Key Information Document

Purpose

This document provides you with key information about the Par Syndicate EIS Fund ("the Fund"). 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.

The Fund is a product that is not simple and may be difficult to understand. The format and content of Key Information Documents ("KIDs") are closely specified by the relevant regulations. There is also a strict three page limit on the length of a KID. Not all of the information or its presentation specified in the rules governing KIDs can be provided in respect of EIS funds in a way that is clear, not misleading and also short. This KID may therefore be of use in comparing different EIS funds, but should be used with care in comparing the Fund with funds that have different structures or underlying assets. An information memorandum has been prepared in respect of the Fund ("the Information Memorandum") and you are encouraged to review it carefully, taking advice from an adviser specialising in such products if you consider it necessary. Specifically, an EIS fund has no legal personality and you would, as an investor, be entering into a direct contractual relationship with us as investment manager. The investment management agreement is contained in the Information Memorandum.

General Information

Product name:	Par Syndicate EIS Fund
ISIN/UPI:	not applicable
Product manufacturer:	Par Fund Management Limited ("Par Equity")
Product manufacturer's website:	www.parequity.com
Product manufacturer's contact guidance:	Par Equity may be contacted by e-mail (info@parequity.com), by post (Par Equity, 3a Dublin Meuse, Edinburgh EH3 6NW), or by telephone (+44 (0)131 556 0044).
Competent supervisory authority (product manufacturer):	Financial Conduct Authority (www.fca.org.uk). Par Equity is authorised and regulated by the Financial Conduct Authority and appears in the Financial Services Register under reference 485668)
Product administrator:	The Share Centre Limited ("The Share Centre")
Product administrator's website:	www.share.com
Product administrator's contact guidance:	The Share Centre may be contacted by e-mail (service@share.co.uk), by post (The Share Centre, PO Box 2000, Aylesbury, Bucks, HP21 8ZB), or by telephone (+44(0)1296 41 41 41)
Competent supervisory authority (product administrator):	Financial Conduct Authority (www.fca.org.uk). The Share Centre is authorised and regulated by the Financial Conduct Authority and appears in the Financial Services Register under reference 146768)
Dated:	1 January 2018

What is this Product?

Type

The Fund is classified as an Alternative Investment Fund for most regulatory purposes. It may be promoted to certain classes of retail investor under the Financial Conduct Authority's rules as a non-real time promotion of non-readily realisable investments, the details of which are set out in COBS 4.7. The fund has no legal personality, there is no pooling of assets and investors invest directly in the shares of underlying companies.

Objectives

The Fund invests in unlisted shares issued by high growth potential companies offering the potential for significant capital appreciation ("Portfolio Companies") and which allow investors to benefit from tax reliefs available under the Enterprise Investment Scheme ("EIS").

EIS is a tax mitigation scheme intended to stimulate the provision of risk capital to early-stage companies based in the United Kingdom. Investment in early-stage companies involves long-term illiquidity and risk to capital. Reliefs available under EIS may only ever mitigate, rather than eliminate, such risks. Further information on EIS is contained in the Information Memorandum and, as the benefits of EIS are not within the scope of the specified information to be included in a KID, the benefits of EIS are not capable of being included in the analyses set out in this document.

Intended retail investor

The Fund is intended for retail investors with substantial investment portfolios who are sufficiently knowledgeable about investment to understand the nature of the Fund (in the context of any financial advice they may receive in connection with it), have a long-term investment horizon and who have the ability to tolerate investment risk, including risk to capital and illiquidity. The Fund may also be suitable for investors who wish to use EIS as a tax planning tool, bearing in mind that investment risks may outweigh any tax planning benefits of EIS.

Insurance Benefits & Costs

The Fund has no insurance or insurance-related features. Your capital is not protected.

General Summary of Risk and Returns

Your capital will be invested directly in shares issued by Portfolio Companies, usually via a nominee. Capital or income receipts arising from these shares will be credited to your account, net of any fees or charges due, and will not be reinvested. The performance of your investment in the Fund will be solely determined by the amounts, if any, realised by you in respect of the shares you hold in Portfolio Companies.

