



# Ascension Fair By Design Impact EIS

---

INFORMATION MEMORANDUM

# Directory

---

## **Manager**

Ascension Ventures Limited (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 1 Beacon Park, First Avenue, Pickering, North Yorkshire, England YO18 8AQ.

## **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, Hyde Park House, 5 Manfred Road, London, United Kingdom, SW15 2RS.

## **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 (CRN:07222372)). 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.

# Contents

---

Directory	2
Notice to Investors	4
Part One: Overview	6
Part Two: About the Fair By Design Impact EIS	8
Part Three: Key Terms	15
Part Four: EIS Tax Relief	18
Part Five: Ascension Ventures & Team Overview	20
Part Six: Ascension Track Record	26
Part Seven: Fund Investment Process & Infrastructure	30
Part Eight: Timetable & How To Apply	35
Part Nine: Fee Structure	36
Part Ten: Risk Factors	38
Investment Risks	38
Risks Relating to the EIS Scheme	40
Other Risks Relating to Taxation	41
Conflicts Policy	43
Definitions	44

# Notice to Investors

This Information Memorandum (“IM”) is dated February 2021. Certain terms used in this IM are defined elsewhere in this IM.

This IM is issued and approved as a financial promotion for the purposes of Section 21 Financial Services and Markets Act 2000 (“FSMA”) by Ascension Ventures Limited, the Manager of the Ascension Fair By Design Impact EIS (“the Fund”). Ascension Ventures Limited is authorised and regulated by the Financial Conduct Authority (the “FCA”) (FRN: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 IM 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
- 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 Disclaimer

This IM is issued solely for the purpose of seeking applications to the Ascension Fair By Design Impact EIS Fund (“the Fund”). Prospective Investors should not regard the contents of this IM 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 suitably qualified independent adviser authorised under FSMA before subscribing to the Fund.

Investors’ money subscribed to the Fund will be committed to investments which are 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 IM 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.

Enterprise Investment Scheme (“EIS”) 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 IM 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 Directive (2011/61/EU) (“AIFMD” and the AIFM Law). It is not a collective investment scheme within the meaning of section 235 of the Financial Services and Markets Act 2000 nor a non-mainstream pooled investment. The Fund will, however, constitute a collective investment undertaking within the meaning of the Markets in Financial Instruments Directive (“MiFID”) and, by virtue of the exemption for collective investment undertakings and their managers in Article 2.1(i) of MiFID, the Fund (and the management by the Manager thereof) falls outside the remit of MiFID.

The Manager is an alternative investment fund manager (“AIFM”) for the purposes of AIFMD. Prospective investors’ attention is drawn to the fact that the Manager is exempted from the AIFMD pursuant to article 3(2)(a) of the AIFMD (the so-called “de minimis exemption”). Therefore, the prospective investors shall not benefit from any rights from the AIFMD, nor will the Manager comply with any obligation thereunder, except to the extent provided under article 3(2) of the AIFMD.

Notwithstanding the foregoing, the Manager may in the future be required (or elect) to comply with AIFMD, in which case the information regarding the Manager’s (as applicable) compliance with AIFMD 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 AIFMD (and the laws and regulations implementing AIFMD in any EEA member state).

The availability of the EIS 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 EIS Advance Assurance from a potential Investee Company of the Fund before making an investment, the Manager cannot guarantee that EIS Relief will be available and even if obtained such relief may in certain circumstances subsequently be withdrawn. Subscription monies will not be returned to Investors if an Investee Company fails to obtain EIS Qualifying Company status, or if it subsequently ceases to qualify for EIS income tax relief, capital gains tax deferral relief and any capital gain tax relief or if such relief is 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. Any stated target returns are for illustrative purposes only and no forecast (guaranteed or otherwise) is implied or should be inferred. Investors may not get back the amount subscribed and could lose all funds invested. Changes in legislation in respect of EIS 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 18.2 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 Murria at [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 IM 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 “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. **The Investor is strongly advised to read this section carefully and seek professional advice before investing in the Fund.**

# Part One: Overview

The Fund's objective is to co-invest with an existing institutional Fair By Design Fund ("FBD") in order to seek commercial and impact returns, with the benefits of EIS tax reliefs.

For EIS eligible investors, the objective is to deliver tax-free capital growth from a portfolio of EIS investments. For international and institutional investors that might not have the resources and network to access and evaluate these opportunities, the objective is to deliver capital growth from a portfolio of early-stage businesses. The Fund is operated as a discretionary investment management service structured as an Alternative Investment Fund ("AIF").

The Fund combines the domain expertise of the Investment Team and Advisors with Ascension's reputation, operational experience and track record. Ascension believes that this gives the Fund advantages at each stage of the investment lifecycle, including deal origination, due diligence and post-investment support and governance.

## About Ascension

- A specialist early-stage investor since 2013 with £30m AUM, the Ascension Team has spent the majority of their careers investing in and managing technology businesses
- Ascension Venture Partners (14 shareholders) each own a stake in the business and have multiple \$100m+ and \$1bn+ exits from their own businesses and angel investments
- 3 realisations since 2018 and more than 35 Ascension investments valued at >200%
- Three Ascension maturing funds having passed or closing in on 300% value: SEIS '15, SEIS '16 & EIS '17

## 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+)	130%	
Fair By Design ('18+)	154%	£15M 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 1st February 2021

**Past performance is not a guide to future performance**

## Fund Size

The Fund, launching in Q1 2021, will create a portfolio of at least 8 EIS qualifying businesses for each investor. It will operate an Evergreen Fund structure (quarterly closes) with an annual maximum fund size cap of £4m and a minimum £1m size for its first close in April 2021.

