off, recurring and incidental costs.

The costs that are shown here are the costs of this product. These costs are borne by the investee companies. There may be other costs charged to you by the person who is either selling this product to you or advising you on this product.

They will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

The table shows what the costs, including potential exit penalties, could mean for different holding periods.

The figures assume you invest £10,000.

The figures shown are partially based on data from the past and therefore may change in the future.

	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
One-off costs	£500	£500	£500
+ recurring costs	£250	£750	£1,250
+ incidental costs	£65	£65	£65
= total costs	£815	£1,315	£1,815
Reduction in yield p.a.	8.15%	4.38%	3.63%

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

There is a 14-day cooling off period applicable to this product. There is no fixed maturity date for this product. The recommended minimum holding period is 4 years, as investments of this nature are difficult to realise. No established market exists for the trading of shares in private companies. Selling shares within the first 3 years of share subscription may lead to the loss of some or all tax reliefs claimed under the Enterprise Investment Scheme.

How can I complain?

Should an Investor have a complaint, they should contact Deepbridge in the first instance, which has established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available on request. If Deepbridge is unable to 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 www.financial-ombudsman.org.uk, call: 0800 023 4567.

Other information

The Deepbridge Life Sciences EIS Fund is permitted to accept investment from all retail clients who understand the risks of investing in such tax-incentivised products. However, the investor should consider an investment in the Deepbridge Life Sciences EIS Fund as a longer-term investment, and Investments made by the Investment Manager are likely to be illiquid. It may be that individual circumstances of the Investor make the Deepbridge Life Sciences EIS Fund unsuitable for an investor. We therefore strongly recommend that potential investors seek advice from a suitably authorised financial adviser before making any investment decision.



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