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.

Downing Healthcare EIS Knowledge Intensive Fund

Product: Portfolio of shares through an Enterprise Investment Scheme ("Shares")
Name of PRIIP manufacturer: Downing LLP (registered number OC341575) ("the Company")
Website for the PRIIP manufacturer: www.downing.co.uk
Call this telephone number for more information: +44(0) 207 416 7780
Competent Authority of the PRIIP Manufacturer in relation to the KID: UK Financial Conduct Authority
Date of production of this Key Information Document: 26 May 2021

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

What is this product?

Type: Enterprise Investment Scheme

Objectives: The Investment Objectives for the Fund are to seek investments in a minimum of five early-stage high-growth EIS Companies that: (a) operate in the healthcare or life sciences sectors, with a growth strategy that will give Investors the opportunity to generate a return of 3x+ after a successful exit within a target of up to eight years from investment; (b) qualify as a knowledge intensive EIS company, under the relevant tax rules, enabling the investor to claim EIS tax reliefs, if their investment is held for at least 3 years from the date of investment; and (c) have taken into account Environmental, Social and Governance (ESG) factors in their business model. The focus of the fund is on healthcare companies looking for development and growth funding in sectors including diagnostics, therapeutics, pharmaceutical services, medical devices and digital health.
The recommended holding period: Up to eight years to allow for underlying investments to mature and for exits to be achieved. To maintain the tax reliefs available, investors should be prepared to hold the investment for at least three years. If shares are sold within three years, tax reliefs will be lost.
Intended retail investor: A typical EIS investor will be a UK higher-rate income taxpayer, over 18 years of age, normally advised by an 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 have considered the level of diversification within their investment portfolio and whether investing in a single sector fund is appropriate for them. 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 capital gain; and/or,
- be seeking to shelter assets from inheritance tax.

Risk Indicator

1	2	3	4	5	6	7

Lower risk **Higher risk**

The summary risk indicator is a guide to the level of risk of this product compared to other products. We have classified this product as 6 out of 7 which is the second highest risk class and has been calculated based on the prescribed methodology. This rates the potential losses from future performance at a high level and poor market conditions are very likely to impact the capacity for you to receive a positive return on your investment. The risk indicator assumes that shares in the EIS are held for at least three 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. This investment offers no capital guarantee against credit risk. This investment offers no capital protection against future market performance so you could lose all or part of your investment if you sell in a poor market. Valuations made on small unquoted companies with very little or no historical performance or track record will include a high degree of judgement. Investments in these companies are high risk and the chance of these companies failing are high. Any investment in the fund should be viewed as a long-term investment. You are entitled to receive back up to 30% of your capital via tax relief. Any amount over this, and any additional return, depends on future market performance and is uncertain. However, this tax relief will not apply if you cash-in before 3 years.

Performance Scenarios

The table below shows the money you could get back over the next 8 years under different scenarios, assuming that you invest £10,000. Your maximum loss would be that you will lose all your investment. 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 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 performance scenarios do not include the effect of any tax reliefs available. 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. 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.

Investment Scenarios		1 year	4 years	8 years (recommended holding period)
Unfavourable scenario	**What you might get back after costs**	£7,401	£5,979	£7,936
	Average return each year	-25.99%	-12.06%	-2.85%
Moderate scenario	**What you might get back after costs**	£8,411	£11,004	£16,207
	Average return each year	-15.89%	2.42%	6.22%
Favourable scenario	**What you might get back after costs**	£8,411	£14,529	£25,412
	Average return each year	-15.89%	9.79%	12.36%

What happens if Downing Healthcare EIS 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.

What are the costs?

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, ongoing 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 payable to Downing). The figures assume you invest £10,000. The figures are estimates and may change in the future.

Costs over time

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	£623	£1,769	£3,736
Impact on return (RIY) per year	-6.23%	-3.89%	-2.79%

*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.

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 (based on an 8 year holding period)			
One-off costs	Entry costs	0.125% Advised or 0.375% Execution only or direct, plus up to 0.375% arrangement fee	This shows the impact of the costs you pay when entering your investment, for both your initial subscription and for us making the initial investments in the underlying companies. The entry costs charged are: 1% initial fee for advised, or 3% for non-advised, plus up to 3% arrangement fee.
	Exit Costs	0%	The impact of the costs of exiting your investments when it matures. There are no exit costs on this product.
On-going costs	Portfolio transaction costs	0%	The Company's costs of buying and selling underlying investments.
	Other ongoing costs	2% plus VAT	The impact of the annual management charge on your investment.
Incidental costs	Performance fees	20% plus VAT of proceeds exceeding £1 per £1 invested	The impact of the performance fee. If the return on the investment on exit is greater than £1.00 per £1.00 invested, we take a fee.
	Carried interests	0%	There are no carried interests associated with this product.

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

Recommended holding period: 8 years

This product has no required minimum holding period but is designed for long term investment; you should be prepared to stay invested for at least 3 years in order to achieve the 30% tax relief. Returns are expected to be available from between four years and eight years from initial investment but there is no guarantee that an exit will be possible.

How can I complain?

The Company has established procedures in accordance with the FCA Rules for consideration for complaints. Details of these procedures are available from it on request. Should an Investor have a complaint, he should contact the Company by writing to The Compliance Officer, Downing LLP, St Magnus House, 3 Lower Thames Street, London EC3R 6HD.

Where the Investor is categorized by the Company as an Eligible Complainant, pursuant to FCA Dispute resolution rule 2.7.3 if for any reason the Investor is dissatisfied with the Company's final response, the Investor is entitled to refer its complaint to the Financial Ombudsman Service. A leaflet detailing the procedure involved will be provided in the Company's final response.

Other relevant information:

The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules. The distributor will provide you with additional documents where necessary. You are recommended to read the Brochure and Terms and Conditions published by the Company on 26 May 2021 and, in particular, the risk factors set out on pages 8 and 9 of the Terms and Conditions, before making an investment decision and to confirm with your independent financial adviser that you have the expertise, experience and knowledge to properly understand the risks of investing in the Company.

Prospective investors should note that the value of an investment 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 very according to your personal circumstances: independent advice should therefore be sought.