## Investment Opportunity

- Investment Opportunity: co-invest with an existing institutional impact fund seeking commercial returns, with the benefits of EIS tax reliefs in a mix of early and later stage technology businesses
- The opportunity for retail investors to invest in an EIS Fund that co-invests alongside institutional VCs and angel investors, but offers the benefits of potential EIS tax reliefs for investors
- The opportunity for international investors to invest in qualified early-stage UK companies which they might not otherwise have the resources and network to access
- 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
- An EIS Evergreen Fund with four closes per tax year, aiming to provide investors with a portfolio of at least 8 impact-driven EIS Qualifying businesses
- Target return of £2.00 per £1.00 invested over 3 to 7 years, excluding tax incentives and net of fees
- Transparent, aligned and tax efficient fees: 2% Annual Management Fee payable by the Investor (half paid up front and the remaining 1% annually deferred), with a 5-year cap
- Six key focus areas: Energy; Finance & Credit; Food & Household; Transport; Insurance; and Digital Inclusion
- Investments will be expected to have received EIS Advance Assurance from HM Revenue & Customs as to EIS qualifying status prior to the Fund investment
- The Fund expects to invest subscriptions within 12 months of each Closing Date
- Electronic EIS3 certificates will be issued for each individual Investment, typically within 12-16 weeks of the completion of the Investment, subject to the Investee Business meeting HMRC's application criteria
- The exit route for successful Investments is most likely to be a secondary sale to a later stage investor (such as Series B or private equity) or via trade sale (M&A) or an initial public offering (IPO) and sale of shares
- Investors will receive distributions from the proceeds of successful realisations as they are made

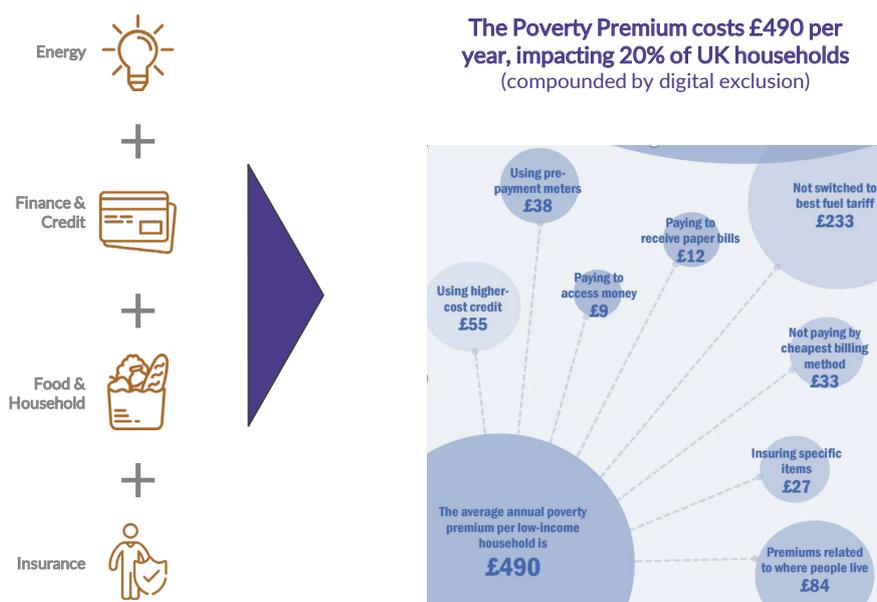
# Part Two: About the Fair By Design Impact EIS

## Key Investment Features

The Fair By Design Impact EIS (“the Fund”) is an Enterprise Investment Scheme fund that invests in organisations committed to reducing costs of a particular premium to low-income households. Its main objective consists of tackling the Poverty Premium (“PP”). It combines tax-efficient financing with Ascension’s expertise in early stage tech investments. It operates alongside its established institutional fund and is open to individual investors. The Fund will co-invest with both new seed investments being made by the Institutional Fair By Design Fund and investment opportunities coming from the existing portfolio, some of which will be at a later funding stage (Seed+ to Series A+).

## The Poverty Premium (“PP”)

The PP is defined as the extra cost that households on low incomes incur when purchasing the same essential goods and services as households on higher incomes. This manifests itself in a variety of ways as detailed in the University of Bristol’s 2016 study<sup>1</sup>: *The Poverty Premium - When low-income households pay more for essential goods and services*. For example, there are increased costs to credit to those on lower incomes: not only are they more likely to be charged high interest on credit, they are more likely to take out payday loans and credit card bills with inherently high interest rates. Another example comprises limited access to transport in lower-income areas: in rural areas, buses are infrequent and cars are essential. Moreover, those on lower incomes are less likely to be able to afford bulk purchases, such as year-long tickets. This problem extends to other industries: for example, lower income households are less likely to afford “bundles” in purchases. Bundles dominate industries such as telecommunications. According to the Bristol report, on average, the PP costs £490/year to around 20% of UK households, or £3.8bn/year in total and breaks down by sector as per the graph below.



<sup>1</sup> <http://www.bristol.ac.uk/geography/research/pfrc/themes/finexc/poverty-premium/>

## Multi-Stakeholder Approach

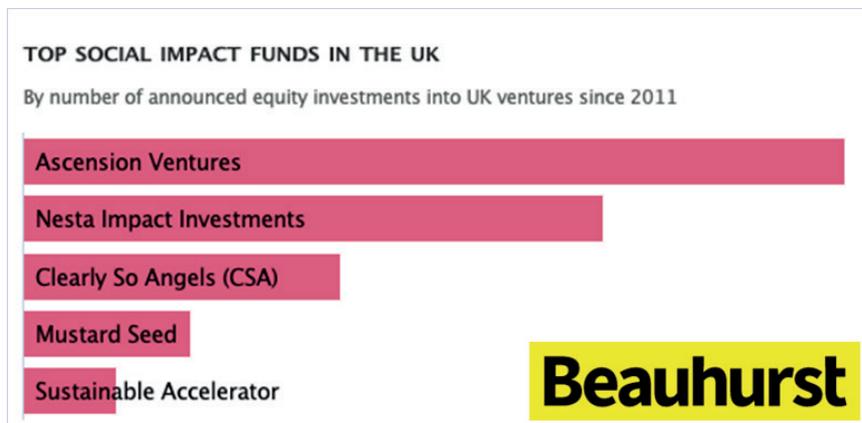
The FBD Fund is part of a multiple stakeholder approach to tackling the Poverty Premium, a series of unfair market failures that we believe can be solved through technology and innovation:



## Co-Investment Vehicle with Institutional Fair By Design Fund

Ascension has managed (S)EIS Funds since 2015, achieving a 308% TVPI ("Total Value to Paid In", the ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date) from its 2015 fund. Its Institutional Fair By Design Fund ("IFBD") currently has a 154% TVPI fund performance since 2018. The IFBD's social impact has been highlighted in The Economist's Helping Workers Get By<sup>2</sup> and The Big Issue's Top 100 Changemakers of 2020<sup>2</sup>. The IFBD's portfolio comprises companies with tangible social impact in addition to scalable business models capable of lucrative financial returns. For example, IFBD's 2018 pre-Seed investment into Wagestream reaped both financial rewards (12x increase in value) and tangible social impact. Wagestream is a company dedicated to "improving the financial resilience of all working people by providing financial products and services that give and don't take". It is used by 250,000 people across the UK.

Ascension was recently named one of the top social impact funds in the UK by Beauhurst<sup>2</sup>.



