



Earthworm™

From the ground up.



Key Information Document

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 Earthworm EIS Fund managed by EW Cap Limited (www.earthwormgroup.com). EW Cap Limited is authorised and regulated by the Financial Conduct Authority. This document has been produced on 1 October 2018.

What is this product?

Type An Alternative Investment Fund consisting of a number of investment management agreements between investors and EW Cap Limited, managed in parallel.

Objectives The Earthworm EIS Fund identifies and invests in companies focused on the environmental sector. Monies raised will be deployed into investee companies seeking growth which provide employment and assist in the UK reaching its recycling target of 50% by 2020 and help the UK lower its dependence on food imports and become self-sustaining.

By investing in the Fund, UK taxpayers may be able to benefit from the reliefs provided by the Enterprise Investment Scheme (EIS), and loss relief should they realise a loss on any of the Investments (net of income tax relief received). Should an Investor die, provided he/she has held his/her Investments for two years at the time of death, his/her Investments should be free from inheritance tax though this tax relief may be scaled back if, at the date of death, the Investee Companies hold capital in excess of needs.

Intended retail investor The Earthworm EIS Fund is limited to retail investors who have been advised by an authorised financial advisor or who are certified High Net Worth or self-certified Sophisticated Investors and who have successfully completed the application process in full.

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

The risk indicator below assumes you keep the investment for at least 5 years. You may not be able to sell the investment early or you may have to sell at a price that significantly impacts how much you get back:



Performance Scenarios (excluding tax reliefs)	1 Year*	3 Years*	5 Years (minimum recommended hold period)
Unfavourable scenario What you might get back after costs Average return each year	94%* -6.0%	79%* -6.9%	64% -7.1%
Moderate scenario What you might get back after costs Average return each year	94%* -6.0%	89%* -3.6%	102% 0.5%
Favourable scenario What you might get back after costs Average return each year	94%* -6.0%	89%* -3.6%	120% 4.1%

* 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.

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 performs and how long you keep the investment/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. The figures do not take into account 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.

What happens if EW Cap Limited is unable to pay?

As a shareholder in the underlying companies the Fund invests in you would not be able to make a claim to the Financial Services Compensation Scheme ("FSCS"). If you had a claim against EW Cap Limited which it was unable to pay, you may be entitled to compensation from the FSCS. Please note, the scheme does not cover a failure of the Earthworm EIS Fund. For more information see www.fscs.org.uk.

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. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

Costs over time Moderate scenario (£10,000)	If you exit your investment after 1 Year*	If you exit your investment after 3 Years*	If you sell your investment after 5 Years
Total Costs	£600	£1,080	£1,560
Impact on return (RIY) per year	-6.0%	-3.6%	-3.1%

* 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.

All costs above are paid by Investee Companies which should not therefore reduce the tax relief available to Investors. These costs will, however, reduce the value of Investors' holdings as the Investee Companies will be required to pay out these amounts at the point of investment. The returns shown in the Performance Scenarios above are after costs but exclude the effect of tax reliefs.

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 per year (Moderate Scenario)

One-off costs	Entry costs	-0.7%	The impact of the costs you pay when entering your investment.
Ongoing costs	Other ongoing costs	-2.4%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.0%	The impact of the performance fee. We take these from your investment if the product outperforms its target return (shown here as the Favourable Performance Scenario). The performance fee is 36% (including VAT) of the return over the target return of 20%.

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

The required minimum holding period is 3 years although the recommended minimum hold period is 5 years and 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.

How do I complain?

You can complain initially to EW Cap Limited by contacting the Compliance Officer using the details listed on the FCA register or our website. If you remain dissatisfied with our service and you are an eligible complainant, you may ask the Financial Ombudsman Service to consider your complaint. For more information see www.financial-ombudsman.org.uk.

Other relevant information

Please read the Information Memorandum for the Fund carefully, specifically the Risk Factors set out on pages 32-35, 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.

Prospective Investors should note that the value of an investment can fall as well as rise and investors may not get back the amount originally invested. Therefore, you should only make investments in the Fund that you can afford to lose without having any significant impact on your overall financial position or commitments.

Taxation levels, bases and reliefs may change if the law changes and the tax benefits of products will vary according to your personal circumstances; independent advice should therefore be sought. Please note 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 available under these schemes.

For IFA
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