



# Ascension SEIS 2021

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INFORMATION MEMORANDUM

# Directory

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## **Manager**

Ascension Ventures Ltd (CRN: 07766902) whose registered office is at 20 Air Street, 4th Floor, London, W1B 5AN (FRN 833108).

## **Tax Advisor**

Fiscability UK Limited (CRN: 08021486) whose registered office is at 20 Second Avenue, Beacon Park, Pickering, North Yorkshire YO18 8AH.

## **Legal Advisor**

Harper James Solicitors, Units 2-5 Velocity Tower, 1 St Mary's Square, Sheffield, South Yorkshire, S1 4LP.

## **Regulatory Advisor**

Enterprise Incubator & Consultancy, 1-6 Speedy Place, Cromer Street, London, WC1H 8BU.

## **Administrator and Custodian**

Mainspring Nominees Limited (CRN: 08255713) whose registered office is at 44 Southampton Buildings, London, WC2A 1AP (or any other controlled and wholly-owned nominee used by Mainspring Fund Services Limited). Mainspring Nominees Limited are authorised and regulated by the Financial Conduct Authority (FRN: 591814).

## **Nominee**

MNL (Ascension) Nominees Limited (CRN: 12291992) a wholly-owned subsidiary of Mainspring Nominees Limited whose registered office is at 44 Southampton Buildings, London, WC2A 1AP (or any other controlled and wholly-owned nominee used by Mainspring Fund Services Limited).

## **Sales and Marketing Agent**

RAM Capital Partners LLP whose registered office is 4 Staple Inn, London, WC1V 7QH.

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# Notice to Investors

This Information Memorandum (“IM”) is dated 30th December 2020. Certain terms used in this Information Memorandum are defined elsewhere in this Information Memorandum.

This Information Memorandum is issued and approved as a financial promotion for the purposes of Section 21 Financial Services and Markets Act 2000 (“FSMA”) by Ascension Ventures Ltd, the Manager of the Ascension 2021 Fund (the “Fund”). Ascension Ventures Ltd is authorised and regulated by the Financial Conduct Authority (the “FCA”), reference 833108 and has its registered address at 20 Air Street, 4th floor, London, W1B 5AN .

The Fund is a non-readily realisable security and, as a direct offer financial promotion, this Information Memorandum can therefore only be communicated to the following category of persons:

- clients of FCA authorised firms that will provide advice on the suitability of this Fund; or
- those requesting information on behalf of an FCA authorised firm, accountant or tax advisor, and who will only communicate this information to certified sophisticated, high net worth or restricted investors; or
- this information to self-certified or certified sophisticated, certified high net worth or restricted investor(s); or
- prospective investors who have already made a declaration to the Fund Manager that they meet the FCA’s definition of one of the following:
  - a certified high net worth investor within the meaning of COBS 4.7.9 (1) (a) R
  - a self-certified sophisticated investor within the meaning of COBS 4.7.9 (1) (c) R
  - a certified sophisticated investor within the meaning of COBS 4.7.9 (1) (b) R
  - a restricted investor within the meaning of COBS 4.7.10 R

## Regulatory Disclaimers

This IM is issued solely for the purpose of seeking applications to the Ascension SEIS 2021 Fund (“the Fund”). Prospective Investors should not regard the contents of this Information Memorandum as constituting advice relating to legal, taxation, financial, or investment matters. All potential investors should seek professional advice including tax and financial advice from a suitable qualified independent adviser authorised under FSMA before subscribing to the Fund. Investors’ money subscribed to the Fund will be committed to investments which may be of a long term and illiquid nature. The companies in which the Fund invests are highly unlikely to be quoted on any regulated market at the time of initial investment and, accordingly, there will not be an established or ready market for any such shares and the Manager may experience difficulty in realising them (for value or at all).

The Information Memorandum contains certain information that constitutes “forward-looking statements” which can be recognised by use of terminology such as “may”, “will”, “should”, “anticipate”, “estimate”, “intend”, “continue”, or “believe” or their respective negatives or other comparable terminology. Forward-looking statements are provided for illustrative purposes only. Due to various risks and uncertainties, actual events, results or performance may differ materially from those reflected or contemplated in such forward-looking statements.

Seed Enterprise Investment Scheme (“SEIS”) funds, such as this Fund, which are structured as discretionary investment management services, fall within the FCA’s expanded definition of the “Retail Investment Products” and Financial Advisors should consider this before giving advice.

The Manager reserves the right to update this Information Memorandum from time to time.

Prospective Investors should note that the Fund is an ‘alternative investment fund’ (or “AIF”) for the purposes of the Alternative Investment Fund Managers Regulations 2013. It is not a collective investment scheme within the meaning of section 235 of the Financial Services and Markets Act 2000. The Fund will, however, constitute a collective investment undertaking.

The Manager is an alternative investment fund manager (“AIFM”) for the purposes of AIFMR. Prospective Investors’ attention is drawn to the fact that the Manager is authorised by the Financial Conduct Authority as a “sub-threshold AIFM”. Therefore, the prospective Investors shall not benefit from any rights applicable where the manager is a “Full-Scope AIFM”.

Notwithstanding the foregoing, the Manager may in the future be required (or elect) to comply with the full requirements of AIFMR, in which case the information regarding the Manager’s (as applicable) compliance with AIFMR will be made available to Investors. Nothing herein should be construed as an offer or solicitation or as marketing of any AIF in the EEA save in circumstances where such an AIF is permitted to be marketed in accordance with AIFMR (and the laws and regulations implementing the EU Alternative Investment Fund Managers Directive in any EEA member state).

The availability of the SEIS Reliefs mentioned in this document and the tax treatment of an individual investor depends on their individual circumstances and may be subject to change in future. The availability of tax reliefs in relation to an investee company generally depends on the Investee Company maintaining its qualifying status.

Although the Manager will seek SEIS Advance Assurance for any potential Investee Company of the Fund before making an investment, the Manager cannot guarantee that SEIS Relief will be available and even if obtained such relief may in certain circumstances subsequently be withdrawn.

Past performance is not a reliable indicator of future performance and Investors should be aware that share values and income from them may go down as well as up. Investors may not get back the amount subscribed and could lose all funds invested. Changes in legislation in respect of SEIS in general, and qualifying investments and qualifying trades in particular, may affect the ability of the Fund to meet its objectives and/or reduce the level of returns which would otherwise have been achievable.

The Manager and Administrator are covered by the Financial Services Compensation Scheme as set out in clause xx of the Investment Management Agreement.

Applications may only be made and will only be accepted subject to the terms and conditions set out in the associated Investment Management Agreement. If you require any further investment information, please contact [rakesh@ascensionventures.com](mailto:rakesh@ascensionventures.com)

### **Previous Investments and Recommendations**

Past specific investment recommendations have been selected for illustrative purposes only and are not intended to be, and should not be interpreted as recommendations. Investment examples are used throughout this Information Memorandum to highlight the Ascension Team’s process. The investments have been selected based on their relevance and not based on performance. There is no guarantee future Investments will be successful. Past performance is not a reliable indicator of future results.

### **Key Risks**

This investment is not suitable for all Investors. Investors should be aware that investing in unquoted companies (including Qualifying Companies) carries with it a high degree of inherent risk. Please refer to the section “Part Ten: Risk Factors”. The section lists out key risk factors that the Manager believes to be associated with an investment in the Fund, but does not necessarily include all the risks associated with such an investment. This section classifies risks into three main categories: **Investment Risks, Risks Relating to the SEIS Scheme and Other Risks Related to Taxation**. Further information is provided in the context of Investment Risks where details are provided on various sub-categories such as **Sector Risk, Liquidity Risk, Risk of Company Failure, Total Capital Loss Risk, Continuation of Past Performance Risk, Technology and Viability Risk, Key Person Risk, Dilution Risk and Unforeseen Event Risk**.

In addition to summarising the risks highlighted, the section “Part Ten: Risk Factors”, also provides a **Summary of Potential Conflicts Arising from the Operation of the Fund**. For example, **Conflicts arising from already existing externally held Portfolio Companies**, among others. **The investor is strongly advised to read this section carefully and seek professional advice before investing in the Fund.**

# Part One: Overview

The objective of Ascension SEIS 2021 Fund (“the Fund”), is to deliver tax-free capital growth from a portfolio of Seed Enterprise Investment Scheme investments (SEIS). The Fund is operated as a discretionary investment management portfolio service structured as an Alternative Investment Fund (“AIF”).

## About Ascension

- A specialist early-stage investor with £30m AUM, the Ascension Team has spent the majority of their careers investing in and managing technology businesses
- Ascension Venture Partners (16 shareholders) each own a stake in the business, with some of them achieving multiple \$100m+ and \$1bn+ exits from their own businesses and angel investments
- Multiple Mentors bring their expertise in building businesses, ranging from start-ups to global companies operating in the Funds’ tech sectors
- 3 exits (SEIS ‘15 and ‘18) in last 24 months and 35 Ascension investments valued at >200%
- This is Ascension’s 7th SEIS offering, making it one of the most established SEIS Managers in the market
- Two Ascension funds (SEIS ‘15 and SEIS ‘16) now valued at >300%

## Ascension Fund Performance (Ascension SEIS 2015 onwards)\*

Fund	Current Value	
Ascension SEIS ‘15	308%	SEIS Tax Efficient Funds
Ascension SEIS ‘16	326%	
Ascension SEIS ‘17	138%	
Ascension SEIS ‘18	128%	
Ascension SEIS ‘19	133%	
Ascension EIS Fund Annual Close ‘17	263%	EIS Tax Efficient Funds
Ascension EIS Fund Quarterly Close (‘18+)	131%	
Fair By Design (‘18+)	156%	£10M Institutional Fund



### Investment from:

Ascension SEIS ‘15 (5.6x)  
Ascension EIS Evergreen (1.45x)

### Investment from:

Ascension SEIS ‘15 (9.5x)  
Ascension EIS Evergreen (1.95x)

### Investment from:

Ascension SEIS ‘18 (2.27x)

\*Date: December 1st 2020; TVPI = Total Value to Paid In cash

# 3000+

## Annual Dealflow

The AV team sees over 3000 deals across its funds each year to get one of 20 Investment slots

# 8

## Investor Showcases per year

Investors get the opportunity to learn more about specific technology trends (e.g. advertising, gaming, marketing tech) and meet businesses in the space

# 90+

## VC/Large Co-Investors

AV has a co-investment philosophy, working 85+ VCs, family offices, corporates and angels networks + hundreds of individual angels

# 100%

## Tax Efficient

Fairness in fees to both Entrepreneurs & Investors with no upfront fees by default. 2% annual management charges, deferred until exit (50% discount option available)

## Fund Size

The Fund will aim to create a portfolio of 12 SEIS qualifying businesses for each Investor. It has a target fund size of £1.2m.