<sup>2</sup> <https://www.economist.com/business/2019/04/06/helping-workers-get-by>  
<https://www.bigissue.com/magazines/top-100-changemakers-2020/>  
<https://www.beauhurst.com/blog/impact-investing-top-funds-companies-and-trends>

The Institutional Fair By Design Fund's unique investment strategy is tailored to reflect its distinctive objective. In addition to measuring the potential financial returns on an investment, FBD gauges the social impact of a potential investment through a number of distinctive KPIs. Ascension is able to galvanise its expansive network of angels, partner VCs, and industry experts to inform, nurture and sell any investments. As such, the Sector Focus Areas of IFBD mirrors both its network's expertise and its particular objectives:

- Energy
- Finance & Credit
- Food & Household Goods
- Transport
- Insurance
- Digital Inclusion

IFBD invests in business to consumer ('B2C') models that directly impact a household's cost base or through Business to Business ('B2B') or Business to Business to Consumer ('B2B2C') businesses where the cost base reduction is provided by (or through) enterprises or the public sector. Typical B2B routes to market for our target investee businesses are housing associations, city councils, large employers, and credit unions, all of which offer direct links to low-income households (which are sometimes harder to reach, particularly those that are digitally excluded).

Most IFBD target investee companies operate in early-stage scalable IP/tech development which aim to help tackle the Poverty Premium.

### Deal-Flow & Co-Investment

The Ascension Team believes that it is crucial for early-stage businesses to have the appropriate support and infrastructure if they wish to grow and flourish to Series A investment and beyond. This is where Ascension aims to add significant value through the wealth of industry-specific knowledge and experience held by the Ascension Investment Team and Advisors. 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 will not only increase deal-flow opportunities, but also the likelihood that investee companies are well capitalised on their journey to Series A and through to exit. The Ascension Team feels that a funding round at these early stages should be made up of angels and/or additional institutional investors in order to provide the Investee Company with more support and assist in accelerating growth.

The Fund will co-invest into new EIS investment opportunities as a side-car to the existing IFBD, but will also consider investment opportunities from the current FBD portfolio as they close later stage funding rounds (from Seed to Series A+).



The Fund will benefit from qualified deal-flow from its Advisor network, who have done some initial analysis of the opportunities based on their sector knowledge. In addition to this, deal-flow comes from its existing portfolio companies and co-investors from past deals. Over the past few years, Ascension has co-invested with firms such as Amadeus, Mercia, Entrepreneur First, Seedcamp, Mangrove Capital, Wayra, Founders Factory 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, in its opinion, has found that portfolio companies can 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 (virtual and in-person) 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 with its IFBD Fund. Ascension reviews over 3,000 investment opportunities a year.

**Sample of Current FBD Portfolio**

Energy	Consumer Credit & Income Smoothing	Open Banking Data Applications	Digital Inclusion
 <p>is a smart thermostat and asset management platform for large social landlords, which <b>reduces energy costs</b> for social housing tenants</p>	 <p>lets employees draw down their earned wages whenever they need it through a simple, instant app, helping users avoid <b>high-interest payday loans</b></p>	 <p>is a challenger credit bureau that harnesses Open Banking data to <b>measure creditworthiness in a fairer way</b></p>	 <p>delivers financial and digital inclusion training to ensure that individuals can make <b>more informed choices</b> in their everyday spending</p>
 <p>develops and operates intelligent local energy systems, delivering cost savings to building products owners and <b>cheaper electricity and heat bills</b> to domestic customers</p>	 <p>exists to improve the financial wellness of all gig economy workers. <b>Enabling gig economy workers to enjoy consistent income even when they work inconsistent hours</b></p>	 <p>is modernising Credit Unions with its SaaS platform, making it easier and faster for individuals to <b>access fair loans</b></p>	 <p>gives workers the tools, network and confidence to <b>make change happen at their workplace</b>. Enables colleagues to team up to push for workplace benefits &amp; pay</p>

### IFBD Investment Process

Most IFBD 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 stages that the IFBD Fund invests, the founding team is the most important consideration - if they are not strong, committed, 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). 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, intellectual property, technology and customer due diligence). Through several years of experience, Ascension has understood that an early stage 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. In Ascension's experience, this makes it far more difficult and unlikely to achieve many of the key performance indicators (such as revenue or user growth) needed to validate a bigger raise at a higher valuation. As a result, Ascension requires that the potential investee company can demonstrate that it has a minimum of at least 12 months cash runway, assuming no revenue growth for a year (post-investment).

Additionally, the potential investee company will have a compelling business model capable of rolling out globally, strong 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, the Ascension Team believes distribution is key to getting a business to product-market-fit, so it will analyse the routes to market for a potential investee company. This includes partnerships and leveraging distribution channels which all form part of Ascension's decision-making process. It is also where the Fund can add value, utilising its own networks and those of its Advisors and corporate contacts to help an Investee Company get access to revenue opportunities.

At the point of an initial investment by the IFBD or follow on opportunity from its current portfolio, the Fair By Design EIS Fund will then make its decision to co-invest (or not) with IFBD.

### **Due Diligence and Impact KPIs**

In order to measure and regulate the impact on the PP of an investment, the Fund utilises a variety of KPIs to measure how impactful an investment is. Subsequently, a number of strategies are implemented to further increase the social impact of the business.

At Due Diligence ("DD") phase, Ascension seeks to find out to what extent the founder is committed to tackling the PP. This involves asking questions surrounding the purpose of their product, their awareness of their impact on the PP, and how committed they are to reaching a target audience. The product is specifically tested to find out the degree to which it is inclusive and truly solving specific aspects of the PP. Furthermore, Ascension helps the founder in these goals by finding out how its network of institutions and investors, such as housing associations or local councils, can facilitate the product's route to market. In partnership with Toynbee Hall, Ascension will gather groups of 'Experts by Experience' for the founder to pitch to at the later stages of DD. These experts, having lived through poverty themselves, provide feedback that will be compiled and implemented in the decision making process.

At the Term Sheet phase, the founder places tackling the PP into the fabric of the company. For example, they agree to the inclusion of low-income households as part of the target audience in the company's Articles of Association. Moreover, the founder inserts certain governance principles and mission locks into its investment documentation. These include committing to continue tackling the PP in case of exits, and always acting in the interests of the company's objective when it comes to distribution decisions.

At the Legal DD phase, the founder agrees to report on social KPIs every quarter, in order for Ascension to monitor the impact and report back to investors.

