

**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:****MMC Knowledge Intensive EIS Fund**

MMC Ventures Limited

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MMC Ventures is authorised and regulated by the Financial Conduct Authority (FCA)

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

**What is this product?**

This product is targeted at financially sophisticated retail investors seeking a diversified portfolio of growth capital investments. The MMC Knowledge Intensive EIS Fund invests in Knowledge Intensive transformative technology companies that we believe have the potential to change the future of financial services, the workplace and the retail environment, focusing on enterprise software and consumer internet investments.

MMC invests on behalf of investors in a portfolio of qualifying companies. Our Knowledge Intensive EIS Fund for 2020-21 opens on 4<sup>th</sup> January 2022 and closes on 1<sup>st</sup> April 2022.

Each investor has an account administered by our Nominee and the minimum Subscription to the MMC EIS Fund is £25,000.

Investors can expect approximately 10 underlying investments to be made on their behalf. MMC will invest 50% of the Knowledge Intensive EIS Fund within 12 months of the date the Fund closed and will invest 90% of the Fund within 24 months, in accordance with HMRC guidelines on Approved EIS funds. These investments will comprise new deals and follow-on funding rounds for existing EIS qualifying MMC companies.

A typical retail investor for this product would be a relatively high net worth individual who already owns a quoted investment portfolio and wishes to allocate funds to a relatively higher risk product as part of a balanced portfolio. They may be able to utilise the tax advantages of the product (such as 30% initial income tax relief) and could afford to withstand any losses that may arise.

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

Lower risk

Higher risk

The risk indicator assumes you keep the product for 7 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less than the amount invested. You may not be able to sell your holdings easily or you may have to sell at a price that is significantly less than anticipated or significantly impacts on the total return achieved.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because you are not able to realise any value from your shares. The risk category shown is not guaranteed and may change over time. The lowest category does not mean it is risk free. We have classified this product as 6 out of 7, which is the second highest risk class.

The Knowledge Intensive EIS Fund is rated 6 due to the nature of its investments which will be in unquoted private companies whose shares may be difficult to sell or market. Such shares may have risks associated with them greater than quoted securities or shares. Restrictions may apply to the transfer of shares in private companies in which the Fund invests. The timing of any realisation cannot be predicted and proper information for calculating the current value of the Fund's investments or the degree of risk posed may not be available.

This product does not include any protection from future market performance so you could lose some or all of your investment.

## **Performance scenarios**

Investment of £10,000 Scenarios		1 Year	4 Years	7 Years (Recommended holding period)
Unfavourable scenario	What you might get back after costs	£9,202.00	-	-
	Average return each year	-8.67%	-100%	-100%
Moderate scenario	What you might get back after costs	£9,202.00	£10,525.24	£11,802.72
	Average return each year	-8.67%	1.29%	2.40%
Favourable scenario	What you might get back after costs	£9,202.00	£16,770.69	£21,930.48
	Average return each year	-8.67%	13.80%	11.87%

The table presented above shows the money you could get back over the next 7 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 from the past on how the value of this investment varies. However, they are not an exact indicator as each investor's portfolio may differ. What you get will vary depending on how the underlying portfolio companies perform and how long you keep the investment.

The unfavourable scenario takes into account a situation where you are unable to realise any value from your shares.

This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the recommended holding period. Given the holdings are in unquoted companies you will either be unable to cash in early or make a large loss if you do so.

The figures shown include all the costs of the product itself but does not include all the costs that you pay to your advisor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

The performance scenarios shown above do not take into account the impact of tax reliefs which investors may be eligible for depending on their personal circumstances.

## **What happens if MMC Ventures Limited is unable to pay out?**

MMC Ventures Limited is covered by the Financial Services Compensation Scheme (FSCS). If you are an eligible claimant under the rules of the FCA, your Account is protected by the FSCS. You may be entitled to compensation from the scheme if MMC Ventures Limited cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to the first £85,000. Further information about compensation arrangements is available from the FSCS.

## **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. The figures assume that you invest £10,000. The figures are estimates and may change in the future.

## **Cost over time**

The person selling you or advising you about this 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.

Investment of £10,000 Scenarios		1 Year	4 Years	7 Years (Recommended holding period)
Total costs	£798.00	£1,917.86	£2,639.28	
Impact on return (RIY) per year	7.98%	4.79%	3.77%	

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

<b>One-off costs</b>	Entry costs	0.69%	The impact of the costs you pay when entering your investment. Initial fees are 3% + VAT on the Subscription and are shown in the table as amortised over 7 years. This is the most you will pay, and you could pay less.
	Exit costs	-	The impact of the costs of exiting your investment when it matures.
<b>Ongoing costs</b>	Portfolio transaction costs	-	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2.14% 0.13%	The impact of the costs that we take each year for managing your investment. The annual management fee is 2.5% + VAT per annum and the custody fee is 0.15% + VAT per annum, calculated on the Subscription, for the first 5 years and there are no management or custody fees after this point. Management and custody fees for the first two years are collected quarterly from the Subscription. Fees for years 3-5 are accrued and collected from exit proceeds
<b>Incidental costs</b>	Performance fees	0.00%*	The impact of the performance fee. We charge this on your investment sale proceeds at 20% + VAT but only once the full amount of the original Subscription has been returned to you.
	Carried interests	-	Not applicable.

\*Data not available as dependent on make-up of individual investor portfolio

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

The product is designed so that investors hold their investment for a timeframe of 5-7 years. This is the typical investment holding period. A key investment risk is that the Fund invests in unquoted companies and there is an inherent lack of liquidity as underlying portfolio companies are not available to trade on a secondary market. Investors wishing to sell one or more of their portfolio companies early must give notice to MMC Ventures Limited who can invite bids from other investors. The selling investor would be provided with details of any bids received and would then decide on whether to proceed with the sale. There is no guarantee that any bids would be submitted and/or an agreed price could be reached. MMC Ventures Limited has the discretion to apply a charge for the early disinvestment of any holdings.

### **How can I complain?**

MMC has an Internal Complaint Handling Procedure, a copy of which can be obtained on request. Once the Internal Complaint Handling Procedure has been exhausted, should you remain dissatisfied and are a Retail Client, you then have the right to refer the matter to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

### **Other relevant information**

Mainspring Nominees Limited act as the Custodian/Nominee of the MMC Knowledge Intensive EIS Fund.

MMC provides investors with contract notes following each investment. MMC will hold EIS3 certificates issued by the investee companies after each investment. Once the investment requirements of an approved EIS fund are met, and all EIS3s have been issued, MMC will apply to HMRC for authority to issue EIS5s to Investors. Once you have received your EIS5 you can proceed and claim your EIS tax reliefs.