# 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 SFC Angel Fund SEIS 2025/26

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| **Manufacturer** | SFC Capital Partners ("SFC CP") \| sfccapitalpartners.com |
| **Competent Authority** | SFC Capital Partners Ltd is authorised by the Financial Conduct Authority ("FCA") FRN: 736284 |
| **Date of production of this Key Information Document** | 01/12/2025 |

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

## What is this Product?

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| **Type** | A discretionary managed Alternative Investment Fund. |
| **Purpose** | SFC Angel Fund SEIS 2025/26 ("the Fund") is a fund that invests in a portfolio of SEIS companies across all sectors ("sector agnostic"). |
| **Intended Market** | Investors who wish to access a portfolio of unquoted venture capital investments and have a capacity for long-term, high-risk investments. Investors must have experience of investing in similar types of Venture Capital investments previously. |
| **Term of Investment Product** | The intended holding period of this investment is 5-8 years but may be longer. |

## What are the Risks and what could I get in Return?

### Risk Indicator

| 1 | 2 | 3 | 4 | 5 | **6** | 7 |
|---|---|---|---|---|---|---|
| Lowest Risk | | | | | | Highest 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 Fund invests primarily in early-stage companies that qualify for the Seed Enterprise Investment Scheme (SEIS). By definition, these are young businesses with little or no revenue history, unproven business models, and a high risk of failure. The success of the Fund therefore depends heavily on the ability of a small number of portfolio companies to achieve significant growth, as many investments are expected not to succeed. The Fund targets innovative, high-growth potential businesses which may remain unprofitable for a prolonged period and will likely require further capital injections in order to scale and survive. The availability of follow-on funding, the strength of the wider fundraising environment, and the ability of portfolio companies to attract strategic partners or acquirers will all influence performance outcomes. Other key factors include the quality of deal flow, the investment manager's ability to select and support companies, sector-specific risks (including regulatory and technological change), and broader economic conditions such as inflation, interest rates, and investor sentiment in venture capital markets.

### 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 eight years target hold period, but they may be exited at a profit or a loss, outside of this target window.
- Valuation risk is the risk that the Fund is holding an investment at a value which ultimately can't be realised. Shares in unquoted companies cannot be reliably valued and are ultimately worth only what a willing buyer will pay for them.
- 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 SFC CP 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 SEIS rules.
- The Financial Services Compensation Scheme provides compensation to eligible claimants in the event of SFC CP being unable to meet its liabilities. Further information is available from SFC CP or the FSCS at 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.

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| **Investor Costs** | **Initial fees** | 2.5% (exempt VAT) of investment value | Initial fee payable by the investor. |
| | **Annual Management fees** | 0% | Impact of recurring costs taken from your investment each year. The figures shown are an estimate of what the costs could be. The figures cover all recurring costs, operating expenses, and portfolio transactions. |
| | **Performance fees** | 25% (+VAT) | Impact of performance fees taken where the performance i.e. net return is above 125% of net investment. Moderate performance scenario assumed. |
| **Investee Company Costs** | **Investee company fees** | 6% (+VAT) of investment value | Deal arrangement fee payable by the investee company. |
| | **Management fees** | 1% (+VAT if applicable) of investment value annually | Annual recurring fee to be paid by investee company capped at 4%. |

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

- There is a 14-day cooling off period applicable to this product.
- There is no fixed maturity date for this product. The recommended holding period is 8 years, as investments of this nature are difficult to realise. Tax reliefs are available only if the investor holds a qualifying investment for at least 3 years.
- You cannot make any divestments from this product and therefore there are no conditions, fees, and penalties applicable.
- See above, but it is not possible to divest out of this product, if you were able to sell your shares then you would lose any personal tax benefits if this was within the 3-year period and your shares would be likely to be sold at a considerable discount to cost or value at disposal if held for the recommended holding period.

## How can I complain?

- Should an Investor have a complaint, they should contact SFC CP (see "Complaint Procedure" section on the SFC CP's website).
- If SFC CP 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 | 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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