During post investment impact monitoring, Ascension continues to monitor social KPIs and reintroduces the founder to Toynbee Hall's Experts by Experience to talk through the product roadmap and its continued relevance to the target audience. Its inclusion into the FBD ecosystem is furthered by increasing its connections with Ascension's institutional and investor network.

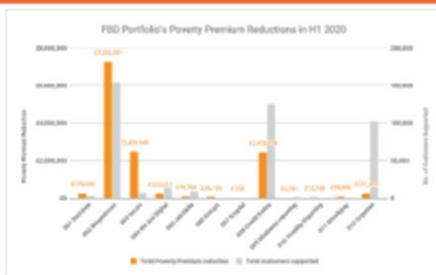
Across the whole portfolio, the team monitors and measures the total savings achieved on the Poverty Premium on a quarterly basis and reports on it twice a year in a social impact report. The tool used was developed by [Ecoys](#) and draws on the poverty premium types and levels quoted in the Bristol University [research on the poverty premium](#) (recently updated). Across B2B, B2B2C and B2C models, the team works with founders to determine the appropriate 'attribution level' their service/good impact has on those customers estimated to be affected by the poverty premium.

At the business level, the team agrees a set of relevant KPIs reported on that is appropriate for each business model and allows to report on the impact performance of the company at a more granular level.

More recently, the team has been working on a funded pilot with [60 Decibels](#) to apply their lean data principle on two of our businesses. This is testing whether using live customer surveys can enable predicting the impact measurements more accurately, especially for those B2B or B2B2C business models where the 'attribution' of their direct impact is more difficult to estimate. The first pilot was run with Wagestream and this has demonstrated a similar expected impact between our ongoing report estimates and the results of the live customer surveys, which is encouraging. The second pilot is currently being run with SteadyPay and is ongoing.

## Extracts from the FBD Impact Report

### Poverty Premium - Reduction Estimates



In H1 2020, FBD's investee businesses supported a total of **347,997** customers to date, up from **195,547** in H2 2019.

The total estimated Poverty Premium reduction is **£11,755,585** since inception, up from **£8,389,552** in H2 2019. This equates to **£34** per person (£43 per person average in H2 2019).

A critical aspect of the growth recorded in the figures above is driven by B2B businesses such as Wagestream, Incuto and Credit Kudos acquiring customers at an exponential rate. The Poverty Premium reduced by 40% this month across a larger number of customers serviced. This explains why the average poverty premium reduction per person reached is smaller, as the people reached increases and the type of premiums addressed start to vary - for instance with an increasing number of 'digital exclusion' related premiums, which are lower (on average) than premiums related to payday loans.

#### Method

Investee businesses select how many of their served customers fit into the relevant categories and to what extent (%) their services have addressed the Premium. The results are then totalled so that each business gets an aggregated reduction.

FBD notes that these estimations will be refined over time and are working closely with the portfolio to improve accuracy.

This report will also contain extracts of a 60 Decibel survey carried out with portfolio company Wagestream.

#### Example of the applied method

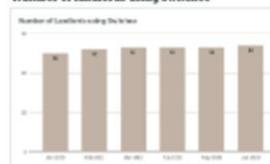
Since inception, Credit Kudos served 125,168 customers cumulatively (up from 59,429 in H2 2019). This corresponds to a Poverty Premium relating to sub-prime lending of £194 per person, but Credit Kudos' B2B approach means that the impact is more indirect. So the founder selected the attribution of his activity at 10%, meaning the total Poverty Premium reduction is lower than if 100% of the attribution is accounted for, which will be £2.4m (up from £1.15m).

*It is important to note that the estimations were made using a tool developed by data consulting agency Ecoys.*

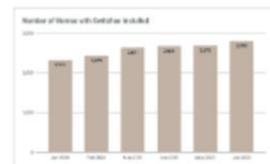
The tool maps the best available data for 59 different Poverty Premium categories.

### Key performance indicators

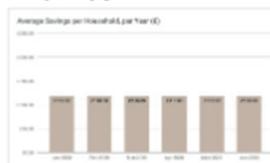
#### Number of landlords using Switchee



#### Number of homes with Switchee installed



#### Average savings per household



#### Switchee's continuous effort on energy related Poverty Premium impact areas:

Switchee has remained active at being at the forefront of energy impact topics through its content strategy and other initiatives. One of the leading topics addressed by Switchee is Fuel Poverty in affordable housing; [What Options Do Housing Providers Have When It Comes To Fuel Poverty?](#) Understanding the frustrations caused by being digitally excluded, Switchee addresses the [Lessons in Digital Inclusion from our own Social Isolation](#). Another topical COVID-19 research piece had Switchee discussing "what will affordable housing communications look like post the pandemic" (see [here](#)).

UPDATE

#### Key progress since last report

- COVID-19 significantly impacted the number of installations that were able to take place during Q2 2020. However, the housing sector as a whole has been less impacted than was initially thought. This has meant that Flagship have re-engaged Switchee to continue finalising a deal to roll Switchee out across their 15,500 gas properties
- Kossa increased the Stockport trial by 12 devices
- Switchee is eligible for a range of new green/energy efficiency government grant funds, which Switchee has applied for
- Optivo (and Osborne Energy) are keen to install a further 200 devices

#### Annual turnover

£324k ARR based on April 2020 revenue



## Part Three: Key Terms

---

### **Fund Name**

Fair By Design Impact EIS (“Fund”).

### **Investment Focus**

The Fund will co-invest with Ascension’s Institutional Fair By Design Fund for commercial returns, with the aim of the benefits of EIS tax reliefs, with the impact goal to eliminate the Poverty Premium - the extra cost of being poor.

### **Fund Structure**

The Fund is operated as a discretionary investment management service, structured as an AIF. It is managed by Ascension Ventures Limited, which is authorised and regulated by the FCA.

### **Evergreen Fund**

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

### **Closing Dates**

The Fund will operate a First Close once the Minimum Fund Size has been reached. After the First Close, the Fund will accept Subscriptions every quarter on an ongoing basis, with each Close on the 4th January, 4th April, 4th July and 4th October each year.

### **Portfolio**

It is intended that Investors will receive a diversified portfolio of at least 8 companies within 12 months of each Close (although it should be noted that the number of companies is an estimate and may increase or decrease). Funds raised in each Close will be invested alongside those funds subscribed in prior Closes and in subsequent Closes, with individual shareholdings being calculated pro-rata to the size of the Subscription of each individual Investor.

