KEY INFORMATION DOCUMENT

PURPOSE

This document provides you with key information about this investment product. It is not marketing material. This 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

- **Name of product:** The SBS Later Stage EIS Fund (the "Fund").
- **Name of Manufacturer:** Sapphire Capital Partners LLP – www.SapphireCapitalPartners.co.uk
- Sapphire Capital Partners LLP is authorised and regulated by Financial Conduct Authority (FRN: 565716).
- Call +44(0) 800 0545070 for more information.
- This Key Information Document was produced on 24 February 2020.

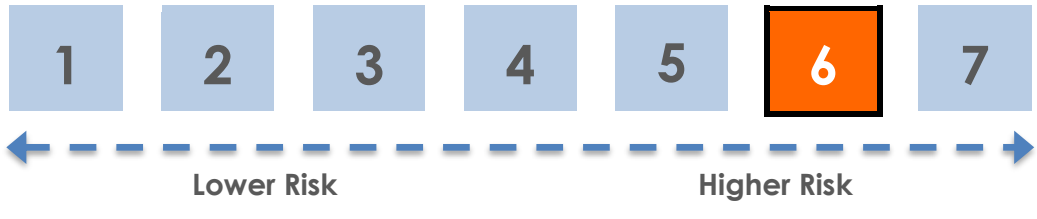
YOU ARE ABOUT TO PURCHASE A PRODUCT THAT IS NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND.

WHAT IS THIS PRODUCT?

Type	The SBS Later Stage EIS Fund is an alternative investment fund under the Alternative Investment Fund Managers Directive ("AIFMD"). It is managed by us, being Sapphire Capital Partners LLP.
Objectives	To allow investors to aim for capital growth through investing in high risk and volatile investments. The Fund seeks to invest in later stage transitional companies with an established customer base and revenue that qualify for Enterprise Investment Scheme (EIS) tax relief. The SideBySide Partnership International Limited (https://thesidebysidepartnership.com/) will act as the investments manager and provide mentoring services to investee companies. Investor's money is spread across a portfolio of companies to help mitigate the effect of any underperforming companies.
Intended retail investor	The Fund is designed for private investors who understand the risks of investing in unlisted investments, typically a UK higher-rate taxpayer, over 18 years of age, normally advised by a Financial Conduct Authority ("FCA") authorised adviser or a retail client that is a high net worth or sophisticated client. They may also be a professional client or an eligible counterparty. Investors should be able to lose all funds invested. An investor should have; • sufficient income tax liability to reclaim income tax relief at 30% of the amount subscribed; • be seeking to defer a recently realised gain and/or; • be seeking to shelter assets from inheritance tax.
Insurance benefits	The Fund does not have any insurance benefits.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Summary Risk Indicator



The risk indicator assumes you will hold the investment for eight years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to cash in early. You may have to pay significant extra costs to cash in early. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

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 of movements in the markets or because we are not able to pay you. We have classified this product as **6 out of 7,** which is **the second-highest** risk class because EIS funds invest in early stage and growth companies which are hard to value and where it may not be possible to quickly sell on your investment. This rates the potential losses from future performance at a **high** level, and poor market conditions are **very likely to impact the capacity** of the fund to pay you. This product does not include any protection from future market performance, so you could lose some or all of your investment. However, you may benefit from a consumer protection scheme (see the section "What happens if Sapphire Capital Partners LLP is unable to pay out"). The indicator above does not consider this protection.

Performance Scenarios

Single investment of £10,000*		1 year**	4 years	8 years (recommended holding period) ***
Stress scenario	**What you might get back after costs** Average return each year	**-**	**£0** (25.0%)	**£0** (12.5%)
Unfavourable scenario	**What you might get back after costs** Average return each year	**-**	**£2,850** (17.9%)	**£18,500** 23.1%
Moderate scenario	**What you might get back after costs** Average return each year	**-**	**£4,850** (12.9%)	**£37,000** 46.3%
Favourable scenario	**What you might get back after costs** Average return each year	**-**	**£6,850** (7.9%)	**£55,501** 69.3%

*Please note that the minimum subscription to this Fund is £25,000. **Exiting after one year is unlikely to provide any returns. *** It is noted that this is an evergreen fund, with no end date.

What you might get back does not include the impact of EIS tax reliefs which depend on the individual circumstances of the investor and are subject to change. EIS investments attract income tax relief of up to 30% and gains from your investment may be capital gains tax free, and loss relief may also be available in scenarios where your shares are sold at a loss.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

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. 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.

This table shows the money you could get back over the next eight 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 and are not an exact indicator. What you get will vary depending on how the market performance 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 that 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 SAPPHIRE CAPITAL PARTNERS LLP IS UNABLE TO PAY OUT?

The value of the Shares and the income derived from them is dependent on the performance of the underlying investments and can fluctuate. Investors could lose all or part of their investment. Your capital is at risk. **Whilst Sapphire Capital Partners LLP, the AIF Manager, is authorised and regulated by the Financial Conduct Authority, as the Fund is categorised as an Alternative Investment Fund participation in the Fund is not covered by the Financial Services Compensation Scheme ("FSCS")**. You may, however, be entitled to compensation from the FSCS in the event that either the Nominee or the Custodian is in default (the maximum limit for an eligible claim being £85,000) though not every investor is eligible to claim under this scheme. For further information please contact us, or the FSCS directly at www.fscs.org.uk.