## Investment Opportunity

- Pre-Seed / Seed stage is higher risk than Seed+ and Series A stages (where SEIS relief is generally not obtainable), but can offer more attractive returns due to lower valuations on entry. Businesses are at an early stage in their development and are generally operating live with a Minimum Viable Product (“MVP”)
- The opportunity for retail investors to invest in an SEIS Fund that co-invests alongside angel investors and occasionally institutional VCs, but offers the benefits of potential SEIS tax reliefs for investors
- Invest in a Fund that is run by an experienced and diverse team of successful entrepreneurs and investment professionals, who have been operating (and investing in) the UK’s tech / Seed ecosystem, via (S)EIS, for 8+ years

## Key Information

### Key Information

- An Annual SEIS Fund, providing Investors with a portfolio of around 12 SEIS Qualifying businesses, which, in general, are raising funding rounds of up to £1m
- Target return of £3.00 per £1.00 invested over 5 to 8 years, excluding tax incentives
- Ascension considers the Fees to be low, transparent, fully aligned and 100% tax efficient (default fee option): Initial Fee of 5% payable by the Investee Company and a 2% Annual Management Fee, deferred, with a 5-year cap paid through realisations (Discounted Upfront Management Fee also available) payable by the Investor
- Key Focus Areas: Next Gen Media; New Work; Health & Deeptech; Fintech & Commerce
- SEIS Advance Assurance will be sought prior to the Fund investment
- The Fund expects to fully invest subscriptions within the 2021 / 2022 Tax Year
- Electronic SEIS3 certificates will be issued for each individual Investment, typically within 12-16 weeks after the individual investments are made throughout the 2021 / 2022 tax year, subject to the investee business satisfying HMRC’s application criteria
- The Fund’s target holding period is 5 to 8 years for each Investment
- The exit route for successful Investments is most likely to be via trade sale (M&A), secondary market share sale or an initial public offering (IPO)
- Investors will receive distributions from the proceeds of successful realisations as they are made

# Part Two: About the ASCEND SEIS Fund

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## Key Investment Features

The Fund focuses on technology companies raising funding rounds of up to £1m (Pre-Seed / Seed funding) - in most cases, the first investment round a company will raise.

Most target investment businesses operate in early-stage scalable IP/tech development. With this in mind, Ascension has adopted an investment approach that focuses on three key elements of any potential business: **the quality of the team, the robustness of the technology vs. competition, and market size/potential of the product.** At the stage that the Fund invests (Pre-Seed / Seed), Ascension believes the founding team is the most important consideration - if they are not strong, dedicated, or lack a deep understanding of the problem their product is trying to solve, Ascension will pass on the opportunity.

However, once confidence in the team, product and market is established, analysis is conducted to discern whether there is a clear route to market for the distribution of the product and to decide where Ascension can add value (see [Part Seven](#) for more information). Usually, a company would have built its minimum-viable-product (MVP) and may have some early traction (some paying clients / early customers), which is when Ascension carries out appropriate due diligence (including, but not limited to: founder references, the amount being raised, valuation, cash runway, cost base, co-investors, cap table, technology due diligence and customer due diligence).

Through several years of experience, Ascension has come to understand that, in its opinion, a Pre Seed / Seed business needs an appropriate amount of breathing room to fully execute its proposed business plan. In many cases, a company may overestimate future revenues at the time of investment, which can force it into fundraising again after only 6 months. Ascension believes, this makes it far more difficult and unlikely to achieve many of the key performance indicators (namely revenue) needed to validate a bigger raise at a higher valuation. As a result, Ascension requires that the potential investee company has a minimum of 12-18 months cash funding, assuming no revenues (or no further revenue growth) post-investment.

Additionally, the potential investee business will have a compelling business model capable of rolling out globally, strong creative / tech talent and management, with at least two co-founders with complementary skills sets: CEO ('front of house') and CTO ('back of house'). As mentioned above, Ascension believes distribution is key to getting a business to product-market-fit, so Ascension will analyse the routes to market for a potential investee business, which includes partnerships, leveraging unique distribution channels, social media, paid marketing, campaigns etc., which all form part of Ascension's decision-making process. It is also where Ascension can add value, utilising its own networks and those of its Venture Partners, Mentors and corporate contacts to help a portfolio company get access to revenue and early traction.

## Pre-Seed / Seed Stage Focus

Ascension is now one of the most established SEIS Fund Managers in the UK market, having invested in 75+ SEIS qualifying businesses in the past 6 years, alongside some of the countries' best-known angel investors and VCs. Being one of the most active funds in the UK Seed market (having recently been named as the most active impact investor in the UK by Dealroom<sup>1</sup>), Ascension feels it has taken the opportunity to build a strong brand, which gives it access to over 3,000 investment opportunities a year, along with the ability to co-invest alongside high-quality institutional funds. Along with the quality of its deal-flow increasing year-by-year, Ascension has also noticed the quality of Seed companies raising funding has also increased since it began raising SEIS Funds. From Ascension's experience, over the past few years, the infrastructure costs to founding a tech company have significantly decreased, meaning it takes little to no capital to launch certain products or services, before going to the market to raise money. We have seen this early momentum, before a company raises its first round of capital, shift institutional VCs behaviour to investing earlier than they traditionally had before. The market is competitive at the Pre-Seed / Seed stage, with high-quality deals harder to access without a solid investor brand and reputation, meaning Ascension is well positioned to invest in these start-ups with early momentum, due to being one of the UK's key funders of Pre-Seed / Seed companies. Additionally, Ascension believes its infrastructure, which is intended to help companies it invests in move from Pre-Seed / Seed investment to Series A investment, makes it a beacon for these companies. It also operates co-investment vehicles such as the Ascension Syndicate Club and the Ascension EIS Fund (another fund operated by Ascension), mentorship and access to potential clients, and strong ties with later stage VCs which all help its portfolio companies scale.

## Tech & Digital Sector Focus

Ascension's practical operating and investment experience has led it to focus on four areas where it feels above average returns are achievable:

- Next Gen Media & New Work
- Health & Deeptech
- Fintech
- Commerce

This is where Ascension believes scalable intellectual property assets and value can be created quickly with moderate funding, primarily through Business-to-Business (B2B) and Business-to-Business-to-Consumer (B2B2C) revenue models. It is the intention that the majority of the portfolio companies in the Fund will have strong leveraged marketing / distribution strategies built into the proposition.

Ascension also believes, through experience with its own portfolio and co-investors, that the UK has some of the greatest pools of talent in leading fields such as Big Data, Artificial Intelligence, Healthtech, Content Creation and Financial Technologies. Ascension also believes this talent increasingly sees entrepreneurship as the most attractive route to building a career, rather than joining a more established business offering big pay packets but restricting genuine creative and entrepreneurial freedom.

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<sup>1</sup> [https://app.dealroom.co/lists/14252/list?investorNumberOfRoundsIndustry=rounds\\_count\\_24\\_months&sort=-rounds\\_count\\_24\\_months](https://app.dealroom.co/lists/14252/list?investorNumberOfRoundsIndustry=rounds_count_24_months&sort=-rounds_count_24_months)

## Deal-Flow & Co-Investment

Ascension feels that it is critical that early-stage businesses have the appropriate support and infrastructure if they wish to grow and flourish to Series A investment and beyond. This is where Ascension can add significant value through the wealth of industry-specific knowledge and experience held by the Ascension team, Venture Partners, and Mentors alike. The Fund embraces a co-investment philosophy, collaborating with the angel community and other Seed stage VCs. Ascension is of the belief that this philosophy has not only increased deal-flow opportunities, but also the likelihood that portfolio companies are well capitalised on their journey from Pre-Seed / Seed to Series A.

With the Fund's focus on Pre-Seed / Seed businesses, it is expected to generate opportunity for deal-flow from both early-stage (as co-investors) and later-stage VCs (looking to feed Ascension businesses that are too early for them). Ascension Ventures has co-invested with and/or received deal flow opportunities from all of the VCs illustrated:



As a considerable amount of Ascension's deal-flow comes from its existing portfolio companies and co-investors from past deals, its deal-flow opportunities increase year-on-year as it's continually increasing the size of its portfolio and co-investor pool. Over the past few years, Ascension has co-invested with firms such as Kindred Capital, QED, Northzone, Entrepreneur First, Seedcamp, Mangrove Capital, The Guardian Media Group, Founders Factory, Village Global, Stride VC and more, which then become part of Ascension's network and continue to seek Ascension as a co-investor or feed it deals that they consider to be too early for their funds – this is the benefit of Ascension having built a strong brand in the early-stage London ecosystem for the past 8 years. Additionally, Ascension has found that portfolio companies can easily identify like-minded individuals who show the same level of commitment, drive, ambition and market knowledge. These companies are often at industry events and various ecosystem gatherings in a constant hustle to line-up future funding, find clients, learn from industry experts, and grow their business - this kind of commitment and energy is recognised by other start-up founders, and, as a result, networks of like-minded founders begin to form. This has proved advantageous for Ascension as portfolio companies recommend Ascension to said founders if they're seeking funding.

Ascension believes it has a comprehensive and proven network for sourcing deals which provides it with an advantage over other investors in the tech sector when it comes to gaining a 'first look' at innovative tech businesses looking for funding at this Pre-Seed / Seed stage.

## The Debut Sessions Initiative

In June 2020, Ascension Partner, Kieran Hill, set up a new remote pitching initiative called the [Debut Sessions](#) ('DS'). The DS was created to give UK startups raising their first round of funding, a chance to pitch to a group of 8 active investors during Lockdown, via Zoom. Kieran brought in other VCs to join the DS, including Carmen Rico (Blossom Capital), Harry Stebbings (Stride / 20 Minute VC), Check Warner (Ada Ventures), Finn Murphy (Frontline Ventures) and more. The DS also created the #DSOpenSource, to make every application it received, open for the entire investment ecosystem to access (subject to the startup 'opting in' to its information being publicised). The idea behind #DSOpenSource was to promote inclusivity, access and diversity, by giving every founder the maximum chance of gaining exposure to investors, and investors exposure to new startups. This was well received by the UK tech ecosystem<sup>2</sup> and led to the DS receiving 200+ applications, between June and November 2020, from UK pre-Seed startups wanting to pitch at a DS. Ascension also found two of its Ascension SEIS 2020 investments, Kuula and Valla, through the DS pitch events. In December 2020, the DS created #DSLIVE, a live pitch competition via virtual events platform, Hopin, that anyone could attend. It had ~1,000 event registrations and 60+ startups applications over a 3 week period. It also guaranteed the winner of the competition a £100,000 Term Sheet from Ascension's SEIS 2020 Fund. The event was a success, with 500+ attendees and 5 strong startup pitches. There was also involvement from tier 1 VCs including Accel, Northzone, Crane VC and more. The winner of the competition received 5 Term Sheets from European VCs directly after the event and Ascension was given an allocation in the funding round due to the value add it had provided via the DS.