### 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 it should be noted that an individual Investor's maximum investment for the purposes of EIS Income Tax Relief is capped at £1,000,000 in any tax year (up to £2,000,000 in certain limited circumstances <sup>3</sup>) per tax year (with the possibility of carrying back to the previous tax year if that year's EIS investments were less than the maximum). There is no maximum to the amount of CGT that can be deferred under EIS. **Note, UK tax incentives are dependent on individual circumstances and may be subject to change in the future. The availability of tax reliefs in relation to an investee company depends on the Investee Company maintaining its qualifying status.**

### Minimum Fund Size

Aggregate Subscriptions of £1,000,000 for the First Close, 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 EIS Certificates, on a company-by-company basis, to enable them to claim the appropriate tax reliefs.

### Management Fee

There is a Management Fee which is split between:

- a 5% up-front Management Fee + applicable VAT, and;
- a Deferred Annual Management Fee equal to 1% + applicable VAT (capped at 5 years) payable upon any distribution made to the Investors

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

### Performance Fee

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

- 20% of any returns to Investors above £1.10 per £1 of Subscriptions in the Fund 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 co-investment alongside the Fund or any follow-on funding rounds, subject to such subsequent investment being made by the Investor through the Manager via the Ascension Syndicate Fund.

---

<sup>3</sup> Knowledge Intensive Companies - please see <https://www.gov.uk/guidance/use-the-enterprise-investment-scheme-eis-to-raise-money-for-research-development-or-innovation#investorlimits>

### **Transaction Fee**

Prior to any potential distribution being made to an Investor, in relation to each investment in an Investee Company, by the Fund, a transaction fee equal to 0.25% of the total amount available for distribution (prior to the deduction of the Annual Management Fee) will be deducted and will be paid to the Administrator and Custodian.

### **Target Returns**

A portfolio of Investee Companies will be chosen on the basis of a target fund return of 200% or more (not taking into account any tax reliefs and net of any Manager fees), within 3-7 years.

### **EIS3 Certificates**

EIS3 Certificates will be issued for each individual investment (subject to availability), typically within 12-16 weeks of completion of the investment, depending on HMRC's turnaround time

## Part Four: EIS Tax Relief

---

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

### Benefits of EIS

EIS 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 (30%)</b>	30% income tax relief up to a maximum investment of £1,000,000 in any tax year (up to £2,000,000 in certain limited circumstances)
<b>Capital Gains Tax-Free (0%)</b>	No Income or Capital Gains Tax on realisations of EIS investments (provided the investments have been held for at least 3 years without breach of the EIS rules)
<b>Deferral of Existing CGT</b>	Deferral of Capital Gains Tax on the disposal of other assets in the period of 3 years prior to and 12 months after the qualifying EIS investment for the life of the EIS investment
<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 £38,500 for a 45% rate tax-payer
<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 IM makes reference to the current laws concerning EIS Income Tax Relief and EIS Loss Relief (together, the “EIS Reliefs”), Capital Gains Tax Deferral 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 IM 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 EIS regime set out in the Income Tax Act 2007 (ITA). Following each qualifying investment which the Fund makes, it is envisaged that the appropriate EIS Compliance Certificates (forms EIS3) will be issued to investors which will enable them to claim EIS Income Tax Relief and/or CGT Deferral in respect of that qualifying investment. There is no guarantee however that EIS Reliefs or CGT 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 IM are 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

## 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 impact 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 and demonstrable impact, with limited initial capital investment, which has been demonstrated through some of its high-growth companies in Ascension's previous funds.

### 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



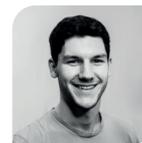
Ex Head of Strategy &  
Director of Product @ EE  
Ex Founder @ Canopy

**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

**\*UKBAANGEL  
INVESTOR OF THE YEAR\***



Vin Murria



Craig Fletcher



### With multiple sector specific mentors



Kal Atwal  
comparthemarket



Howard Litton  
NICKELODEON



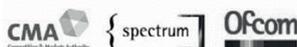
Mark Wood  
FUTURE



## 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>4</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.

4 <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.



Maryam Mazraei  
Investment Associate

[Maryam Mazraei](#) is no stranger to the startup world; a founder-turned-VC, she founded her first company at the age of 18, seeking to change consumer's buying habits with an ethical menswear eCommerce brand.

She went on to join Signal AI, one of London's fast-growing SaaS companies working between the marketing and data science team to enrich acquisition channels.

Most recently, Maryam managed a digital marketing agency where she gained rounded knowledge and experience in both start-up and scale-up business needs, across a range of industries such as SaaS, eCommerce and mobile.

She has given talks on utilising learnings from startup failure and success to improve startup performance, from data she captures from her passion project called Autopsy.

Maryam holds a Masters in Technology Entrepreneurship from UCL and Data Science & ML from Goldsmiths University.

### Ascension Venture Partners ("VPs")

Venture Partners 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. The Ascension Venture Partners 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 lead 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](#)



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

## The Ascension Fair By Design 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/corporate within their networks may want or need. Ascension currently has a network of 20+ 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 is a small selection of current Ascension Mentors, with a wider selection available on the Ascension [website](#).

[Kal Atwal](#) is a strategic and commercial leader with over 16 years’ experience running P&Ls, building teams, and innovating in highly competitive, growth-focused environments. As a former member of the Group Executive Committee with a portfolio role at BGL Group, she held responsibility for a number of areas including strategic execution, new ventures, group communications, and Les Furets, BGL’s comparison site in France. She also provided Board assurance and oversight for the Group’s portfolio of brands. Currently Mentoring: Ascension portfolio businesses in the FinTech space.

[Dougal Scott](#) has proven experience in business planning and go-to-market strategies, management and governance processes, operational transformation, data and people strategies. During his time at Sky, Dougal moved from Director of Strategy, where he led the businesses corporate strategy team, to roles including Director of Group Integration, Managing Director – Insight and Decision Science and, finally, Managing Director, Insight and Data Technology. In his final role at Sky, Dougal oversaw a major transformation programme which included the restructure of business units to create a new Data Technology and Operations team, alongside the shift to agile software development and Google Cloud. Dougal initially mentored Incuto (an FBD portfolio business), and recently became their Chief Commercial Officer.



## Part Six: Ascension Track Record

Highlighted below is a summary from Ascension's Portfolio and track record Since 2018:

- 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 Investee Businesses have raised follow on funding in subsequent rounds or convertible loan notes

The FBD Fund is now valued at 154% after 3 years (driven upwards by Wagestream, Credit Kudos, Switchee, Incuto and We Are Digital - see selected investments below ).

