

## **RISK WARNING**

### **This is a high-risk investment. How would you feel if you lost the money that you are about to invest?**

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk.

### **What are the Key Risks**

#### **01 > You could lose all the money you invest**

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk. Investments in non-readily realisable securities, including unlisted preference shares and structured lending vehicles, can result in investors losing 100% of the money invested. You should not invest unless you can afford to lose all the money you invest.

#### **02 > You won't get your money back quickly**

Even if the business you invest in is successful, it will likely take several years to get your money back.

The most likely way to get your money back is if the business is bought by another business or lists its shares on an exchange such as the London Stock Exchange. These events are not common.

Start-up businesses very rarely pay you back through dividends. You should not expect to get your money back this way.

You may have the opportunity to sell your investment early through a secondary market or through the investee company buying your shares (subject to reserves and authority to do so), but there is no guarantee you will find a buyer at the price you are willing to sell if one at all.

#### **03 > Don't put all your eggs in one basket**

Putting all your money into a single business or type of investment is risky. Spreading your money across different investments makes you less dependent on any one to do well. A good rule of thumb is not to invest more than 10% of your money in high-risk investments. Learn more here <https://www.fca.org.uk/investsmart/5-questions-ask-you-invest>.

#### **04 > The value of your investment can be reduced**

If your investment is shares, the percentage of the business that you own will decrease if the business issues more shares. This could mean that the value of your investment reduces, depending on how much the business grows. Most start-up businesses issue multiple rounds of shares over a period of time.

These new shares could have additional rights that your shares don't have, such as the right to receive a fixed dividend, which could further reduce your chances of getting a return on your investment.

#### **05 > You are unlikely to be protected if something goes wrong**

Protection from the Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover poor investment performance. Try the FSCS investment protection checker here <https://www.fscs.org.uk/check/investment-protection-checker/>.

Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated platform, FOS may be able to consider it. Learn more about FOS protection here <https://www.financial-ombudsman.org.uk/consumers>.

**If you are interested in learning more about how to protect yourself, visit the FCA's website <https://www.fca.org.uk/investsmart>.**