Ascension intends to run a further 4-6 #DSLIVE competitions in 2021. The winner of each #DSLIVE event will receive an offer for investment from the Fund, subject to due diligence, SEIS qualification and round terms. Ascension believes the DS is a unique and differentiated approach to deal-flow access and has the potential to add greater depth to the portfolio construction of the Fund.

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<sup>2</sup> <https://sifted.eu/articles/debut-sessions-launch/>



## Part Three: Key Terms

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### **Fund Name**

Ascension SEIS 2021 Fund (“Fund”).

### **Investment Focus**

The Fund will focus on high-growth potential technology businesses operating in the tech and digital sectors.

### **Fund Structure**

The Fund is operated as a discretionary investment management service, structured as an AIF. It is managed by Ascension Ventures Ltd, which is authorised and regulated by the FCA ([FRN: 833108](#)).

### **Annual Fund**

The Fund will operate an Annual Fund model with no intended final termination date. The Fund Documents will be updated annually.

### **Closing Date**

The Closing Date for Subscriptions will be 4th April 2021, but may be extended or brought forward at the absolute discretion of the Manager.

### **Portfolio**

It is intended that Investors will receive a diversified portfolio of approximately 12 companies (although it should be noted that the number of companies is an estimate and may increase or decrease).

### **Minimum Subscription**

The Minimum Subscription by an Investor in the Fund is £25,000, or such lower amount as agreed by the Manager at its sole discretion, and in multiples of £1,000 thereafter.

## Maximum Subscription

No maximum, although an individual's maximum investment for the purposes of SEIS Income Tax Relief is capped at £100,000 in any tax year, per tax year (with the possibility of carrying back to the previous tax year if that year's SEIS investments were less than the maximum). **Note, UK tax incentives are dependent on individual circumstances and may be subject to change in the future.**

## Target Fund Size

Aggregate Subscriptions of £1,200,000 up to the Closing Date, unless increased or decreased at the absolute discretion of the Manager.

## Fund Administrator & Custodian

The shares in each Investee Company will be registered in the name 'MNL (Ascension) Nominees Limited', a wholly-owned subsidiary of Mainspring Nominees Ltd (or such other nominee the Administrator and Custodian may appoint from time to time to be the registered legal holder of Investments on behalf of the Investors), but the beneficial ownership in such shares will, at all times, belong to the individual Investors who will receive the SEIS Certificates, on a company-by-company basis, to enable them to claim the appropriate tax reliefs.

## Management Fee

A Deferred 2% Annual Management Fee (capped at 5 years) payable upon any distribution made to the Investors. Alternatively, Investors can, at their own discretion, opt to pay the Discounted Upfront Management Fee of 5% plus VAT up front, with the remainder of an Investors subscription qualifying for SEIS Tax Relief.

## Performance Fee

Ascension will be entitled to a Performance Fee equal to an aggregate of:

- 25% of any returns to Investors above £1.10 per £1.00 of Subscriptions in an Investee Company; and
- 10% of any returns to Investors above £1 per £1 of any subscriptions made by Investors in any Investee Company on completion of any follow-on funding rounds, subject to such subsequent investment being made by the Investor through the Manager using the same structure as the Fund ("Ascension Syndicate Club").

The 25% Performance Fee only arises if / when a realisation on an Investment in an Investee Company is achieved. For clarification, once the Investor has received the first £1.10 per £1 invested (not including the Deferred Management Fee, which is paid first upon any distribution) in an Investee Company, any additional distributable cash will be paid as to 75% to the Investor and 25% to the Manager.

## Initial Charge

An initial fee is payable to the Manager of 5% of the Fund's Subscription in the Investee Company. This Initial Fee **will be charged to the Investee Company**

### **Transaction Fee (Exit)**

Prior to any potential distribution being made to an Investor from the Fund in relation to each Investee Company (on each occasion), a transaction fee equal to 0.25% of the total proceeds shall be deducted from the Investors proceeds and paid to the Administrator and Custodian.

Please refer to “Part Nine: Fee Structure” for full details on the fees payable.

### **Target Returns**

A portfolio of Investee Companies will be chosen on the basis of a target fund return of 300% or more (not taking into account any tax reliefs), within 5-8 years.

### **SEIS3 Certificates**

SEIS3 Certificates will be issued for each individual investment (subject to availability), typically within 4-6 months of the individual investments being made, subject to the investee business reaching HMRC’s application criteria and depending on HMRC’s turnaround time.

## Part Four: SEIS Tax Relief

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The Fund's objective is to deliver tax-free capital growth from a portfolio of Seed Enterprise Investment Scheme investments (SEIS) in qualifying businesses.

### Benefits of SEIS

SEIS comprises a variety of tax benefits available to UK tax-paying individuals, subject to investments complying with the relevant conditions and requirements. Reliefs that may be available include:

<b>Income Tax Relief (50%)</b>	50% income tax relief up to a maximum investment of £100,000 in any tax year (with the possibility of carrying back to the previous tax year if that year's SEIS investments were less than the maximum)
<b>Capital Gains Tax Exemption</b>	No Income or Capital Gains Tax on realisations of SEIS investments (provided the investments have been held for at least 3 years without breach of the SEIS rules)
<b>Capital Gains Tax Reinvestment Relief</b>	Relief from Capital Gains Tax of up to 50% of the SEIS investment on capital gains realised on the disposal of other assets in the tax year in which the investment is made (with the possibility of carrying back to the previous tax year)
<b>Loss Relief (up to 45% of loss)</b>	Income Tax relief from investment losses, reducing the potential loss on a failed £100,000 investment to as little as £13,500 for a 45% rate tax-payer who also received maximum CGT Reinvestment Relief
<b>Inheritance Tax Relief (up to 100%)</b>	100% Inheritance Tax relief (provided the investments have been held for at least 2 years at time of death)

The availability of any tax relief depends on the individual circumstances of each Investor and of the company concerned. This may be subject to change in the future. You should obtain independent tax advice before proceeding with your investment.

### Taxation disclaimers

The information contained in this Information Memorandum makes reference to the current laws concerning SEIS Income Tax Relief and SEIS Loss Relief (together, the "SEIS Reliefs"), Capital Gains Tax Reinvestment Relief and the Capital Gains Tax Exemption (together, the "CGT Reliefs"), and Inheritance Tax Relief ("IHT Relief"). These levels and bases of relief may be subject to change. The tax reliefs referred to in this Information Memorandum are those currently available and their value depends on individual circumstances.

It is intended that the Fund will invest in companies, which are “qualifying companies” for the purposes of the SEIS regime set out in the Income Tax Act 2007 (ITA). Following each qualifying investment which the Fund makes, it is envisaged that the appropriate SEIS Compliance Certificates (SEIS3 forms) will be issued to Investors which will enable them to claim SEIS Income Tax Relief and/or CGT Reinvestment Relief in respect of that qualifying investment. There is no guarantee however that SEIS Reliefs, CGT Reliefs or Inheritance Tax Reliefs will be available on any investments made by the Fund or that if it is initially available it will not be subsequently withdrawn. Any reference to tax laws or rates in this Information Memorandum is based on current legislation, all of which is subject to change and provided as a guide only.

**Tax treatment depends on each individual’s personal circumstances and may be subject to change in the future. Prospective Investors are advised to take their own taxation advice and should consult their own professional advisors on the implications of investing in the Fund.**



## Part Five: Ascension Ventures & Team Overview

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Through its notable early-stage investment track record, team, network, established brand and infrastructure, Ascension believes it has cemented its position as one of the UK's leading early-stage tech investors. Ascension has been running Seed funds for 7 years and has built up a strong brand within the tech ecosystem (start-ups, angel community, accelerators, regional hubs, VCs). This means the Ascension Team has sight of ~3,000+ deals / year and has access to strong, growing, high-quality deal-flow:

- Ascension's two Operating Partners have been working together for 7+ years, so has streamlined the investment selection / execution / portfolio support / investor communication aspect of running early-stage funds
- The Investment Team has both operational and entrepreneurial experience within the Seed sector. This helps: a) make investment decisions based on having themselves run, grown, exited businesses; b) attract what it considers are the best deals / entrepreneurs to the Fund, as it is believed they prefer to access funding from exited entrepreneurs, particularly at the Pre-Seed / Seed stage
- The Venture Partners are a key aspect and differentiator for the Fund. The Ascension Team believes that the Venture Partners will add value at every stage of the investment lifecycle and allow the Fund to positively influence the direction of their growth. The Venture Partners include seasoned entrepreneurs and professionals who provide insight and technical expertise as part of the due diligence process and access to their networks, across multiple sectors. These connections are harnessed for the benefit of our portfolio businesses but also provide a rich and diverse source of fresh deal-flow
- Relevant deal-flow across all of Ascension's funds is shared with the Fund. All of this activity and the relationships the Ascension Team has made with the angel investors from these deals bring more deal-flow for the Fund. For example, an angel co-investor on a current deal may present another deal that may be relevant for the Fund
- Ascension also runs the Ascension Syndicate, a deal-by-deal investment club for angels to co-invest alongside Ascension in some of its deals. The Ascension Syndicate also provides a rich supply of deal-flow to Ascension

## The Ascension Team

The Ascension Team's goal with the Fund is to identify, support and accelerate the success of the next generation of UK businesses in the digital and tech sectors.

Ascension will offer these businesses access to mentoring, resources and portfolio cross-pollination, seeking to enhance investee company performance.

With this support, Ascension believes that these businesses can achieve sustainable growth with limited initial capital investment, which has been demonstrated through some of its high-growth companies in Ascension's

### Ascension Operating Team

**Kip Meek**  
Chairman



CMA Inquiry Chair  
Founder @ Spectrum  
Strategy Consultants  
Ex Director of Policy @BT  
Ex Deputy Director  
@OFCOM

**Jean de Fougerolles**  
Managing Partner



Ex INSEAD, MTV,  
Two Way Media  
Exited entrepreneur and NGO  
economist with 20+ years in  
tech/impact investing

**Kieran Hill**  
Partner



Ex journalist @ Guardian  
Ex Operator  
Creator of [The Debut  
Sessions Initiative](#)

**Remy Minute**  
Partner



Ex CSC Media,  
Angel investor and Media

**Emma Blackburn CFA**  
Partner



20+ years leading finance teams  
at Siebel Systems, EY & startups  
Angel investor & member of  
Stanford Business Angels  
CFA Charterholder

**Emma Steele**  
Investment Director



Ex corporate banking  
@ Santander  
Ex Social Impact Consulting @ Eastside  
Primetimers  
WIF Powerlist 2019

**Rakesh Murria**  
Operations Director



Ex Head of Strategy &  
Director of Product @ EE  
Ex Founder @ Canopy

**Maryam Mazraei**  
Investment Associate



6+ years B2B SaaS marketing  
Ex-Founder of eCommerce  
business  
MSc Tech Entrepreneurship, UCL

**Nico Albanese**  
Investment Associate



USC Graduate  
3+ Years early stage investment  
experience

### Plus 14 Venture Partners (and 25% Shareholders in Ascension)



Erik Blachford

**\*UKBAA ANGEL  
INVESTOR OF THE YEAR\***



Vin Murria



Craig Fletcher



### With multiple sector specific mentors



Kal Atwal

comparethemarket



Howard Litton

NICKELODEON



Mark Wood

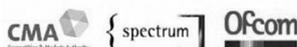
FUTURE



## Management Team



**Kip Meek**  
Chairman



[Kip](#) is the Chairman of Ascension Ventures, Inquiry Chair at the Competition and Markets Authority, Chairman of A Million Ads (an Ascension investee company) and a non-executive director of the Wireless Infrastructure Group.

