

# KEY INFORMATION DOCUMENT

## PURPOSE

This document provides you with key information about this investment product. It is not marketing material. This 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

- **Name of product:** Pure Potential I, LP (the "Fund").
- **Name of Manufacturer:** Sapphire Capital Partners LLP – [www.SapphireCapitalPartners.co.uk](http://www.SapphireCapitalPartners.co.uk)
- Sapphire Capital Partners LLP is authorised and regulated by Financial Conduct Authority (FRN: 565716).
- Call +44 (0)28 9059 7213 for more information.
- This Key Information Document was produced on 01 August 2021.

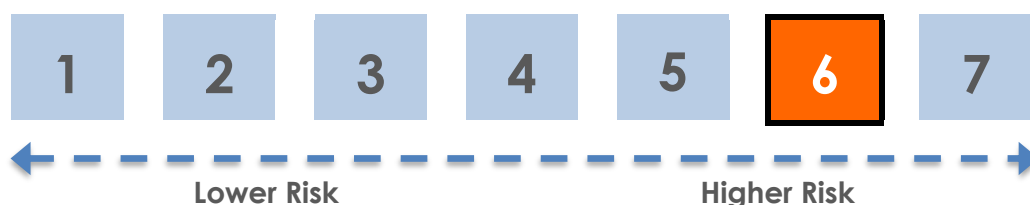
## YOU ARE ABOUT TO PURCHASE A PRODUCT THAT IS NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND

### WHAT IS THIS PRODUCT?

<b>Type</b>	The Pure Potential I, LP is an alternative investment fund under the Alternative Investment Fund Managers Directive ("AIFMD") and a collective investment scheme. It is managed and operated by us, being Sapphire Capital Partners LLP.
<b>Objectives</b>	To allow investors to aim for capital growth through investing in high risk and volatile investments. The Fund seeks to invest in early-stage health and wellness focused businesses. The Fund will work with 8 Dimension Ventures Ltd ( <a href="https://www.8dimension.ventures">https://www.8dimension.ventures</a> ) to provide investment advice to us and consulting services to investee companies. Investors' money is spread across a portfolio of companies to help mitigate the effect of any underperforming companies.
<b>Intended retail investor</b>	The Fund is designed for private investors who understand the risks of investing in unlisted investments, normally advised by an FCA authorised adviser or a retail client that is a high net worth or sophisticated client. They may also be UK based investment professionals as defined by Article 19 FSMA 2000 (Financial Promotion) Order 2005 and high net worth companies, etc. as defined by Article 49 FSMA 2000 (Financial Promotion) Order 2005. An investor may also be a U.S investor, in which case they must qualify as 'Accredited Investors' as defined in Rule 501(A) of Regulation D under the US Securities Act of 1933. Investors should be aged 18 or over with an investment horizon of seven or more years. <u>Your capital is at risk</u> . Investors must be comfortable with the risks of investing in an underlying portfolio of small private companies and should read the risk factors set out in the Information Memorandum in Part Six: Risk Factors. <b>Investors should be able to lose all funds invested.</b>
<b>Insurance benefits</b>	The Fund does not have any insurance benefits.

### WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

#### Summary Risk Indicator



**The risk indicator assumes you will hold the investment for seven 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. You may have to pay significant extra costs to cash in early. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as **6 out of 7**, which is **the second-highest** risk class because the Fund invests in high-risk early stage and growth companies which are hard to value and where it may not be possible to quickly sell on your investment. This rates the potential losses from future performance at a **high** level, and poor market conditions are **very likely to impact the capacity** of the Fund to pay you. This product does not include any protection from future market performance, so you could lose some or all of your investment. However, you may benefit from a consumer protection scheme (see the section "What happens if Sapphire Capital Partners LLP is unable to pay out"). The indicator above does not consider this protection.

## Performance Scenarios

Single investment of £10,000 (however, please note that the minimum LP subscription to this Fund is £100,000):		1 year*	3 years	7 years** (anticipated holding period)
Stress scenario	<b>What you might get back after costs</b>	-	£0	£0
	Average return each year		(33.33%)	(14.29%)
Unfavourable scenario	<b>What you might get back after costs</b>	-	£2,150	£10,575
	Average return each year		(26.17%)	15.11%
Moderate scenario	<b>What you might get back after costs</b>	-	£4,400	£25,050
	Average return each year		(18.67%)	35.79%
Favourable scenario	<b>What you might get back after costs</b>	-	£5,900	£50,000
	Average return each year		(13.67%)	71.43%
* Exiting after one year is unlikely to provide any returns. ** It is noted that the anticipated life of the Fund is seven years. <b>Please note that the average return each year has been calculated using the net performance above as a numerator and the initial investment of £10,000 as a denominator and annualised by dividing the result by the holding period.</b>				
The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.		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 so.		