Company	Sector	Stage of Initial Investment (date)	Co-Investors	Downstream	Return Multiple
WAGESTREAM	Financial Inclusion	pre-Seed (04/18)	VILLAGE LCF QED INVESTORS	Balderton. Northzone	3.73x
switchee	Energy	Seed (03/18)	mustard seed W	INGENIOUS	1.34x
CREDIT KUDOS	Financial Inclusion	Seed (02/19)	NFT Ventures e-TI Triple Point	AlbionVC	1.4x
incuto	Financial Inclusion	pre-Seed (07/18)	Northstar		1.11x
weare digital	Digital Inclusion	Seed (02/19)	W Triple Point SP FUND		1.25x
Kraydel	Digital Inclusion	Seed (12/18)	HAMBRO PERKS RGA		1x
mini beans	Energy	pre-Seed (09/18)	seti Ventures		1x
STEADYPAY	Financial Inclusion	pre-Seed (12/19)	HAMBRO PERKS ZAHAYMARKET		1x
Youility	Energy	Seed+ (12/19)	BARCLAYS VENTURES IPGL		1x
emrgnt	Energy	pre-Seed (12/18)	Angels		1x
Organise	Digital Inclusion	pre-Seed (03/20)	ada FORM J&P		1x
jobskills	Digital Inclusion	pre-Seed (01/18)	W		1x

Date 1st February 2021

**Past performance is not a guide to future performance**

- 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

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

Date 1st February 2021

Ascension has achieved 3 realisations since 2018, with two coming “out of the blue” 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. A number of portfolio businesses have been approached with expressions of interest for acquisition, but nothing concrete is currently on the table and no real desire from Founders to sell (at this stage).

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:

**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**



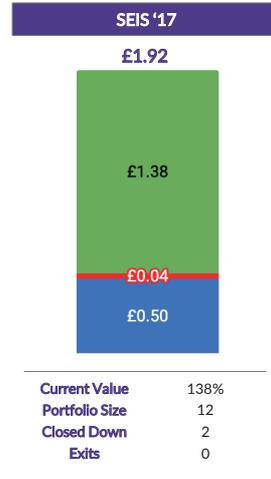
**Example Portfolio:**

	Amount Raised to Date	£6m+
	Ascension Share Value	848%
	Amount Raised to Date	£10m+
	Ascension Share Value	1332%
	Amount Raised to Date	£2m+
	Ascension Share Value	633%
	Amount Raised to Date	£400k+
	Ascension Share Value	976%



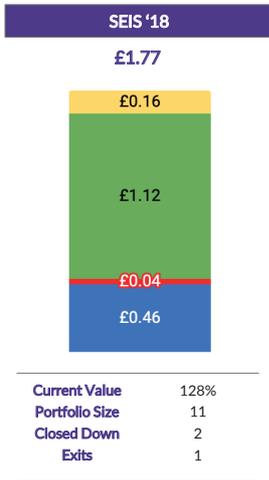
**Example Portfolio:**

	Amount Raised to Date	£4m+
	Ascension Share Value	182%
	Amount Raised to Date	£1.5m+
	Ascension Share Value	406%
	Amount Raised to Date	£10m+
	Ascension Share Value	888%
	Amount Raised to Date	£2m+
	Ascension Share Value	1109%



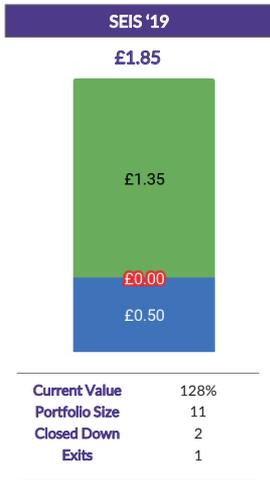
**Example Portfolio:**

	Amount Raised to Date	£5m+
	Ascension Share Value	364%
	Amount Raised to Date	£2m+
	Ascension Share Value	120%
	Amount Raised to Date	£2.5m+
	Ascension Share Value	194%
	Amount Raised to Date	£2m+
	Ascension Share Value	149%



**Example Portfolio:**

	Amount Raised to Date	£500k+
	Ascension Share Value	425%
	Amount Raised to Date	£2m+
	Ascension Share Value	250%
	Amount Raised to Date	£1.5m+
	Ascension Share Value	100%
	Amount Raised to Date	£300k+
	Ascension Share Value	227%



**Example Portfolio:**

	Amount Raised to Date	£4m+
	Ascension Share Value	312%
	Amount Raised to Date	£1m+
	Ascension Share Value	100%
	Amount Raised to Date	£2.5m+
	Ascension Share Value	158%
	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)

The year shown for each fund is the year of the fundraising close. Money paid net of Ascension Carry Valuations at 'Fair Value'. EIS Evergreen relief net of early exit 1.45x and 1.97x realisations

**Ascension Evergreen EIS '18 '19**

£1.59



Current Value	130%
Portfolio Size	16
Closed Down	0
Exits	2

**Example Portfolio:**

	Amount Raised to Date	£2m+
	Ascension Share Value	178%
	Amount Raised to Date	£3m+
	Ascension Share Value	212%
	Amount Raised to Date	£400k+
	Ascension Share Value	195%
	Amount Raised to Date	£1.5m+
	Ascension Share Value	146%

**Ascension EIS '17**

£2.93



Current Value	263%
Portfolio Size	8
Closed Down	0
Exits	0

**Example Portfolio:**

	Amount Raised to Date	£10m+
	Ascension Share Value	963%
	Amount Raised to Date	£5m+
	Ascension Share Value	318%
	Amount Raised to Date	£1.5m+
	Ascension Share Value	202%
	Amount Raised to Date	£10m+
	Ascension Share Value	252%

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

---

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.

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 Investee Company. Investments will be managed collectively across all investor portfolios.

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

The Fund focuses on what value add can be brought to the business of the Investee Companies through its own or Advisor 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 four key elements of an investment opportunity before deciding to invest - team, product, IP & 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 requires a co-founding team of at least one sales ('front of house') and one scientific/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 / Ecosystem reach, which has been developed over 8+ 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 have proven the concept in most cases (and have an MVP or software product), which Ascension would then ask its technical advisor to undergo due diligence to assess the potential of the product. The Ascension Team would also carry out due diligence calls with experts in the field and potential 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 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.