He is also the co-founder of the Communications Chambers, a network of senior communications industry professionals, providing public policy and strategic advice to the industry.

He was previously a board member of Ofcom and held senior positions at BT and EE.



**Jean de Fougerolles**  
Managing Partner



[Jean](#) is the founder of Ascension Ventures and has over 20 years of experience working in media and technology. He guides the team in each investment decision and also supports the portfolio to scale. After obtaining his MBA from INSEAD in 1996, he became Head of Distribution for MTV Europe out of the London office. Jean then started working at Two Way Media TV, a pioneer in interactive technology, where he became CEO and led the sale of Two Way Media to Virgin Media and a leading private equity group. Jean is originally from Montreal where he received his BA in History with Honours from McGill University. He then became an economist at a Non-governmental Organisation ('NGO') having completed a Masters Degree in International Relations.

Jean was also an early angel investor in Atom Films, later sold to Viacom as part of Atom Entertainment for US\$200 million.



**Kieran Hill**  
Partner and  
Chief Investment Officer,  
Ascension SEIS



[Kieran](#) is a Partner at Ascension and the Chief Investment Officer. He has over 10 years' experience as both an entrepreneur and investor and joined Ascension in 2013 as its first employee. He manages the investment process from origination through to completion and works with Ascension's portfolio companies on a weekly basis. Kieran and Jean have invested together (through running the Ascension Funds) in over 75 SEIS eligible tech businesses over the past 6 years. Prior to Ascension, Kieran and Jean met while working at a tech start-up in 2011.

Kieran is also the founder of the [Debut Sessions](#), a remote pitching initiative created in June 2020, which has brought together some of the most recognised investors in the UK, who can provide advice, support and potentially that first cheque for founders<sup>3</sup>. The Debut Sessions has been a source of origination for 3 Ascension SEIS 2020 Fund investments.

Kieran graduated from Westminster University with a first-class honours degree in Journalism.

<sup>3</sup> <https://sifted.eu/articles/debut-sessions-launch/>



**Emma Steele**  
Investment Director

[Emma Steele](#) heads up Ascension Ventures’ impact funds, immersed in sector verticals and business models with potential for both commercial and impact returns at scale. She manages fundraising, deployment and portfolio management for our Fair By Design and Good Food Funds, across Fintech / Insurtech (improving financial inclusion), Energy (reducing costs), Transport and Food (helping healthy and affordable food environments to scale).

Prior to joining Ascension in January 2018, Emma spent some time in the charity sector at Eastside Primetimers, progressing the sustainability of charity revenue models and encouraging social investment in the sector (such as FSE’s debt deal into the Giving Machine). Prior to that, she spent five and a half years in the corporate banking division of Santander UK as a Credit Partner in the Large Corporates team and Associate Director in the Healthcare Finance team.

Emma holds an MSc in Development Economics from the University of Sussex and a BSc in Philosophy, Politics & Economics from the University of Warwick.



**Rakesh Murria**  
Operations Director

[Rakesh Murria](#) joined Ascension in January 2019, and runs operations across their tax-efficient and institutional funds. Rakesh built a 20-year career within the technology, media, and telecommunications (TMT) sector, including roles such as Head of Strategy, before becoming Director of Product, for EE, across mobile, fixed line, TV and B2B. Most recently, Rakesh co-founded a FinTech start-up and was pivotal in the product build, commercialisation and growth of the business as it raised £3m in funding. Rakesh also has several years of advisory work with early-stage and growth companies across the technology spectrum, as well as angel investing since 2017.



**Remy Minute**  
Partner



[Remy](#) is a Partner at Ascension. He was the founder and CEO of CSC Media Group Ltd, which he sold to [Sony Pictures Television for £107m in 2014](#). Remy has worked in broadcast and interactive media for nearly 20 years and is an active angel investor to start-ups. Remy has been a Partner at Ascension since 2018 and is responsible for leading its EIS investments. Additionally, Remy has been a member of the Ascension Investment Committee for its (S)EIS Funds since 2016.

Remy is an investor in a number of Ascension’s funds & portfolio companies, including [Blokur](#), [Poplar](#), [Localistico](#), [Entale](#) and others.

## Ascension Venture Partners (“VPs”)

The majority of the VPs are exited entrepreneurs, active investors, and shareholders in Ascension. VPs introduce deal-flow to Ascension funds (including this Fund), bring corporate development initiatives, assess investment opportunities as part of our due diligence, and mentor relevant portfolio businesses. A number of the Ascension VPs have multiple \$100m+ and \$1bn+ exits from their own businesses and angel investments.

**Craig Fletcher** 



Craig has over 20 years' experience in eSports, events and video gaming. Craig founded Multiplay in 1997 and led its growth to become the largest video gaming events and eSports company in the UK. Multiplay was acquired by GAME Digital PLC in 2015.

[Craig Fletcher](#)

**Vin Murria OBE** 



Vin's career has included a combination of VC, PE and CEO experience, centered around 20 years of M&A in the software sector. Vin founded Advanced Computer Software in 2008 which was acquired by Vista Private Equity for £765m in 2015.

[Vin Murria OBE](#)

**Erik Blachford** 



Erik was the President and CEO of IAC Travel, managing all of IAC's travel assets including Expedia, Hotels.com and Hotwire. Erik serves on the board for Peloton, SiteMinder, Varsity Tutors, and Zillow, Glassdoor, and Liftopia. Erik is a Venture Partner at TCV.

[Erik Blachford](#)



**+ 11 more industry leaders**

[Aleks Habdank](#) | [Barney Worfolk-Smith](#) | [David Buller](#) | [Jami Jenkins](#) | [Nikos Makris](#) | [Sam Miller](#)  
[Ian McClelland](#) | [Diane Stewart](#) | [Antonin de Fougères](#) | [PHARUS](#) | [Wayra](#)

## The ASCEND SEIS Fund Mentors (“Mentors”)

Ascension has assembled an experienced group of Mentors and Advisors, including seasoned entrepreneurs and professionals who provide insight and access to their networks, which Ascension leverages for the benefit of Investee Companies in the Fund. Along with supporting portfolio businesses, Mentors have also provided access to investment opportunities before they reach the wider market.

The Mentors will contribute their expertise in building digital and technology businesses, ranging in size, from start-ups to global companies operating within the tech sectors in which the Fund will focus. When Ascension is considering investing into a business, it can call upon a relevant Mentor from the initial stages, sending them the business plan, inviting them to join the interview and due diligence process, and working with them to identify whether the proposition has a genuine chance of establishing valuable distribution channels.

As the Mentors are linked into some of the biggest brands and agencies in the UK (see below), they offer valuable insight into whether the proposition being presented is something that a brand/agency/corporate within their networks may want or need. Ascension currently has a network of approximately 30 Mentors and the list continues to grow (often an angel co-investor with deep sector knowledge becomes a mentor/Non-Executive Director on a specific deal), as we seek to involve the best-fit Mentor on any given investment. Here are two examples of current Ascension Mentors, with a wider selection available on the Ascension [website](#):

**Howard Litton** was the Managing Director of Nickelodeon UK until 2010. Since then he has been the Content & Creative Exec for Hopster and an Advisor/Consultant to a range of companies in the Kids/Television space. Howard has deep experience and knowledge of the global children’s TV market.

Currently Mentoring: Wonky Star Ltd (‘Night Zookeeper’) – CN 07706300

**Mark Wood** was Editor-in-Chief and Head of Media at Reuters and subsequently worked as Chairman/CEO of ITN, the TV news organisation, and CEO of Future plc., the UK-US publishing group. He developed digital businesses at Reuters and ITN and was also a co-founder of digital video business Diagonal View.

Currently Mentoring: Team First App Ltd (‘Percent’) – CN 09387321



## Part Six: Ascension Track Record

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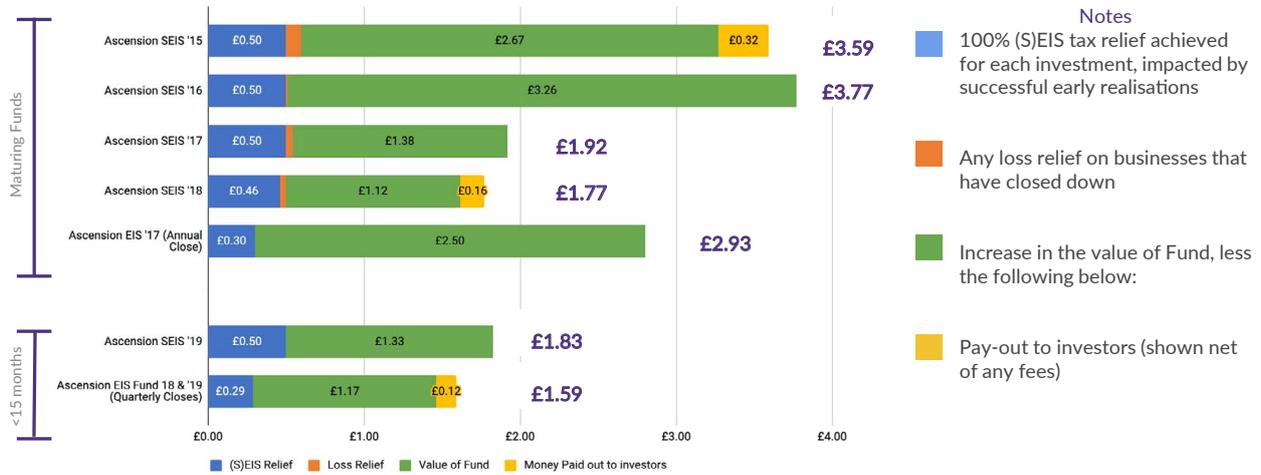
It has been a strong past 24 months (December 2018 to December 2020) for Ascension's Portfolio and track record:

- Ascension has achieved 3 realisations (across 3 of its Funds): HQ Mobile Ltd at 5.6x (SEIS '15) and 1.45x (EIS '18), Mutt Motorcycles Ltd at 9.5x (SEIS '15 – 50% partial exit) and 1.98x (EIS '18 – 50% partial exit), as well as Chilli Connect at 2.27x (SEIS '18)
- 20 businesses have had value increases of greater than 10% in the previous 24 months
- Some of the biggest rounds of funding for Ascension portfolio companies have occurred in the past 24 months - Moteefe ~£4m, WeGift ~\$8m, Visionable ~£8m, ZigZag Global Ltd ~£5m, Wagestream \$51m, Lick £3m, Credit Kudos £6m
- The SEIS '15 Fund is now valued at 308% after 4 years of being fully invested
- The SEIS '16 Fund is now valued at 325% after 3 years of being fully invested
- The EIS '17 is now valued at 263% after 2 years of being fully invested
- Between 2015 and 2020, 57% of Ascension portfolio companies have raised follow on funding in subsequent rounds or convertible loan notes
- As a policy, Ascension Ventures does not lead or set the round price for follow-on investments into any of its own portfolio businesses. These rounds are always priced by new 3rd party investors. Ascension has never been the sole provider of any kind of bridge or follow-on capital into a portfolio business.