WHAT ARE THE COSTS?

Costs Over Time

The Reduction in Yield (RIY) in the table below 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, on-going and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods in the moderate performance scenario (which includes some performance fees). The figures assume you invest £10,000. The figures are estimates and may change in the future. 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 Scenarios	If you cash in after 1 year*	If you cash in after 4 years*	If you cash in after 8 years
Total costs	**£550**	**£1,150**	**£14,242**
Impact on return (RIY) per year**	5.50%	4.56%	4.89% (0.61% excluding performance fee)

* **This product cannot be easily realised. This means it is difficult to estimate how much you would get back if you attempt to realise your investment early. You will either be unable to realise your investment early or you will have to pay high costs or make a large loss if you do so. You will also lose tax reliefs gained on subscription if you sell within three years. All above costs are paid by the investee companies which should not reduce the tax relief to investors. These costs will reduce the value of the investors holdings as the investee companies will be required to pay out these amounts at the point of investment. ** Percentage calculated as the differential between internal rate of returns.**

COMPOSITION OF COSTS?

The table below shows the impact of each 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. The table below shows the impact on return per year (Moderate Scenario).

One-off costs	Entry costs	0.43%	The annualized impact of a 3% initial fee paid on entering your investment, plus a 0.5% dealing charge on the purchase of shares. This is the maximum you might pay, and you will pay less where the fees are less. Unless otherwise instructed by you, these costs will be recharged to the investee company and will be borne by all the shareholders in that investee company rather than you individually.
	Exit costs	0.06%	The annualized impact of a 0.5% dealing charge on sales of shares.
On-going costs	Fund management costs	2.0%	This is the maximum impact of an annual administration charge and includes the costs to manage and settle nominee and custody charges in respect of your shareholdings with investee companies. You will pay less where the fees are less. Unless otherwise instructed by you, whenever possible these costs will be recharged to the investee company and will be borne by all the shareholders in that investee company rather than you individually. It is noted that where this annual administration charge is not paid by investee companies, up to one year's transaction charges may be deducted from an investor's subscription and no EIS tax relief may not be received on the amount paid.
	Other ongoing costs	0%	The impact of other ongoing costs. There are no other ongoing costs on this product as all costs are included above.
Incidental costs	Performance fees	15.3%	The impact of the performance fee, being 20% of proceeds exceeding £1.60 per £1 invested (net of costs) up to £4.00 and 33% of any amounts over £4.00 if an investor has received distributions exceeding £4. The performance fee is payable to SideBySide Partnership International Limited and Sapphire Capital Partners LLP in aggregate.
	Carried interests	0%	There is no carried interest associated with this product.

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HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: Eight years

You need to hold this investment for at least three years in order to claim tax reliefs. As the Fund invests in early-stage companies, it will generally not be possible to cash out, sell or disinvest early. The recommended holding period is eight years and, as the return of your investment depends on the sale or other liquidity event of each portfolio company, it may be necessary to hold for longer as the Fund is an evergreen fund with no specific end date. The net proceeds of any liquidity event for an investee company would typically be distributed to you, at the discretion of Sapphire Capital Partners LLP, within a reasonable period following that event rather than at the end of the Fund. It is not unusual for this type of investment to be held for ten years or more. You will either be unable to realise your investment early or you will have to pay high costs or make a large loss if you do so.

HOW CAN I COMPLAIN?

If you want to make a compliant please email info@sapphirecapitalpartners.co.uk, call us on +44 (0) 800 0545 070 or write to The Compliance Officer at Sapphire Capital Partners LLP. Complaints should be made to Sapphire Capital Partners LLP at 34 South Molton Street, London, W1K 5RG in the first instance. If you are not happy with our response, you can contact the Financial Ombudsman Service. This is a free, independent service that aims to resolve disputes between financial services companies and their customers. Further information can be found at www.financial-ombudsman.org.uk.

OTHER RELEVANT INFORMATION

Please read the Information Memorandum for the Fund carefully, specially the Risk Factors in Part Six, before making your investment decision and confirm with your independent financial adviser that you have the expertise, experience and knowledge to properly understand the risks of participating in the Fund. We invest in unquoted securities, which should qualify for the EIS tax reliefs. However, it cannot be guaranteed that companies invested in by the Fund will achieve or retain EIS qualifying status or that investors will qualify for the tax reliefs. When you invest you appoint us to manage investments on your behalf on a discretionary basis. We make all investment decisions including whether to buy or sell your investments. All costs above are stated net VAT. The Receiving Agent and Custodian for monies received from Investors is Woodside Corporate Services Limited, which is FCA authorised and regulated to hold client assets (FRN: 467652). Woodside Corporate Services Limited's associate company WCS Nominees Limited will act as Nominee. Taxation levels, bases and reliefs may change if the law changes and the tax benefits will vary according to your personal circumstances. Independent advice should therefore be sought. Other relevant information relating to the Fund can be found in the Information Memorandum.