Pre-tax returns will depend entirely on the performance of Portfolio Companies and the extent to which that performance can be reflected in a sale of Portfolio Companies' shares or through other means of realisation ("Exit Events").

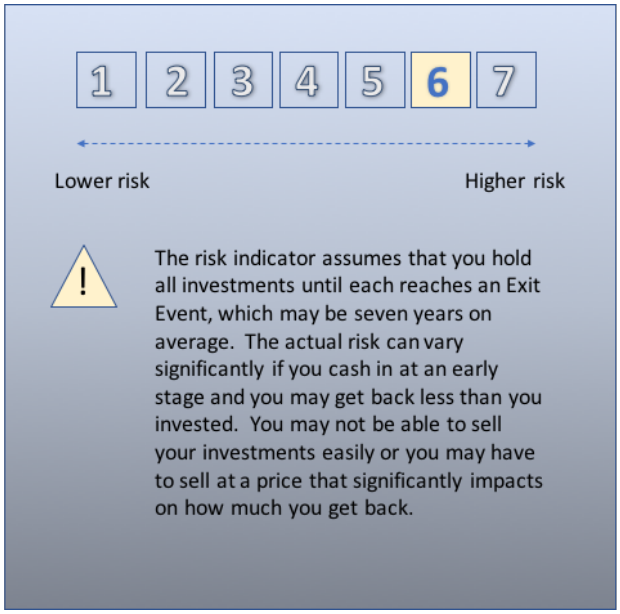
Post-tax returns will depend in part on individual investors' personal circumstances, as the value of reliefs available to investors under EIS will depend on their ability to take advantage of them.

Maturity

The Fund invests in unlisted shares for which there is no liquid market. The timing and amount of any returns to you will depend on many factors, but as value is realised the proceeds will be available to you, net of fees and charges, for withdrawal. For this reason, the Fund has no stipulated maturity date. The rules governing the preparation of KIDs requires the selection of three notional holding periods: one year; the recommended holding period; and an intermediate period. We believe that it is reasonable to think in terms of a recommended holding period of seven years, but we must stress that, as there is no market for shares in Portfolio Companies, any attempt to sell them prior to an Exit Event carries a significant risk that any price that may be paid for them could be much less than the proceeds that might be received on an Exit Event and there is also a significant risk that you will be unable to find a buyer for some or all of your shares if trying to sell them early.

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

Summary Risk Indicator



The summary risk indicator is a guide to the level of risk of the Fund compared to other financial products. It shows how likely it is that the Fund will lose money because of movements in the markets or because we are not able to pay you. We have assigned a risk indicator score of 6, which is the second-highest available risk class. This is because the Fund is invested in unlisted securities, in respect of which there is no market data and thus no ability to generate a reference price with the required frequency (not less often than monthly), yielding a market risk score of 6. Where a market risk score of 6 has been assigned, the Risk Indicator score is 6 irrespective of what level of credit risk is assigned. In the case of the Fund, credit risk arises while your cash is awaiting investment (generally for around six months on average, but some cash may be at risk for a year) and when sale proceeds arising from the liquidation of an investment holding are generated. In each scenario, monies are deposited with a major UK financial institution in a segregated client money account. You should also be aware that investments in unlisted shares are highly illiquid. It may be impossible to sell such shares other than as part of an Exit Event and the likelihood, timing and value of Exit Events are highly uncertain. **The Fund does not include any capital protection from future market performance so you could lose some or all of your investment. The summary risk indicator does not take into account your personal tax situation, which may also affect how much you get back.**

Performance Scenarios

This table shows the money you could get back over the next seven years, under different scenarios, assuming that you invest £10,000 (the investment size specified in the regulations governing the preparation of this KID). The minimum you may invest as a first-time investor in the Fund is, however, £20,000.