As mentioned above, Ascension has achieved 3 realisations in the past 24 months, with two coming from big corporate/strategic buyers (Santander Bank acquired HQ Mobile Ltd ('Albert') in December 2018; Unity, a large gaming company, acquired Chilli Connect Ltd) in November 2019 and the third a partial exit (a new investor purchased 50% of the SEIS '15 and the EIS'18 funds shares in Mutt Motorcycles Ltd) in June 2020.

The charts here and below illustrate the value of each Ascension fund since 2015, including (S)EIS income tax reliefs (but excluding any CGT reliefs), loss reliefs, the value of the fund and exit proceeds:

Below, a sample of Ascension's (S)EIS Fund values on the basis of each pound (£1) invested in the fund (excluding any CGT investment reliefs)



Past performance is not a guide to future performance, figures include the impact of fees charged

Ascension SEIS Track Record: The year shown for each fund is the year of the fundraising close Money Paid (net of Ascension Carry) Valuations at 'Fair Value'. SEIS '18 relief net of early 2.27x realisation

### SEIS '15



Current Value	308%
Portfolio Size	16
Closed Down	5
Exits	2

#### Example Portfolio:

<b>Vidsy</b>	Amount Raised to Date	£6m+
	Ascension Share Value	848%
<b>Moteefe</b>	Amount Raised to Date	£10m+
	Ascension Share Value	1332%
<b>GETAGENT</b>	Amount Raised to Date	£2m+
	Ascension Share Value	633%
<b>HUTT</b>	Amount Raised to Date	£400k+
	Ascension Share Value	976%

### SEIS '16

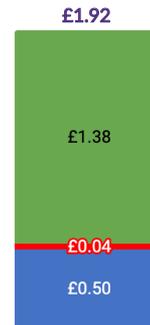


Current Value	326%
Portfolio Size	14
Closed Down	1
Exits	0

#### Example Portfolio:

<b>amillionads</b>	Amount Raised to Date	£4m+
	Ascension Share Value	182%
<b>CONCURED</b>	Amount Raised to Date	£1.5m+
	Ascension Share Value	406%
<b>WeGift</b>	Amount Raised to Date	£10m+
	Ascension Share Value	888%
<b>ROTOR</b>	Amount Raised to Date	£2m+
	Ascension Share Value	1109%

### SEIS '17



Current Value	138%
Portfolio Size	12
Closed Down	2
Exits	0

#### Example Portfolio:

<b>HAZY</b>	Amount Raised to Date	£5m+
	Ascension Share Value	364%
<b>mobilus</b>	Amount Raised to Date	£2m+
	Ascension Share Value	120%
<b>NE</b>	Amount Raised to Date	£2.5m+
	Ascension Share Value	194%
<b>Bulbshare</b>	Amount Raised to Date	£2m+
	Ascension Share Value	149%

### SEIS '18



Current Value	128%
Portfolio Size	11
Closed Down	2
Exits	1

#### Example Portfolio:

<b>GEEIQ</b>	Amount Raised to Date	£500k+
	Ascension Share Value	425%
<b>POPLAR</b>	Amount Raised to Date	£2m+
	Ascension Share Value	250%
<b>Veratrak</b>	Amount Raised to Date	£1.5m+
	Ascension Share Value	100%
<b>CHILLI CONNECT</b>	Amount Raised to Date	£300k+
	Ascension Share Value	227%

### SEIS '19



Current Value	128%
Portfolio Size	11
Closed Down	2
Exits	1

#### Example Portfolio:

<b>Lick</b>	Amount Raised to Date	£4m+
	Ascension Share Value	312%
<b>vinehealth</b>	Amount Raised to Date	£1m+
	Ascension Share Value	100%
<b>CONTINGENT</b>	Amount Raised to Date	£2.5m+
	Ascension Share Value	158%
<b>alva</b>	Amount Raised to Date	£1m+
	Ascension Share Value	100%

- Notes
- 100% (S)EIS tax relief achieved for each investment, impacted by successful early realisations
  - Any loss relief on businesses that have closed down
  - Increase in the value of Fund, less the following below:
  - Pay-out to investors (shown net of any fees)

# Part Seven: Fund Investment Process & Infrastructure

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The Fund is not a distinct legal entity and is not considered to be a collective investment scheme as defined in section 235 of the Financial Services and Markets Act 2000.

The Fund will deliver one SEIS portfolio for each Investor, making investments as detailed in 'Part Two'. For legal and tax purposes (and as is typical with such funds) the Investor will be the beneficial owner of the shares in the relevant portfolio company. Investments will be managed collectively across all investor portfolios.

## **The Fund Investment & Due Diligence Process**

Ascension focuses on what value add can be brought to the business through its own or VP / Mentor networks, from opening doors and introductions, through to any specific sector expertise that can be brought through continuous involvement with the business.

In order to do this, Ascension focuses on 3 key elements of an investment opportunity before deciding to invest - team, product & distribution (as mentioned in 'Part Two'). Team and product are essential elements of an early-stage business, which a number of other funds also focus heavily on. Where Ascension believes its approach is differentiated to other funds (on these two elements) is that it seeks a co-founding team of at least one sales ('front of house') and one technical founder ('back of house') - i.e. CEO & CTO. The Ascension Team would then reference check the founding team with its network, which spans across a large portion of businesses / start-ups in the UK, due to its Partner / Mentor / portfolio companies / ecosystem reach, which has been developed over 6+ years of operating in the early stage market (and many more from its networks experience within various industries). In terms of product, Ascension would require it to be live in most cases (at least a MVP with some users / clients as customers), which Ascension may then ask its technical advisor to undergo technical due diligence to assess the scalability of the product. The Ascension Team would also carry-out due diligence calls to customers of the business, to understand why these early adopters want to use / pay for the product. The Ascension Team would also undergo an analysis of the user experience ('UX') of the initial product against competitor products and (occasionally) bring in some of its portfolio company founders (that operate in the same sector as the potential investee business) to add another layer of due diligence.



However, as Ascension predominantly focuses on B2B and B2B2C companies, it feels that distribution is key to getting a business beyond early adopter clients, without the necessity to spend large amount of the investment raise on pay-per-click ('PPC') or social media marketing (through paid ads) – this a strategy that the Ascension Team has seen fail a number of times as there is limited differentiation to other companies operating the same marketing model (and requires a large budget, which therefore requires a large investment raise more suited to bigger markets like the U.S.). Ascension believes differentiation is key to optimise the company's trajectory to a Series A round (and beyond). The Ascension Team analyses the route-to-market strategy in detail, looking for 'growth hacks', partnerships or other clever models that could enable a company's customer acquisition strategy to scale beyond early adopters, for limited / zero marketing spend. This analysis will also enable the investment team to effectively gauge the strategic competence of the founding team to see if they have an entrepreneurial mindset – the Ascension Team believes this is key to get a business to a Series A round.

After the Ascension Team undergoes a deep-dive on the route-to-market strategy, it will then consider bringing in a member of its VP / Mentor network to undergo further analysis. Due to the experience of its network in scaling tech business (and the fact a number of them have worked in big corporates that the businesses are likely to be selling into), this adds another layer of high-quality due diligence. Ascension believes there are a limited amount of Pre-Seed / Seed funds in UK , particularly at the early stage Ascension operates at, that can offer as an extensive, highly-engaged network to the decision making process as Ascension can, to help validate a business model / route to market strategy, and then work with the founding team post-completion to help execute on it. Other points to add:

- Ascension has made over 100 investments in the past 7 years, which has informed its views regarding the effectiveness of different distribution strategies
- The focus is to understand routes and trajectory for a Pre-Seed / Seed business to achieve its next round of funding. This means getting a business to strong monthly recurring revenues (MRR), with positive month-on-month growth. This then sets a company up to raise further funding on its way to a Series A round - at the point of Series A, it should, in general, be generating >£100k MRR, which is a key metric usually needed to unlock a larger Series A funding round
- The cost base of a potential investment is examined to ensure (post-investment) it has enough funding to cover its cost projections for 12-18 months, assuming zero revenues / zero revenue growth in the first 12 months

Once an investment opportunity has been viewed through the prism above, the core members of the Ascension Investment team must unanimously agree to proceed with an investment, at which point a Term Sheet will be issued.

### **Ascension Ventures Ltd (“Manager”)**

Ascension acts as the Fund Manager to develop a portfolio of Investments with the aim of creating an exit for each of the Investments within five to eight years (being mindful that SEIS qualifying investments need to be held for at least three years). Investment returns, excluding fees and charges, will be returned directly to the Investor and will not be re-invested.

Ascension recently became an [FCA authorised](#) (22nd November 2019) and regulated UK Alternative Investment Fund Manager (AIFM) after operating for 7 years as an Appointed Representative under an FCA Authorised umbrella.

### **Mainspring Nominees Limited (the Administrator and Custodian)**

Mainspring Nominees Limited (‘Mainspring’) is the Administrator and Custodian, providing safe custody, administration and certain other services to the Fund. Mainspring Nominees Limited is authorised and regulated by the Financial Conduct Authority under number **591814**.

The Administrator and Custodian will deposit and hold Investors’ cash in one or more client bank accounts, in which Investor funds may be aggregated, with a banking institution that is regulated by the FCA and will be deposited in a segregated client money account in accordance with the rules and guidance in CASS 7 of the FCA Handbook, as may be supplemented, varied or amended from time to time (the “Client Money Regulations”). Shares will be held with a separate Nominee, segregated from the assets of the Manager and the Administrator and Custodian in line with the FCA’s requirements in CASS 6. The Administrator and Custodian will provide bi-annual statements as of the 5 April and 5 October of each year to the Investors in the Fund.

The agreement with the Administrator and Custodian may be terminated by the Manager or the Administrator and Custodian upon 180 days’ prior written notice from December 2020 although in certain circumstances (e.g. the insolvency of either party or an unremedied breach after notice) the Agreement may be terminated at any time.