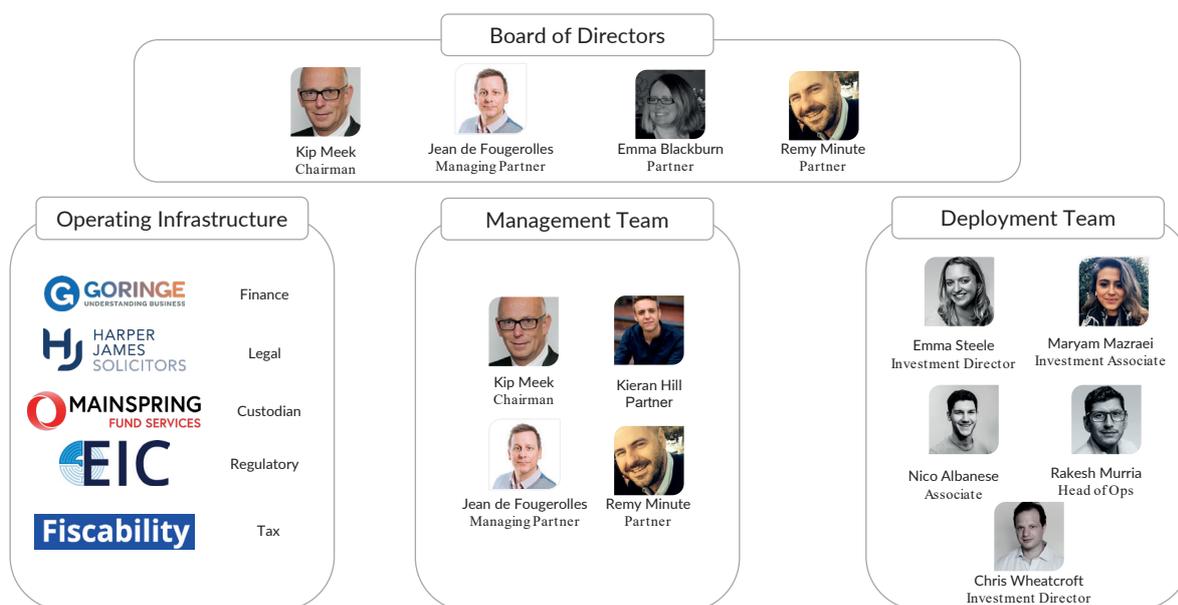
However, as the Fund predominantly focuses on B2B and B2B2C companies, it feels that distribution via partners is key to getting a business beyond early adopter clients. The Fund believes differentiation is key to optimise the company’s trajectory to a Series A round (and beyond). The Ascension Team analyses the route-to-market strategy in detail, looking for partnerships or other clever models that could enable a company’s customer acquisition strategy to scale beyond early adopters. 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 Investment Team believes this is key to building a successful business.

After the Investment Team undertakes a deep-dive on the route-to-market strategy it will then consider bringing in a member of its Advisor network to undergo further analysis. Due to the experience of its network in scaling early stage technology businesses (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 early stage UK funds 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 and the Fund Investment Team has made over 110 investments (10% closed down since 2015) 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 business to achieve the milestones needed to unlock a larger funding round.
- The cost base of a potential investment is examined to ensure (post-investment) the Investee Company has enough runway to cover its cost projections for at least 12 months, assuming zero revenue growth in the first 12 months.

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

### Ascension Organisation Structure



### **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 three to seven years (being mindful that EIS qualifying investments need to be held for at least the EIS Three Year Period). Investment returns, net of fees and charges, will be returned directly to the Investor and will not be reinvested.

Ascension recently became an FCA authorised and regulated UK Alternative Investment Fund Manager (AIFM) after operating for 6 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 issued by the Investee Company 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 Manager has the right to nominate by confirmation in writing to the Investor an alternative Custodian from time to time should the Manager deem it necessary or desirable. Upon nominating a new Custodian the Investor will have 7 days to reject in writing the nomination before the Investor shall be deemed to accept the nomination and the Manager instructed to arrange for the formal appointment of the new Custodian on the Investor’s behalf.

### **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 agreement. In addition, Investors will receive a portfolio report every six months, in April and October detailing the progress of the Investee Companies and their social impact. Five years after an investment in an investee business, portfolio reports will move to an annual basis each December. Reports will include a measure of performance (using IPEV Guidelines) in the later stages of the Fund, once valuations are available for the Investments.

Investors will also be invited to events 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 at its Piccadilly Circus office (or online due to COVID-19 restrictions), 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.**

## EIS Certificates & Ascension Portal

Following the issue of the EIS Qualifying Shares, the Investee Company will need to apply to HMRC for authorisation to issue tax relief certificates (Forms EIS3) to Investors. These certificates will enable Investors to claim the EIS 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 Investee 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, EIS3 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 EIS3 Forms to an Investor, in respect of each Investee Company, Mainspring will also provide each Investor with their own client account where they will be able to access digital scans of their EIS3 Certificates (a new feature of the Mainspring portal).

EIS Relief is given for the tax year in which the Investor makes an Investment in an EIS Qualifying Company. If the Investor has an income tax liability in the preceding year, they can claim relief against that liability through Carry Back Relief. An Investor cannot obtain EIS Relief without Form EIS 3.

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

## Ascension Syndicate Fund

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. All Investors within this Fund may have pre-emption rights that apply on the issue of new shares in an Investee Company and therefore may have the right, but not the obligation, to maintain their percentage shareholding in each Investee Company in which they have a beneficial shareholding, to avoid dilution, as the Investee Company goes through their subsequent funding rounds.

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

## **Life of the Fund**

In order to retain any EIS Reliefs, Investors must normally hold the Qualifying Shares acquired by the Manager for at least the EIS 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 EIS Three Year Period. With regard to the EIS Three Year Period and the feasibility of obtaining a realisation thereafter, the Fund has a target life of between three to seven 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 EIS Reliefs and crystallisation of CGT in respect of capital gains on which CGT Deferral had been claimed, and it is unlikely shares will be of a liquid nature and therefore shares are not likely to be tradable, for example, on a recognised exchange). The Manager will focus on the maximisation of value in considering the strategy for, and timing of, the realisation of the Qualifying Shares

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

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.

# Part Eight: Timetable & How To Apply

---

## For Private Investors

If you wish to make a Subscription, please read the IM, 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 Fair By Design Impact EIS 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

The Fund is working with a selected group of Financial Advisors. If your client wishes to make a Subscription, please confirm he or she has read the IM, 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 Fair By Design Impact EIS 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 contact your Financial Advisor. Alternatively, please do not hesitate to contact: [rakesh@ascensionventures.com](mailto:rakesh@ascensionventures.com).

The Fund will operate an Evergreen Fund model, and will accept Subscriptions every quarter on an ongoing basis, with the Fundraising tranches that close on the 4th January, 4th April, 4th July and 4th October each year (subject to change at the Manager's discretion).

