

# 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 – Daxia

**Manufacturer** – Enterprise Investment Partners (“EIP”), [www.kinfundservices.com](http://www.kinfundservices.com), 020 3743 3100

**Competent Authority** - EIP is authorised by the Financial Conduct Authority (“FCA”) FRN: 604439

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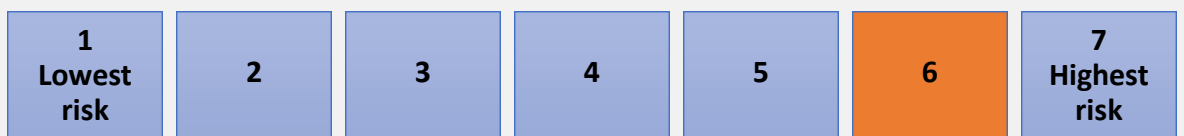
 You are about to purchase a product that is not simple and may be difficult to understand.

## What is this product?

<b>Type</b>	An Alternative Investment Fund structured as an English Limited Company.
<b>Purpose</b>	Daxia (“the Fund”) is focused on acquiring stakes in underperforming companies.
<b>Intended Market</b>	The Fund intends to provide a solution to investors in highly illiquid underperforming private companies. investment
<b>Term of Investment Product</b>	Investors should therefore consider an investment into the Fund to be a long-term investment.

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

### Risk Indicator



Lower Risk

Higher Risk

The Summary Risk Indicator (“SRI”) 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 their initial investment, though not more than their initial investment. The performance of the product is heavily reliant upon the ongoing creditworthiness of the underlying portfolio companies.

The SRI assumes that you keep the product for the recommended holding period. The risk score does NOT take into account whether you can take your money out early or the costs you might incur for doing so.

Additionally, be aware that it may not be possible for you to cash in early, or, if you do so, you may incur additional costs and losses. The amount you invest is not protected so in some unfavourable circumstances you could lose all of your investment.

## Performance Scenarios

### What are the factors likely to affect future performance?

The investment performance will be impacted by a range of risks, which can increase or decrease the performance of the investment during the holding period or at the time of exit. Daxia Fund is a fund that is focused on acquiring stakes in underperforming companies.

A suitable proxy to benchmark this investment against is the Thomson Reuters Venture Capital Index. This index replicates the performance of the Thomson Reuters Venture Capital Research Index through a combination of liquid, publicly listed assets. As there are differences between the number of underlying companies, scale of operations, capital structure and liquidity of underlying investments between the index and Daxia Fund the volatility and performance of Daxia Fund may differ.

### What could affect my return positively?

- Successful companies may become attractive to trade buyers in the relevant sectors and may also become attractive to other investors as they seek to participate in future funding rounds. Valuations of successful companies are expected to increase over time.
- A portfolio company may be sold for more than its carrying value.

### What could affect my return negatively?

- Companies may take longer than originally expected to deliver success and growth, which may also result in cash flow pressures. The combined impact may result in a decrease in value of the investment. Some investments may not be successful and result in a full, or partial, reduction in value during the hold period. Exits from companies that have suffered unexpected or long-term challenges may be through administration or liquidation, which may not recover any value for investors.
- Liquidity risk is the risk of not being able to sell an investment in the short term. The Company's underlying investments have a five to seven years target hold period, but they may be exited at a profit or a loss, outside of this target window.
- Valuation risk and liquidity risk are inherent when investing in start-ups and early stage, smaller, unquoted, venture capital backed companies as compared to larger, established, quoted companies.
- Events such as COVID-19, Brexit, geo-political unrest, inflation, economic recession, and movement in interest rates can affect investor sentiment towards investment risk and liquidity risk, and hence have a negative impact on the valuation of start-ups and early-stage, smaller companies. Some of these factors may also prove to be opportunities to certain businesses.
- If you are able to dispose of your shares during severely adverse market conditions the valuations of the underlying investments will be reduced, and you may not recover the cost of your investment. Your capital is at risk and you should only invest if you are willing to accept total losses in a worst-case scenario.
- Your personal tax situation may also affect how much you get back from your investment.

### What happens if EIP is unable to pay out?

- Should an investee company experience financial difficulties, it is possible that investors will lose all of their investment into that company. Eligible investors may be able to claim loss relief under the EIS rules.
- The Financial Services Compensation Scheme ("FSCS") provides compensation to eligible claimants in the event of KCP being unable to meet its liabilities. Further information is available from EIP or the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk)

### What are the costs?

The RIY (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. 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 the original purchase value of the investor target shares is £50,000 and the purchase value of the shares you are investing into are £5,000, in a moderate performance scenario. The figures shown are partially based on data from the past and therefore may change in the future.

	Fees after 1 year		Fees after 5 years		Fees after 10 years	
	Advised	Non-Adv.	Advised	Non-Adv.	Advised	Non-Adv.
<b>One-off Costs</b>	£750		£750		£750	
<b>+ Recurring Costs</b>	£120		£600		£1,200	
<b>+ Incidental Costs</b>	£0		£0		£0	
<b>= Total Costs</b>	<b>£870</b>		<b>£1,350</b>		<b>£1,950</b>	
<b>RIY</b>	<b>-17.4%</b>		<b>-27%</b>		<b>-39%</b>	

<b>One-off Costs</b>	<b>Entry Costs</b>	1.5%	1.5% charge on the initial purchase valuation of the investor's Target Shares.
<b>Recurring Costs</b>	<b>Management Fee</b>	0.75% (plus VAT)	0.75% per annum levied on the purchase valuation of Investor's Target Shares transferred to the Fund, billed quarterly in arrears.
	<b>Advisory Fee</b>	1.25% (plus VAT)	1.25% per annum levied on the purchase valuation of that Investor's Target Shares transferred to the Fund (the Advisory Fee). The Advisory Fee will accrue and ultimately be paid out of Sale Proceeds as and when they arise.
<b>Exit Costs</b>	<b>Exit fees</b>	10% (plus VAT if applicable)	Exit Fee is calculated as 10% of any Sale Proceeds, after deduction of (i) expenses of the Fund associated with the disposal of the relevant Investee Company, (ii) any accrued but unpaid Advisory fee; (iii) sums owing to the Investment Adviser to repay Management Fee paid by the Investment Adviser on behalf of the Fund.

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

- There is no fixed maturity date for this product.
- You cannot make any divestments from this product and therefore there are no conditions, fees and penalties applicable.

#### How can I complain?

- Should an Investor have a complaint, they should contact EIP (see 'product' section for contact details).
- If EIP cannot 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: Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) Tel: 0800 023 4567 / Fax: 020 7964 1001

#### Other relevant information

We strongly recommend that potential investors seek advice from a suitably authorised retail financial adviser before deciding to invest in this product.

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