### **Investor Updates & Events**

The Investor will be sent an electronic valuation report every 3 months, in compliance with the FCA Rules and in accordance with the Administrator and Custodian terms. In addition, Investors will receive a portfolio report every six months, in April and October. Five years after an investment in an investee business, portfolio reports will move to an annual basis in December. Reports will include a measure of performance in the later stages of the Fund, once valuations are available for the Investments.

Investors will also be invited to events (virtual events for the foreseeable future) organised by Ascension, where there will be a chance to meet members of the Ascension Team. Ascension aims to hold at least 6 of these events each year, which will showcase 4-5 Ascension portfolio companies, which could include Investee Companies from the Fund.

Investors wishing to get more information or who are interested in meeting more regularly are encouraged to inform Rakesh Murria ([rakesh@ascensionventures.com](mailto:rakesh@ascensionventures.com)). **We are keen to find a balance between Investors wanting to be more passive with those wanting to follow the progress of their portfolio more actively, so please communicate with us if you fall into the latter camp.**

## SEIS Certificates & Ascension Portal

Following the issue of the SEIS Qualifying Shares, the Investee Company will need to apply to HMRC for authorisation to issue tax relief certificates (SEIS3 Form) to Investors. These certificates (issued on a company-by-company basis) will enable Investors to claim the SEIS Reliefs to which they are entitled (subject to each Investor's personal tax circumstances). Although the time taken by HMRC to grant authorisation cannot be controlled by the Company, Ascension will seek to ensure that every effort will be made by the Directors of the Investee Companies to expedite the process and, as soon as authorisation is given, SEIS3 Forms will be distributed to the Investors. Any person who is in doubt as to his / her taxation position, or is subject to taxation in a jurisdiction other than the UK, should consult an appropriately qualified professional advisor without delay.

Along with the Ascension Team distributing the SEIS3 Forms to an Investor, in respect of each Company, Mainspring will also provide each Investor with their own client account where they will be able to access digital scans of their SEIS3 Certificates.

**Note: all UK tax advantages and tax treatment may be subject to change and depend on an individual investor's personal circumstances.**

## Ascension Syndicate Club

Ascension has created an infrastructure, through Mainspring, to be the registered legal holder of Investments on behalf of the Investors, to facilitate potential follow-on funding from Investors within Ascension's (S)EIS funds. The Fund (via MNL (Ascension) Nominees Ltd) may have pre-emption rights on the possible issue of new shares in an Investee Company and therefore Ascension may allocate these pre-emption rights, pro-rata, to the Fund investors. The Fund Investors may have the opportunity, but not the obligation, to maintain their percentage shareholding in each Investee Company in which they have a beneficial shareholding, to avoid dilution, as they go through their potential funding rounds.

This Syndicate Club structure allows Ascension to continue overseeing the execution and management process on an Investor's behalf, along with keeping each portfolio company's capitalisation table 'clean' (i.e. fewer shareholders).

It is important to note that nearly all portfolio companies are forecast to need to raise further rounds of funding - often from institutional sources such as the more traditional venture capital funds - to continue their growth. By doing so, the Fund's percentage shareholding in these companies will be diluted. However, Ascension has found, where attainable, these further rounds of funding are often welcomed as the dilution effect is usually offset by having cash in reserve and, on occasions, a significant increase in the valuation of these companies.

Additionally, the Ascension Syndicate Club also offers Investors the opportunity to co-invest alongside Ascension, after consultation with the Investee Company, into any future Ascension fund opportunities. If this is of interest, please email [kieran@ascensionventures.com](mailto:kieran@ascensionventures.com).

## Investors Eligible to Participate

The Fund is open for participation by prospective investors which can be categorised by the Manager as a Retail client under the rules of the FCA, subject to meeting certain regulatory requirements. Further information explaining how this categorisation can be affected, what it means, and the consequences thereof, are managed in line with Ascension's policies and procedures.

## Life of the Fund

In order to retain the SEIS Reliefs, investors must normally hold the Qualifying Shares acquired by the Manager for at least a three-year period, and no partial withdrawals are permitted within this time. It is intended that the Manager will consider options for realising the Qualifying Shares in the interests of the Investors after the expiry of the SEIS Three-Year Period. With regard to the SEIS Three Year Period and the feasibility of obtaining a realisation thereafter, the Fund has a target life of between five to eight years, but there can be no guarantee that all Qualifying Shares will be realised within this period, or at all. However, the Manager may, in its absolute discretion, have regard to any requests made to it by an Investor to liquidate any individual shareholdings in the Fund (but such termination may result in a loss of SEIS Reliefs, while it is unlikely shares will in fact be of a liquid nature and therefore shares are not likely to be tradable, for example, on a recognized exchange). The Manager will focus on the maximisation of value in considering the strategy for, and timing of, the realisation of the Qualifying Shares<sup>4</sup>.

It would be prudent to view an investment in the Fund as medium to long term. An investment should only be made in the Fund on the basis that it will remain invested for at least five to eight years, and that you are prepared to lose your entire holding.

Following any future realisations of the Qualifying Shares in an Investee Company, the realisation proceeds will be paid to Investors, on a company-by-company basis. Consequently, it is most likely that Investors will receive any distributions from the Fund over time.

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<sup>4</sup> For more information about Qualifying Shares - <https://www.gov.uk/guidance/venture-capital-schemes-apply-to-use-the-seed-enterprise-investment-scheme>

# Part Eight: Timetable & How To Apply

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## For Private Investors

If you wish to make a Subscription, please read this Information Memorandum, paying special attention to the section 'Part Ten: Risk Factors', the Investment Management Agreement, and the Administrator and Custodian's Terms of Business (the Application Pack) and then visit the Online Application Form by clicking below:

[Ascension SEIS 2021 Fund Online Application Form](#)

Please complete the Online Application (including AML checks and payment) to subscribe to the Fund. If your application is advised, your financial advisor will be required to log into the online portal to confirm your application once it has been submitted. They will be notified of this via an automated email.

## For Financial Advisors

If your client wishes to make a Subscription, please confirm he or she has read the Information Memorandum, in particular 'Part Ten: Risk Factors', the Investment Management Agreement, and the Administrator and Custodian's Terms of Business (the Application Pack) and then visit:

[Ascension SEIS 2021 Fund Online Application Form](#)

If you have not already registered with Mainspring, you can use this link to sign up and create an online account in a few easy steps, which will allow your clients to select you as their advisor. The client can also use this link to register with Mainspring. Once the client has registered, they can complete the application form online and subscribe to the fund (including AML checks and payment). You will be notified of their submission with an automated email and be able to review and confirm their application.

Alternatively, once the client has registered with Mainspring you can complete the application form on their behalf; the client will then be able to login to their account to confirm the application.

**Payment – you must make your payment for the amount via the Mainspring online portal. You will be provided with guidance during the process.**

## Contact

If you have any questions about these documents or require any help filling out the Application Pack then please contact your Financial Advisor. Alternatively, please do not hesitate to contact: [rakesh@ascensionventures.com](mailto:rakesh@ascensionventures.com).

The Closing Date will be 4th April 2021, but may be extended or brought forward at the absolute discretion of the Manager.

# Part Nine: Fee Structure

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## **Initial Charge (charged to Investee Company)**

An initial fee is payable to the Manager of 5% of the Fund's Subscription in the Investee Company. This Initial Fee **will be charged to the Investee Company** and cover:

- Deal execution fees
- Custodian & Administration Costs, including a 0.25% Dealing Charge on initial investment into each Investee Company
- Strategic and business development support
- Establishment and on-going costs of the Fund
- Ascension Team costs

Any outgoing cost paid by an Investee Company will lower their overall funds, which may impact investor returns.

## **Annual Management Fee (charged to the Investor)**

The Investor has a choice of either:

- An Annual Management Fee of 2% plus VAT (deferred until a realisation is made) of any Subscription payable to the Manager (up to a maximum of 5 years starting from the Relevant Closing Date); or
- A Discounted Management Fee of 5% plus VAT (total), paid upfront at the point of Subscription

The Management Fee covers:

- Access to the Ascension Syndicate Club
- Reporting to investors and administration and accounting
- Legal and Administration costs – follow-on funding rounds
- Annual Administrator and Custodian fees
- Portfolio Management
- Ascension Team costs

As 100% of an Investor's Subscription (for non-Advised Investors) is invested in the underlying portfolio as the default option, the Annual Management Fee is deferred until cash is received into the Investor's Account through one or more realisations. There will be no liability in this regard for the Investor if there are no Fund realisations.

## **Transaction Fee**

Prior to any potential distribution being made to an Investor from the Fund in relation to each Investee Company (on each occasion), a transaction fee equal to 0.25% of the total proceeds shall be deducted from the Investors proceeds and paid to the Administrator and Custodian.

## Performance Fee

Ascension will be entitled to a Performance Fee equal to an aggregate of:

- 25% of any returns to Investors above £1 per £1.10 of Subscriptions in an Investee Company; and
- 10% of any returns to Investors above £1 per £1 of any Subscriptions made by Investors in any Investee Company on completion of any follow-on funding round, subject to such subsequent investment being made by the Investor through the Manager using the same Custodian and Nominee structure as the Fund (“Ascension Syndicate Club”).



## Part Ten: Risk Factors

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Prospective Investors should consider carefully all the Information in this IM including the risks described below. This investment is not suitable for all Investors. Investors should be aware that investing in unquoted and AIM-listed companies (including Qualifying Companies) carries with it a high degree of inherent risk. This section contains the material risk factors that the Manager believes to be associated with an investment in the Fund but does not necessarily include all the risks associated with such an investment.

### Investment Risks

The Fund will invest in venture capital opportunities with a strong focus on tech and digital sectors. By definition, these are high-risk situations, which, if unsuccessful, may result in a total loss of the investment.

The Fund will invest in unquoted companies, the securities of which may not be freely marketable and this may restrict the Fund's ability and any Investor's ability to exit any Investment it makes.

An Investment in a fund such as the Fund should be considered a long-term investment. Any withdrawals within the SEIS Three Year Period will result in the loss of SEIS tax reliefs in relation to those Investee Companies. The Manager is likely to seek an Exit after at least five to eight years. However, if this timing is not appropriate, it is possible that Investments may be held for a much longer period. It may take considerable time to realise any of the Fund's Investments, while it is possible none are ever realised.

One or more Investee Companies may fail, and their securities may be sold for substantially less than their acquisition cost or those securities may not have any value at all. Accordingly, an Investor may lose the total amount of an Investment in any Investee Company. Other sector specific risks include those of an Investee Company becoming obsolete if surpassed by a competitor, risks around intellectual property rights, and difficulties in scaling up small companies.