This table shows the money you could get back over the next seven years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. All accounts do not include VAT. 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 back will vary depending on how the market performs and how long you keep the 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 or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

### WHAT HAPPENS IF SAPPHIRE CAPITAL PARTNERS LLP 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. The Investment Manager participates in the Financial Services Compensation Scheme (FSCS), established under the Financial Services and Markets Act 2000. The scheme provides compensation to eligible investors in the event of a firm being unable to meet its customer liabilities. Payments under the scheme to an eligible investor for protected claims against a firm in respect of protected investment business are limited to a maximum of £85,000. Under the FSCS investment protection scheme there may be circumstances in which investors can claim compensation where the Investment Manager is unable or unlikely to honour legally enforceable obligations against it. Availability of FSCS protection will be dependent on the eligibility of the claimant and the circumstances of the claim. Further information about the circumstances in which the FSCS cover is available can be found on the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk)

### WHAT ARE THE COSTS?

#### Costs Over Time

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, on-going 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). The figures assume you invest £10,000 (before costs and VAT). The figures are estimates and may change in the future. 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 3 years*	If you cash in after 7 years
<b>Total costs</b>	<b>£700</b>	<b>£1,100</b>	<b>£6,763</b>
Impact on return (RIY) per year**	7%	5.87%	3.96% (1.03% excluding performance fee)

\* 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.  
\*\* Percentage calculated as the differential between internal rate of returns.

## COMPOSITION OF COSTS?

The table below shows the impact of each 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. The costs below also include fees charged to investee companies and therefore represent the full costs of all direct and indirect costs to you as the investor. The table below shows the impact on return per year using the Moderate Scenario.

<b>One-off costs</b>	Entry costs	0.43%	The annualized impact over seven years of the establishment costs of approximately 3% (being establishment costs of no more than £150,000 (plus VAT) based on a minimum fund size of £5,000,000). 8 Dimension Ventures Ltd is entitled to recover costs associated with the setup of the Fund from the Fund. These recoverable expenses include costs for legal, tax and accounting and other professional advice, production of the Information Memorandum and other marketing materials, all material contracts entered by the General Partner (Pure Potential GP Limited) and 8 Dimension Ventures Ltd relating to the Fund together with any other costs directly attributable to the set-up of the Fund.
	Exit costs	0%	The impact of the costs of exiting your investments when it matures. There are no exit costs on this product.
<b>On-going costs</b>	General Partner management costs	2.00%	A General Partner management fee of 2% (plus VAT) per annum on committed funds will be charged until the end of the investment term (five years active deployment), after which the management fee will be charged on invested capital. This fee will be payable by the Fund quarterly in advance, with the first such payment being taken the initial closing date. This fee will be used to settle Administrator fees and to pay for our investment management services.
	Other ongoing costs	0%	The impact of other ongoing costs. The General Partner will look to charge investee companies a transaction fee to cover costs incurred by the General Partner on behalf of the Fund during the investment process. Where all or some of these costs are not recovered from an investee company they will be met by the Fund.
<b>Incidental costs</b>	Carried interest	6.95%	The impact of the carried interest (performance fee), being 20% (plus VAT if applicable) of proceeds exceeding £1.75 per £1 invested (payable 14.7% to 8 Dimension Ventures Ltd, 4.3% to Sapphire Capital Partners LLP and 1% to investee company founder teams).

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: seven years

As the Fund invests in early-stage companies, it will generally not be possible to cash out, sell or disinvest early. The recommended holding period is seven years and, as the return of your investment depends on the sale or other liquidity event of each investee company, it may be necessary to hold for longer. The net proceeds of any liquidity event for an investee company would typically be distributed to you at the end of the Fund life. It is not unusual for this type of investment to be held for up to ten years or more. 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 CAN I COMPLAIN?

If you want to make a complaint please email [info@sapphirecapitalpartners.co.uk](mailto:info@sapphirecapitalpartners.co.uk), call us on +44 (0)28 9059 7213 or write to The Compliance Officer at Sapphire Capital Partners LLP. Complaints should be made to Sapphire Capital Partners LLP at 28 Deramore Park, Malone, Belfast BT9 5JU, in the first instance. If you are not happy with our response, you can contact the Financial Ombudsman Service. This is a free, independent service that aims to resolve disputes between financial services companies and their customers. Further information can be found at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## OTHER RELEVANT INFORMATION

Please read the Information Memorandum for the Fund carefully, especially the Risk Factors in Part 6, 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. When you invest you appoint us to manage investments on your behalf on a discretionary basis. We make all investment decisions including whether to buy or sell your investments. All costs above are stated net of VAT. The Administrator for monies received from Investors is Woodside Corporate Services Limited ("WCSL"), which is authorised and regulated to hold client assets by the Financial Conduct Authority with firm reference number 467652). WCSL is part of the Tricor Group. Taxation levels and bases may change if the law changes and the tax costs will vary according to your personal circumstances. Independent advice should therefore be sought. Other relevant information relating to the Fund can be found in the Information Memorandum. Your capital is at risk.