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.

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

Product: The name of the Product is Draper Esprit EIS. The name of the Product manufacturer is Encore Ventures LLP (part of the Molten Ventures plc group). Website: www. moltenventures.com or call 0207 831 8800 for more information. The Financial Conduct Authority is responsible for the supervision of Encore Ventures LLP in relation to this document. Date of production of this document: 30 November 2019.

What is this Product?

Type. The Product is an Enterprise Investment Scheme (**EIS**) fund (the "Fund") which means that Encore Ventures LLP (**Manager**) will, so far as practical, make investments which each, subject to each investor's individual circumstances, qualify for relief under the Income and Corporation Taxes Act 1988.

Objectives: the Manager's objective is to manage funds subscribed by investors to produce tax free capital growth from EIS compliant investments. Investors' funds will be invested into multiple investee companies over a period of time. So far as practical, each investment shall be in a company which qualifies for the purposes of the EIS as set out in the Income Tax Act 2007 with each portfolio containing investments in 8 to 12 qualifying companies. Investee companies may be loss making or profitable, are likely to be unlisted, and are not expected to pay dividends. No more than 20% of an Investor's subscription will be invested in any one investee company in any one round of funding.

Realisation: the exit route for successful Investments is most likely by way of a trade sale or an initial public offering and sale of shares. Investors will receive distributions from the proceeds of successful realisations as they are made. There is a restricted market for shares in the investee companies and it may therefore be difficult to deal in the investments or to obtain reliable information about their value.

Term: the target is that each investment can be realised within 3–5 years. Each investment will be realised separately. The Manager will notify the Investor of a date by which it intends to realise any remaining investments in the Investor's portfolio and pay the realisation proceeds. It is intended that this will be no later than 7 years from the close of each fund raise (**Longstop Date**) although the Manager does have discretion to extend this period. Our agreement with you will end on the earlier of the following events: (a) the withdrawal of all investments and cash to which you are entitled; (b) the end of three months' notice given by the Manager; (c) the Manager becomes insolvent or ceases to be authorised by the Financial Conduct Authority; (d) the Manager is unable to procure the services of a suitable Custodian; (e) you terminate your agreement with the Custodian; or (f) the Longstop Date.

Intended retail investor: Individuals who are professionally advised or highly knowledgeable and who understand and are capable of evaluating the merits and risks of an investment in the Fund and who have sufficient resources to be able to bear any losses that may result from such an investment.

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

Risk Indicator

1 2 3 **6** 4 5 7

Lower risk ← → Higher risk

The risk indicator assumes you keep the product for several 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 sell your investments 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 the movements in the markets or because we are not able to pay out.

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

EIS is one of UK Government's tax advantaged venture capital schemes that enable small or medium sized companies to raise funds by providing tax reliefs for investors. Such investments are considered higher risk than in listed equities. We have classified this product as high risk.

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

If all of the underlying investments fail, you could lose your entire investment.

In certain circumstances, you may benefit from a consumer protection scheme (see the section "what happens if we are unable to pay you"). The indicator shown above does not consider this protection.

Performance Scenarios

Investment	£10,000 (* please note this is a theoretical illustration because the minimum investment is £25,000)			
Scenarios		**1 years**	**4 years**	**7 years (Recommended holding period**
Unfavourable scenario	**What you might get back after costs**	**£9,430**	**£9,893**	**£10,000**
	Average return each year	-5.70%	-0.27%	0.00%
Moderate scenario	**What you might get back after costs**	**£9,430**	**£11,613**	**£12,199**
	Average return each year	-5.70%	3.81%	2.88%
Favourable scenario	**What you might get back after costs**	**£9,430**	**£13,333**	**£14,947**
	Average return each year	-5.70%	7.46%	5.91%

This table shows the money you could get back over the next seven years, under different scenarios, assuming you invest a theoretical £10,000 although please note that the minimum investment is £25,000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The impact of one cost component that has fixed amount (the Custodian fee) means that for any investment to the Fund of the minimum of £25,000 or more, then the returns above will be higher in percentage terms. 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 performs and how long you keep the investment.

The "average return" calculation above is less than the calculated Internal Rate of Return (IRR) which after 7 years is: Unfavourable 0.00%; Moderate 3.81%; Favourable 7.88%. The IRR is higher than the "average return" calculation because of expected cash payouts from Year 4 onwards which has a positive impact on the IRR.

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 make a large loss if you do so. The recommended holding period is the date to be set by the manager for realisation of the investments in your portfolio, as notified to you (**Recommended Holding Period**).

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

Your maximum loss would be that you will lose all your investment.

The figures shown do not include any tax reliefs that are available, subject to personal circumstances, under the Enterprise Investment Scheme.

Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. Past performance is not a reliable indicator of future results and investor returns may increase or decrease as a result of currency fluctuations..

What happens if the Manager is unable to pay out?

You may face a financial loss due to the default of the Manager or Mainspring Nominees Limited (the **Custodian**). You may be entitled to compensation from the Financial Services Compensation Scheme if the Manager or the Custodian cannot meet their obligations. The Financial Services Compensation Scheme is only available to certain types of claim. Payments under the protected investment business scheme are limited to a maximum of £85,000 of any claim. Further information about compensation arrangements is available from www.fscs.org.uk.

What are the costs?

Costs over Time

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 are produced for a theoretical investment of £10,000. The impact of one cost component that has a fixed amount (the Custodian fee) means that for any investment to the Fund of the minimum investment of £25,000 or more the cumulative costs and RIY will both be lower in percentage terms.

The figures are estimates and may change in the future. The figures relate to the Moderate scenario. The variable cost component is the Performance Fee, the size of which depends on successful investment outcomes - it is included as a cost which occurs in years 6 and 7.

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 £10,000 (* please note this is a theoretical illustration because the minimum investment is £25,000)**

Scenarios	If you cash in after 1 year	If you cash in after 4 years	If you cash in at the end of the Recommended Holding Period of 7 years
Total costs	£570	£1,544	£4,115
Impact on return (RIY) per year	5.70%	4.31%	6.86%

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

This table shows the impact on return after Year 7 based on a theoretical investment of £10,000

One-off costs	Entry costs	*2.4%*	The impact of the costs you pay when entering your investment. The figures are shown inclusive of VAT.
Ongoing Costs	Portfolio transaction costs	*0.47%*	This is a dealing commission charged by the Custodian on the capital invested into portfolio companies, expressed as a percentage of the subscription amount to the Fund. The rate as charged is 0.2% on purchase or sale transactions.
	Other ongoing costs	*13.7%*	The total impact of the costs that we take each year for managing your investments. The annual management cost of 2% p.a. is charged for years 1-5. Following this it drops to 2% p.a. of remaining invested capital, with a floor of 0.5% p.a. of the Net Subscription. This amount will vary depending on the timing of exits of portfolio companies. The figures are shown inclusive of VAT.
		5.6% for a theoretical £10,000 investment	The total impact of the costs that the Custodian takes each year for administering your account. The annual fee is £80. For a £25,000 investment this is 2.2% and for a £100,000 investment it is 0.56%
Incidental Costs	Performance fees	*22.7%*	The impact of the Performance Fee. You will not pay any Performance Fee unless you have received back 100% or more of your original investment amount. We take these fees when your investment as a whole has returned more than 100%, and individual portfolio investments have performed better than the "hurdle" rate which is 6% per annum with a maximum of 125% of the amount invested into each investment. The Performance Fee is 20% of the amount above the hurdle for each investment. We state the impact of the Performance Fee here for a theoretical £10,000 investment which is calculated as 18.9% for the Moderate performance scenario. This amount will vary according to actual performance of each underlying investment. The figures are shown inclusive of VAT

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

The Manager will set a date, and will notify you, by which it intends to realise any remaining investments in your portfolio. This is intended to be no later than seven years from the date of each close (although the Manager has discretion to extend this date).

You may be able to withdraw your investment early under the following circumstances: (a) listed shares benefitting from the EIS, five years from when the shares were listed; (b) non-listed shares benefitting from EIS, seven years from when the shares were issued; (c) shares which have ceased to benefit from the EIS, six months from when they ceased; and (d) cash (less any fees owing), at any time.

If you withdraw your investments at a time prior to the relevant periods listed in (a) to (c) in the previous paragraph you may lose any EIS relief to which you may have been entitled and the Manager may still be entitled to a Performance Fee for successful investments.

Recommended Holding Period:

The date to be set by the Manager for realisation of the investments in your portfolio, as notified to you. This is targeted to be 7 years.

How can I complain?

Should an Investor have a complaint about any aspect of our service they should contact the Manager: Encore Ventures LLP, 20 Garrick Street, London, WC2E 9BT. We will investigate your complaint and provide you with a written response. If you are unhappy with the outcome of our investigation you may be eligible to refer the matter to the Financial Ombudsman Service: complaint.info@financial-ombudsman.org.uk.

Other relevant information

The Memorandum relating to this product and the Application Pack, including the agreement between the Manager and you, is available from Encore Ventures LLP by email eis@moltenventures.com or from the Fund's promoter RAM Capital Partners: www.ramcapital.co.uk or telephone 020 3006 7530 or email taxsolutions@ramcapital.co.uk

Encore Ventures LLP is authorised and regulated by the Financial Conduct Authority.