The value of securities can go down as well as up and this could result in an Investor incurring a total loss of their Subscription. If you cannot afford to lose all of your Subscription, you should not invest in the Fund.

There is no guarantee that the investment objective of the Fund will be achieved.

It may be possible that a Subscription will be concentrated into a smaller selection of Investee Companies and may be concentrated in a single Investee Company, thereby increasing the risk profile of the Fund and substantially impacting on the amount returned to Investors.

It may take longer than expected, and may even not be possible to fully invest all Subscriptions to the Fund. Also, it is possible no Subscriptions will be invested in the tax years 2021/22 or beyond if there are no suitable investment opportunities.

Investors should be aware that there is a risk that the Manager may be unable to find a sufficient number of investment opportunities to meet the Fund's investment criteria. It may, therefore, be the case that the Fund is not fully invested. The level of returns from Investments may be less than expected if there is such a delay insofar as all or part of the Fund is held in cash or near cash investments for longer than expected, or if the returns obtained on Investments are less than planned, or if Investments cannot be realised at the expected time and values. There can be no guarantee that suitable investment opportunities will be identified in order to meet the Fund's objectives. Furthermore, an insufficient number of Investments may lead to Investors' Subscriptions not being invested in the tax year 2021/2022 or beyond and therefore SEIS Relief being deferred to later tax years or not materialising altogether.

The past performance of investments managed by the Manager or advised by the Ascension Team should not be regarded as an indication of the performance of future Investments made by the Manager on behalf of Investors through the Fund.

The Manager reserves the right to cease to manage the Fund in certain circumstances as set out in the Investment Management Agreement, in which event it will try to transfer the Investments to another fund manager or terminate the Fund in an expeditious way. If it does so, there is a possibility that any Tax Advantages associated to the Subscription may be lost.

It may be difficult to obtain accurate information to determine at any given time the value of the Fund's Investments.

Information regarding the value or the risks that the Investee Companies face may not always be available. In addition, there is no guarantee that the valuation of Shares in an Investee Company will fully reflect their underlying net asset value, or that such Shares can be sold at that valuation.

There may be changes to the legal framework and regulatory status surrounding the Fund which may adversely affect the Fund and / or its Investors.

Market makers may not be prepared to deal in the Fund's Investments, even if these achieve an AIM listing.

Many unquoted companies have small management teams and are highly dependent on the skill and commitment of a small number of individuals. The performance of Investee Companies may, therefore, be adversely affected by the departure or unavailability of certain key personnel. Products developed by an Investee Company may not be commercially or technically successful.

Smaller unquoted companies requiring venture capital commonly experience significant changes and carry a higher risk than would an investment in larger or longer established businesses. Project development or technology related risks may be greater in such companies.

Investors should be aware that investment returns are dependent upon the performance of individual Investee Companies, the income they generate and whether they perform in accordance with their initial business plans. Outside factors such as the economic climate, market conditions and a change in regulatory environment may all adversely impact on a company's performance. In addition, Investors' returns may be impacted if the Investee Companies have to raise additional equity capital or issue equity at a lower share price than the financial business plans envisage at the outset.

The Manager intends to invest in companies that are very early stage and often pre-revenue, therefore with limited proof of concept. There is a large degree of technical risk to moving from early proof of concept to full proof of concept. Estimating the time and cost required to bring to market is difficult.

The Fund may invest in companies which have overseas operations. If a liability of the Fund in one currency is to be matched by an asset in a different currency, or if the services to be provided to the Manager for the Fund may relate to an investment denominated in a currency other than the currency in which the Investments of the Fund are valued, a movement of exchange rates may have a separate effect, which may be either favourable or unfavourable, on the gain or loss otherwise made on the Investments of the Fund.

There is the possibility of intellectual property from other organisations limiting the commercial scope of the products / technology invested in. The technology may also not be wholly owned by the company but transferred in via a licence, therefore there is a degree of risk on the licensor to uphold that licence.

Given the technology areas the Fund is choosing to invest in are highly competitive, there is a risk that other companies could launch competing products in the market. The Investee Companies may be negatively affected by wider economic developments, such as the UK's decision to leave the European Union. For example, increased input costs to the businesses from the weakening of the British pound versus other currencies making import prices rise, or changes to immigration policies restricting the availability of foreign labour and pushing up prices, and any possible economic consequences may negatively affect the disposable income of domestic consumers.

Force majeure events, which are events beyond the control of a party, including fire, flood, earthquake and other acts of God, terrorist attacks and war may affect a party's ability to perform its contractual obligations or may lead to the underperformance of an Investee Company.

If the Minimum Fund Size is not reached by the Closing Date, the Fund will not proceed (subject to the discretion of the Manager) and Investors' monies will be returned without interest.

## **Risks Relating to the SEIS Scheme**

It is possible that an Investor could cease to be entitled to certain tax benefits available under the SEIS Scheme. For example, SEIS Reliefs, CGT Reliefs and potential IHT Reliefs may be lost if an Investor receives value from the Investee Company (other than a normal dividend), in the period from one year before the issue of Qualifying Shares to the expiry of the SEIS Three Year Period.

There is no guarantee as to the timing of the availability of SEIS Compliance Certificates (SEIS3 Forms) that are needed in order to claim SEIS Reliefs, as this is determined by HMRC.

If the amount of an Investor's Subscription is such that its pro-rata beneficial interest in any Investee Company in the Fund exceeds 30% of the capital or voting rights (taking into account the interests of his "associates" as defined under the legislation, to mean certain relatives (but excluding siblings), trustees and business partners) the Investor will be treated as being "connected" to the Investee Company and will not be entitled to SEIS or CGT Reliefs in respect of an Investment in that Investee Company. An Investor will also be treated as connected to an Investee Company, and so not entitled to SEIS or CGT Reliefs in respect of an Investment in that Investee Company, if he or an associate is employed by the Investee Company (with some exceptions for individuals who are employed as directors).

## **Other Risks Relating to Taxation**

Whilst it is the intention of the Manager to invest in companies qualifying under the SEIS legislation, the Manager cannot guarantee that all Investments will qualify for SEIS Reliefs, CGT Reliefs or IHT Relief. Equally, following an Investment in a Qualifying Company, the Manager cannot guarantee the continued availability of SEIS Reliefs, CGT Reliefs or IHT Relief relating thereto because this depends on the continuing compliance with the requirements of the SEIS and IHT legislation by the Investee Company.

Where an Investor or an Investee Company ceases to maintain SEIS status in relation to any individual Investment, it could result in the loss of some or all of the available reliefs (together with a possible charge to interest thereon).

Following the admission of an Investee Company to the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's market for listed securities (but not a quotation on AIM), Business Property Relief for IHT purposes will cease.

The levels and bases of reliefs from taxation may change or such reliefs may be withdrawn. The tax reliefs referred to in this IM are based on legislation currently in force. The ultimate value of any tax relief available depends on the individual circumstances of Investors at the point of investment and subsequently. The tax rules described in this Memorandum are a summary only.

The tax reliefs referred to in this IM may not apply throughout the life of the Investment.

The tax year for which SEIS Income Tax Relief is available may be later than originally envisaged if the timing of Investments is delayed.

The dates on which SEIS Income Tax Relief, CGT Relief, and IHT Relief are available will be determined by the timing of the Fund's Investments and will not be known in full until the Fund has completed its Investments.

The Manager shall not be liable for any loss incurred by an Investor in relation to the value received by any person from any Investee Company at any time within the applicable period, or as a result of a change in circumstances of an Investee Company at any time within the relevant period.

The Manager retains complete discretion to realise an Investment in a Qualifying Company at any time (including within the SEIS Three Year Period from the date of an Investment) that it considers appropriate. If an Investment is realised within the SEIS Three Year Period, some or all of the tax advantages relating to that particular Investment will be lost. In exercising its discretion to make such a disposal, the Manager is not obliged to take into account the tax position of Investors (individually or generally).

The taxation treatment depends on the individual circumstances of that Investor and may change in the future.

The Manager intends to apply for Advance Assurance from HMRC for all Investee Companies of the Fund, seeking HMRC's confirmation in advance of share subscription that each Investee Company will meet the SEIS qualifying criteria. However, you should only invest if you accept that there is no guarantee that the formal SEIS claims will be agreed and you accept that such agreement could be subsequently withdrawn by HMRC. In those circumstances, Subscription monies will not be returned to Investors. If an Investee Company fails to obtain SEIS Qualifying Company status, or if it is subsequently withdrawn by HMRC, SEIS Relief and CGT Relief and any other SEIS tax benefit would not be available to Investors or could be withdrawn.

The Fund has been designed with UK resident taxpayers in mind. It may not be advantageous for persons not resident or ordinarily resident in the UK to invest in the Fund.

Income tax relief available to Investors is subject to Investors making the proper filing of returns with HMRC within the required timeframe and reliefs may be lost if the necessary steps are not taken.

Whilst it is the intention of the Manager to invest in companies that qualify for SEIS Relief, the Manager cannot guarantee that all Investments will qualify and, if they do so initially, that their status will be maintained. A failure to meet the qualifying criteria could result in adverse tax consequences for Investors.

The Manager intends to invest Subscriptions over a 12 month period following the relevant Closing Date. There can be no guarantee that suitable investment opportunities will be identified by the Manager, which may lead to Investors' Subscriptions not being invested in the 2021/22 tax year or beyond and therefore SEIS Relief being deferred to later tax years or not available at all.

Where an Investor or an SEIS Qualifying Company ceases to maintain SEIS status in relation to any individual Investment, this could result in Investors being required to repay any income tax relief and any CGT Reinvestment Relief received on the Investment and interest on the same, and a liability to tax on capital gains on a disposal of the Investment.

A sale of Shares in the Investee Companies within the SEIS Three Year Period will result in some or all of the 50% income tax relief available upon Subscription for those Shares becoming repayable to HMRC and any capital gains on such Shares being subject to CGT. It is possible for Investors to lose their SEIS and / or CGT Relief and/or Business Relief by taking or not taking certain steps. Investors are advised to take appropriate independent professional advice on the tax aspects of their Investment.

Please note this list is not exhaustive, and there may be other risks associated with participating in the Fund.

### **Conflicts Policy**

The Fund Manager, in accordance with FCA rules, operates its business in such a way as to minimise the occurrence of conflicts of interest and to enable it to resolve such conflicts in a fair manner if they arise.

The Fund Manager maintains a written conflicts policy, a copy of which is available on request.