Scenarios	£10,000 invested	1 year	4 years (intermediate holding period)	7 years (recommended holding period)
Stress scenario	**What you might get back after costs**	£0	£1,000	£2,500
	Average return each year	*-100%*	*-17.4%*	*-8.3%*
Unfavourable scenario	**What you might get back after costs**	£0	£1,500	£5,000
	Average return each year	*-100%*	-16.6%	-6.0%
Moderate scenario	**What you might get back after costs**	£1,000	£2,500	£12,500
	Average return each year	-90%	-15.0%	3.2%
Favourable scenario	**What you might get back after costs**	£2,000	£5,000	£20,000
	Average return each year	-80%	-10.7%	10.4%

The figures shown include all the costs of the product itself, but not the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. The performance scenarios are intended to give a balanced presentation of the possible pre-tax outcomes of the Fund in both favourable and unfavourable conditions, and are scenarios that can reasonably be expected. Not enough data is available regarding investment returns from early stage investments for a probability distribution to be calculated. You should also note that the intended function of EIS is to produce an asymmetrical post-tax return profile, so that losses can be mitigated by tax reliefs while gains are tax-free. A detailed explanation of the effects of EIS on portfolio returns pre- and post-tax cannot be provided within the three pages permitted of a KID.

What happens if Par Equity is unable to pay out?

You will retain the equivalent of direct ownership of the underlying investment assets (shares and uninvested cash, less fees) at all times (shares will be held via a nominee under a bare trust, leaving you with the entire beneficial interest). Accordingly, the issue of whether Par Equity is or is not able to pay out does not arise. Client money accounts and the nominee company that holds shares as trustee for investors are operated by The Share Centre. A failure of The Share Centre might lead to some temporary inconvenience, but should not result in your losing money. If you are an eligible claimant under its rules you may, in any case, have recourse to the Financial Services Compensation Scheme.

What are the costs?

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

Cost over Time

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. We do not charge early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future. The return scenario used is the "Moderate" scenario (which triggers a performance fee).

The person selling you or advising you about the Fund 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.

Scenarios	**£10,000 invested**	**1 year**	**4 years**	**7 years (recommended holding period)**
Total costs		£179	£409	£2,326
Impact on return (RIY) per year		*-1.8%*	*-1.0%*	*-2.6%*

Composition of Costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get back at the end of the recommended holding period
- The meaning of the different cost categories

This table shows the impact on return per year and is based on the "Moderate" scenario and an investment of £10,000			
One-off costs	Entry costs	0.14% (£100, or £14/year)	The impact of the costs (1.0% of investment amount) you pay when entering your investment.
	Exit costs	N/A	No exit charges are made.
Ongoing costs	Portfolio transaction costs	0.17% (£55, or £8/year)	The impact of the cost of selling an investment (0.35% of proceeds).
	Other ongoing costs	0.75% (£525, or £75/year)	The impact of the costs that we take each year for managing your investments (0.75% of investment amount).
Incidental costs	Performance fees	1.61% (£1,125, or £161/year)	The impact of the performance fee. We take this from your investment proceeds (net of all other fees and costs and your original investment amount)

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

Your money will be invested in unlisted shares. These shares are highly illiquid as there is no ready market for them. Accordingly, you are most likely to realise sale proceeds from a Portfolio Company, not by attempting to sell shares at a time of your choosing, but by holding them until there is a sale of the entire company, or if its shares are listed on a stock market. In certain circumstances, you may realise value through dividends, share buy-backs or a distribution of assets on a winding up. You should expect to hold shares for some time – many years, potentially. Remember that you will lose most or all of the benefits of EIS if you sell your shares within the three year minimum holding period specified by the EIS rules.

How can I complain?

Par Equity and The Share Centre have established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available on request.

Complaints may be made to Par Equity or The Share Centre in writing (by mail or email) or orally (by telephone or face-to-face) using the contact details provided above. If for any reason Par Equity or The Share Centre fails to resolve a complaint to your satisfaction, and you meet the eligibility criteria (see www.financial-ombudsman.org.uk), you should be able to bring complaints to the Financial Ombudsman.

Other relevant information

We have produced a comprehensive Information Memorandum relating to the Fund which is the basis on which the Fund is promoted. If you have not already received a copy of the Information Memorandum, or have mislaid it, please contact us (using the contact details on page 1) and we will provide you with a copy. **While this KID may help you compare different EIS fund offerings, we strongly suggest that you and/or your adviser read each KID in conjunction with and not instead of the relevant EIS fund's information memorandum.** You may also wish to consult independent research reports, which are often available in respect of EIS funds.