

EIS and SEIS are high-risk investments and may only be suitable as medium or long-term investments. Clubfinance Ltd offers an execution-only service; Clubfinance does not give advice or recommendations. (S)EISs are complex products and are not suitable for all investors. If you have any doubts as to the suitability of a particular (S)EIS, or (S)EISs in general, or you require advice of any kind, you should seek a personal recommendation from a professional adviser. Do not invest in an EIS or an SEIS unless you have carefully thought about whether you can afford it and whether it is right for you.

Please refer also to the risk warnings and other information contained within the Prospectus, brochure, particulars, information memorandum, offer document, or other product documentation for the EIS or SEIS that you have chosen, together with Clubfinance's Terms of Business.

(S)EIS investments include: direct investment in an individual EIS or SEIS share; investment in an EIS, SEIS, or mixed EIS & SEIS fund (including Approved Investment Funds (EIS only) and unapproved funds); and investment in an (S)EIS managed portfolio. Funds and portfolios invest wholly or mainly in SEIS and/or EIS shares.

General

- As high-risk investments, EISs may only be suitable for wealthier investors as part of a diversified investment portfolio.
- SEIS investments are typically even higher risk than EIS investments.
- Applications may only be made and accepted subject to the terms and conditions of the offer as set out in the product documentation.
- If an (S)EIS does not reach its minimum investment level, it may decide not to go ahead and return your application.
- For (S)EIS funds and portfolios, the manager may not be able to invest as quickly as hoped. This may reduce the return on your investment, and the investment may lose its (S)EIS status or tax relief may be delayed.
- In respect of Approved Investment Funds, approval, which is given by HMRC, does not guarantee the safety or success of the investments made through the fund in question. It simply means that the fund satisfies certain administrative criteria laid down by HMRC.
- Payments of renewal commission (if any) to Clubfinance and the corresponding commission rebates to you are usually conditional upon you continuing to hold the investment, and may cease if Clubfinance is no longer your agent, or you transfer the shares to a nominee account.
- Past performance is not a reliable indicator of future results.
- You should not subscribe to an (S)EIS unless you have taken appropriate independent advice.

(S)EIS shares (as a direct investment & as the underlying investments of funds & portfolios)

- (S)EIS shares are issued by small companies, which are typically early stage, young companies. There is a risk that these companies may not perform as hoped and in some circumstances they may fail completely. Small companies have a higher failure rate than large established companies. SEIS shares in particular can only be issued by very early stage companies, increasing these risks.
- Investments in these small companies will generally not be publicly traded or freely marketable and may therefore be difficult to sell. There will be a big difference between the buying price and the selling price of these investments. The price may change quickly and it may go down as well as up.
- Recent budgets have changed the rules of what qualifies for EIS investment. This may mean that current EIS issues are more risky than those of previous years.
- Companies issuing (S)EIS shares may use, or be able to use gearing (borrowing money to finance their activities) or derivatives. This strategy may result in:
 - movements in the price of the (S)EIS shares being more volatile than if the company did not use gearing or derivatives;
 - the (S)EIS shares being subject to sudden and large falls in value; and
 - you getting back nothing at all if there is a sufficiently large fall in value in the investment.
- Where there is a guarantee to the directors of a company that issues (S)EIS shares, this is not a guarantee to a person investing in those shares.

Spread of risk

- Investment in an individual (S)EIS share represents investment in a single company. Although (S)EIS funds and portfolios invest in more than one company, smaller funds may invest in fewer companies resulting in higher risk. Similarly, investing in a single (S)EIS product may be more risky than spreading your investment between more than one (S)EIS product.
- Notwithstanding the number of different (S)EIS shares over which an investment is spread, the underlying characteristics of the companies issuing (S)EIS shares will vary, meaning that some (S)EIS products are riskier than others, and in particular an investment in SEIS shares will usually be more risky than an investment in EIS shares.

Taxation

- (S)EISs are subject to special tax considerations. Please refer to the product documentation for a taxation summary and the taxation consequences for investors generally. However, please be warned that:
 - taxation levels, bases and reliefs can change;
 - the summary will be based on assumed rates of taxation;
 - the reliefs stated will be the ones which currently apply; and
 - taxation levels, bases and reliefs depend upon your individual circumstances.
- Changes in tax or other legislation may adversely affect the value of an (S)EIS.
- Income Tax relief cannot exceed your Income Tax liability, and the tax credit on dividends received cannot be reclaimed.
- To be eligible for SEIS/EIS tax relief(s), investors must not be connected, for EIS/SEIS purposes respectively, with the companies in which they invest.
- For the purposes of determining the tax year for which you can get Income Tax relief, all EIS shares acquired through an Approved Investment Fund are treated as if they had been issued on the date when the fund closed. In other cases the relevant tax year is the date when the (S)EIS shares are issued. For Income Tax relief purposes, you may be able to 'carry back' part or all of the investment to the previous tax year, noting that for Approved Investment Funds, the relevant dates for carry-back purposes are still the dates when individual shares are issued, not the date the fund closes.
- You may not get tax relief on the whole amount you invest in an (S)EIS. Tax relief is only given on amounts actually subscribed for (S)EIS shares (this excludes any costs incidental to the subscription); amounts not invested in (S)EIS shares (e.g. initial charges deducted, or amounts held as cash) will not be eligible for tax relief.
- Tax relief will not be available, or may be withdrawn, if the (S)EIS, or an individual investor, does not comply with the (S)EIS regulations during the relevant period, and tax relief already given will have to be repaid.
- Due to the approvals and administration necessary, it may take some time before you receive the tax certificate for your (S)EIS investment, particularly for Approved Investment Funds. You may need to re-open your tax return to claim tax relief.
- If you are unsure about your tax situation, you should seek professional advice.

Charges & performance fees

- The levels of charges for (S)EISs may be greater than for other investments, such as Unit Trusts and Open Ended Investment Companies.
- Initial charges and other upfront and ongoing costs, fees and charges will reduce the value of your investment. These may include performance fees.
- Some costs borne by the (S)EIS will be fixed in nature. If an (S)EIS is smaller than expected these fixed costs will have a greater impact on performance.

Security of capital

- As with any asset-based investment, the value of an (S)EIS depends on the performance of the underlying assets, so you may get back less than you originally invested, even taking into account the tax breaks.
- (S)EISs are investments that can fluctuate in value. In addition, the income distributions from (S)EISs (if any) can also fluctuate.
- (S)EIS investments may be subject to sudden and large falls in value, you could get back nothing at all.

Selling your investment

- You may have difficulty selling your investment at a reasonable price and, in some circumstances, it may be difficult to sell it at any price.
- There is a restricted market for (S)EIS shares, and it may therefore be difficult to deal in (S)EIS shares, or to obtain reliable information about their value or how risky they are. Proper information for working out the current value of investments may not be available.
- (S)EIS shares are typically unquoted securities, which may have more risks than quoted securities or shares. Investments in unquoted securities may be difficult to sell. Market makers may not be prepared to deal in them.
- (S)EIS shares may be issued by a private company, and restrictions may apply to the transfer of these private company securities.