# Definitions

Reference	Description
<b>Administrator and Custodian</b>	Mainspring Nominees Limited. (CRN: 01747595), a provider of safe custody, administration services and certain other services in relation to the Fund. Mainspring Nominees Limited plc. is authorised and regulated by the Financial Conduct Authority, FRN:591814
<b>Administrator and Custodian's Terms of Business</b>	<p>The terms of business to be entered into by each Investor under which the Administrator and Custodian provide safeguarding and administration services, as set out in the Application Pack and available at <a href="https://systems.mainspringfs.com/documents/ascension-ventures/custody-agreement/3ff">https://systems.mainspringfs.com/documents/ascension-ventures/custody-agreement/3ff</a>.</p> <p>The latest version can always be found on the Administrator and Custodian's website</p>
<b>Advised Professional Client</b>	An Investor in the Fund who has been categorised as a Professional Client by its Advisor for the purposes of its investment in the Fund, as defined by the FCA's Conduct of Business Sourcebook
<b>Advised Retail Client</b>	Any Retail Investor as defined in the FCA's Conduct of Business Sourcebook who receives investment advice from an IFA prior to investing in the Fund
<b>AIF</b>	An alternative investment fund (AIF) is defined in the Alternative Investment Fund Managers Regulations 2013 (AIFMR)
<b>AIFM</b>	Alternative Investment Fund Manager, as term is defined in the AIFMR
<b>AIFMR</b>	The Alternative Investment Fund Managers Regulations 2013 are the UK Regulations, transposed from 2011/61/EU, the European Union (EU) regulation, as it may be amended from time to time, and any laws, rules or regulations promulgated thereunder including without limitation, any Commission delegated Regulation published in the Official Journal of the European Union from time to time and, where relevant the AIFM Law. The Alternative Investment Fund Managers Regulations 2013 applies to hedge funds, private equity funds, and real estate funds
<b>AIM</b>	The Alternative Investment Market (AIM) is a sub-market of the London Stock Exchange (LSE) that is designed to help smaller companies access capital from the public market

Reference	Description
<b>Annual Management Fee</b>	<p>The Investor has a choice of either:</p> <ul style="list-style-type: none"> <li>an Annual Management Fee of 2% plus VAT (deferred until a realisation is made) of any Subscription payable to the Manager (up to a maximum of 5 years starting from the Relevant Closing Date); or</li> <li>A Discounted Management Fee of 5% plus VAT (total), paid upfront at the point of Subscription</li> </ul>
<b>Applicable Laws</b>	Relevant UK laws and regulations, including the FCA Rules
<b>Application Pack</b>	<p>An Application Pack, which must be read and then completed by the prospective Investor (and Financial Advisor if applicable) to subscribe to the Fund. The Application Pack includes:</p> <ul style="list-style-type: none"> <li>Online Application Form (Investor Details, Advisor Details and Appropriateness Questionnaires and Appendices)</li> <li>Investment Management Agreement</li> <li>Administrator and Custodians terms of business</li> </ul>
<b>Ascension Syndicate Club</b>	Ascension Syndicate Club offers Investors the opportunity to co-invest alongside Ascension, after consultation with the Investee Company, into any future Ascension fund opportunities
<b>Ascension Team</b>	The team described in 'Part Five' of this Information Memorandum
<b>Ascension Ventures or Ascension</b>	Ascension Ventures Limited (CRN: 07766902) (FRN: 833108) is a UK based venture capital firm
<b>Associate</b>	Any holding or subsidiary company of any body corporate, or any subsidiary of any such holding company or any director of it that has entered into a contractual agreement with the Manager
<b>AUM</b>	Assets Under Management. Value of cash and securities currently under management by Ascension Ventures
<b>Business Property Relief or IHT Relief</b>	Relief from IHT pursuant to sections 103-114 of IHTA
<b>CGT</b>	Capital Gains Tax
<b>CGT Exemption</b>	Exemption from CGT on realised capital gains on disposal of Qualifying Investments (Sections 150E-F of TCGA)
<b>CGT Reinvestment Relief</b>	Reinvestment relief may enable an individual who has disposed of an asset - that would give rise to a chargeable gain - to treat a maximum of 50% of the gain as exempt from Capital Gains Tax, where they have reinvested all or part of the amount of the gain in qualifying SEIS shares - <a href="https://www.gov.uk/government/publications/self-assessment-capital-gains-summary-sa108">https://www.gov.uk/government/publications/self-assessment-capital-gains-summary-sa108</a>

Reference	Description
<b>CGT Reliefs</b>	CGT Reinvestment Relief and the Capital Gains Tax Exemption (together, the “CGT Reliefs”)
<b>Closing Date</b>	The final date on which an application for the Fund will be accepted is 4th April 2021 (or at the Managers discretion)
<b>EEA</b>	European Economic Area
<b>Exit</b>	A listing, offer for the entire share capital of a Company, winding up or other capital distribution
<b>FCA</b>	Financial Conduct Authority, with offices at 12 Endeavour Square, London, E20 1JN
<b>FCA Rules</b>	The FCA rules made under powers given to the FCA by the Financial Services and Markets Act 2000
<b>Financial Advisor</b>	A firm authorised by the Financial Conduct Authority to provide advice to investors and potential Investors
<b>FPO</b>	Financial Services and Markets Act 2000 (Financial Promotion Order 2005 as amended)
<b>FSMA</b>	Financial Services and Markets Act 2000
<b>Fund</b>	Ascension SEIS 2021 Fund, a discretionary investment management service managed by the Manager
<b>HMRC</b>	HM Revenue & Customs
<b>IHT</b>	Inheritance Tax
<b>IHT Reliefs</b>	Inheritance Tax Reliefs
<b>IHTA</b>	Inheritance Tax Act 1984
<b>Income Tax Act or ITA</b>	Income Tax Act 2007
<b>Information Memorandum</b>	This information memorandum issued in relation to the Fund and dated 30th December, 2020
<b>Initial Fee</b>	An initial fee payable to the Manager and levied on the Fund companies in which the Fund invests
<b>Intermediary</b>	A person / company who promotes and markets the Fund to his / her clients and arranges the investment for the Investor
<b>Investee Company</b>	A Company in which the Fund invests
<b>Investment</b>	A subscription in either the Fund itself or an Investee Company

Reference	Description
<b>Investment Committee</b>	Part of the Ascension Team as identified in 'Part Five' of this Information Memorandum which will be responsible for the final investment recommendation to the Manager
<b>Investment Conflicts Committee</b>	The committee described in 'Part Ten' of this Information Memorandum
<b>Investment Management Agreement</b>	The agreement to be entered into between Investors and the Manager
<b>Investment Period</b>	The period from which an Investor's Subscription is deemed to have been received through to a specific investee company realisation/exit
<b>Investor</b>	<p>A person whose Subscription is accepted by the Manager and so enters into an Investment Management Agreement and invests through the Fund who have made a declaration to the Fund Manager that they meet the FCA's definition of one of the following:</p> <ul style="list-style-type: none"> <li>• a certified high net worth investor within the meaning of COBS 4.7.9 (1) (a) R</li> <li>• a self-certified sophisticated investor within the meaning of COBS 4.7.9 (1) (c) R</li> <li>• a certified sophisticated investor within the meaning of COBS 4.7.9 (1) (b) R</li> <li>• a restricted investor within the meaning of COBS 4.7.10 R</li> </ul>
<b>Mainspring Nominees Limited</b>	Mainspring Nominees Limited is the Administrator and Custodian of the Fund and is authorised and regulated by the FCA, FRN: 115308
<b>Manager</b>	Ascension Ventures Limited (CRN: 07766902) (FRN: 833108) is a UK based venture capital firm
<b>Minimum Fund Size</b>	The Fund will operate a Minimum Fund Size of £800,000, which may be increased or decreased at the Manager's discretion
<b>Minimum Subscription</b>	The minimum Subscription per Investor of £25,000
<b>Minimum Viable Product ("MVP")</b>	A minimum viable product is a product with just enough features to satisfy early customers and provide feedback for future product development
<b>MRR</b>	Monthly Recurring Revenue

Reference	Description
<b>Nominee</b>	MNL (Ascension) Nominees Ltd a wholly owned subsidiary of Mainspring Nominees Limited or such other nominee the Administrator and Custodian may appoint from time to time to be the registered legal holder of Investments on behalf of the Investors
<b>Performance Fee</b>	The performance fee payable to the Manager as described in ‘Part Nine’ of this Information Memorandum
<b>Portfolio</b>	In respect of an Investor, the Subscriptions made through the Fund which are allocated to him or her in consideration for his or her investment (together with any un-invested cash from time to time constituting a part of that investment) and which shall at all times be registered in the name of the Nominee on his or her behalf
<b>Qualifying Company</b>	A company that meets the requirements for SEIS as set out in Section 257D of ITA
<b>Qualifying Investment</b>	An Investment by an Investor in a Qualifying Company which satisfies all the conditions for SEIS Reliefs
<b>Qualifying Shares</b>	Shares in an Investee Company, subscribed for by the Fund on behalf of Investors, that qualify for SEIS Reliefs
<b>Retail Investment Product</b>	As defined in the FCA Handbook
<b>Risk to Capital</b>	A condition that applies to companies seeking SEIS qualification, introduced on 15th March 2018, the date of Royal Assent of the Finance (No. 2) Bill 2017-19, which seeks to ensure that companies are exposed to significant risk.
<b>SEIS</b>	The Seed Enterprise Investment Scheme set out in Sections 257A-257HJ of ITA and Sections 150E-G of TCGA
<b>SEIS Compliance Certificate</b>	Compliance Certificates (otherwise known as SEIS3 Forms) issued by an Investee Company following authorisation from HMRC permitting the Investee Company to issue them to Investors, in order for Investors to claim SEIS income Tax Relief and CGT Reliefs, both where eligible
<b>SEIS Income Tax Relief</b>	Relief from income tax available under the SEIS pursuant to sections 157 and 158 of ITA
<b>SEIS Loss Relief</b>	Relief in respect of income tax for allowable losses pursuant to Section 131 of ITA
<b>SEIS Reliefs</b>	SEIS Income Tax Relief and EIS Loss Relief
<b>SEIS Three Year Period</b>	The period beginning on the later of the date that the Qualifying Shares are issued by the Investee Company and the date that the Investee Company commences trade, and ending three years after that date

Reference	Description
<b>Subscription</b>	A subscription to the Fund by an Investor on the terms of this Information Memorandum, the Investment Management Agreement, the Administrator and Custodian's Terms of Business and the Application Pack
<b>Target Fund Size</b>	£1.2m, unless increased or decreased at the absolute discretion of Ascension
<b>Target Returns</b>	A portfolio of Investee Companies will be chosen based on a minimum target of 300% (not considering any tax reliefs), within 5-8 years
<b>TCGA</b>	Taxation of Chargeable Gains Act 1992
<b>Three Year Period</b>	The period beginning on the date shares in an Investee Company are issued and ending three years after that date, or three years after the commencement of the Investee Company's trade, whichever is later

The logo for Ascension Ventures features a stylized white 'A' icon that resembles an upward-pointing arrow, followed by the word 'Ascension' in a bold, white, sans-serif font. Below 'Ascension', the word 'VENTURES' is written in a smaller, all-caps, white, sans-serif font.

**Ascension**  
VENTURES



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