# Part Nine: Fee Structure

---

## Annual Management Fees (charged to the Investor)

There is a Management Fee, which is split between:

- a 5% up-front Investor Subscription Fee paid at the point of subscription to the Fund
- **and**
- a Deferred Annual Management Fee equal to 1% (capped at 5 years) payable upon any distribution made to the Investors

This would mean over the life of the Fund, the Manager shall charge up to 10% of an Investors subscription in Management Fees.

## Initial Charge (charged to Investee Company)

An initial charge may be payable to the Manager of up to 5% of the Fund's Subscription in the Investee Company. This Initial Charge **may be charged to the Investee Company**.

## Use of Fees

- Legal and Administration costs – follow-on funding rounds
- Annual Administrator and Custodian fees (0.25% per annum)
- Portfolio Management
- All costs associated with the setting up of the Fund, including deal execution fees, Custodian and Administration Costs, all legal, issue and start-up costs ("Fund Costs")
- All general day to day running costs of the Fund.

## Fees for Follow on Funding

All Investors within this Fund may have pre-emption rights that apply on the issue of new shares in an Investee Company. Therefore they may have the right, but not the obligation, to maintain their percentage shareholding in each Investee Company in which they have a beneficial shareholding, to avoid dilution, as the Investee Company goes through subsequent funding rounds.

The Fund 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).

Investors shall be charged a 2.5% fee on the gross investment amount for exercising their pre-emption rights, should these be available.

### **Transaction Fee**

Prior to any potential distribution being made to an Investor, in relation to each investment in an Investee Company, by the Fund or any Follow-on Funding Round, a transaction fee equal to 0.25% of the total amount available for distribution (prior to the deduction of the Annual Management Fee) will be deducted and will be paid to the Administrator and Custodian.

### **Performance Fee**

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

- 20% of any returns to Investors above £1.10 per £1 of Subscriptions in the Fund; 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 co-investment alongside the Fund or any follow-on funding rounds, subject to such subsequent investment being made by the Investor through the Manager via the Fund.



## Part Ten: Risk Factors

---

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 EIS Three Year Period will result in the loss of EIS tax reliefs in relation to those Investee Companies. The Manager is likely to seek an Exit after at least three 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.

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, 2022/23 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 years 2021/22, 2022/23 or beyond and therefore EIS 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 EIS Scheme**

It is possible that an Investor could cease to be entitled to certain tax benefits available under the EIS scheme. For example, EIS Reliefs and CGT 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 EIS Three Year Period.

There is no guarantee as to the timing of the availability of EIS Compliance Certificates (EIS3 Forms) that are needed in order to claim EIS 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 EIS or CGT Exemption 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 EIS or CGT Exemption 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 EIS legislation, the Manager cannot guarantee that all Investments will qualify for EIS Reliefs, CGT Reliefs or IHT Relief. Equally, following an Investment in a Qualifying Company, the Manager cannot guarantee the continued availability of EIS Reliefs, CGT Reliefs or IHT Relief relating thereto because this depends on the continuing compliance with the requirements of the EIS and IHT legislation by the Investee Company.

Where an Investor or an Investee Company ceases to maintain EIS 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 EIS Income Tax Relief is available may be later than originally envisaged if the timing of Investments is delayed.

The dates on which EIS Income Tax Relief, CGT Deferral, 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 EIS Three Year Period from the date of an Investment) that it considers appropriate. If an Investment is realised within the EIS 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.

In November 2017, the Government and HMRC introduced a new “Principles-based” test, to ensure EIS Qualifying Companies are exposed to significant risk that there will be a loss of capital of an amount greater than the net investment return for investors and have the objectives to grow and develop over the long term. This is also known as the “Risk-to-Capital” condition and applies to investments made on or after 15th March 2018 (the date of Royal Assent of the Finance (No.2) Bill 2017-19). Although the Manager will always require that any Investee Company of the Fund has EIS Advance Assurance before making an Investment, you should only invest if you accept that there is no guarantee that the formal EIS 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 EIS Qualifying Company status, or if it is subsequently withdrawn by HMRC, EIS Relief and CGT Deferral Relief and any other EIS tax benefit would not be available to Investors or could be withdrawn. The Manager seeks to obtain Advanced Assurance as part of its investment process.

Only HMRC can confirm whether the Knowledge Intensive Criteria (“KIC”) is met for an Investee Company and therefore it may be that an Investee Company does not meet the Knowledge Intensive Criteria. Additionally, even if HMRC do confirm that an Investee Company meets the Knowledge Intensive Criteria, this may be subject to change. In either case, this would affect the maximum amount on which an Investor can obtain EIS Relief, as the current limit is £1 million for any tax year or £2 million provided that the amount above £1 million is invested into KICs.

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 EIS 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 either the tax years 2020/21, 2021/22 or beyond and therefore EIS Relief being deferred to later tax years or not available at all.

Also, if a UK individual wishes to take advantage of the CGT Deferral Relief, Shares must be issued within one year before and three years after the date of the disposal which gives rise to the gain or the date upon which a previously deferred gain crystallises. CGT Deferral Relief will not, therefore, be available for individuals with gains to shelter that fall outside of this period.

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

A sale of Shares in the Investee Companies within the EIS Three Year Period will result in some or all of the 30% income tax relief available upon Subscription for those Shares becoming repayable to HMRC and any capital gains on such Shares and any deferred gain being subject to CGT. It is possible for Investors to lose their EIS and/or CGT Deferral 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>	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> .  The latest version can always be found on the Administrator and Custodian's website
<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 Directive (2011/61/EU) (AIFMD)
<b>AIFM</b>	Alternative Investment Fund Manager, as term is defined in the AIFMR
<b>AIFMD</b>	The Alternative Investment Fund Managers Directive (2011/61/EU) is a 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 Commissions 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 Directive 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
<b>Annual Management Fee</b>	The annual management fee payable to Ascension Ventures Limited as described in 'Part Nine' of this IM being the aggregate of the Management Fee and the Deferred Annual Management Fee
<b>Applicable Laws</b>	Relevant UK laws and regulations, including the FCA Rules

Reference	Description
<b>Application Pack</b>	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: <ul style="list-style-type: none"> <li>• Online Application Form (Investor Details, Advisor Details, Appropriateness Questionnaires and Appendices)</li> <li>• Investment Management Agreement</li> <li>• Administrator and Custodians terms of business</li> </ul>
<b>Ascension Syndicate Fund</b>	Ascension Syndicate Fund offers Investors the opportunity to co-invest alongside Ascension, after consultation with the Investee Company, into any future Ascension fund opportunities. <a href="#">See here for more</a>
<b>Ascension Team</b>	The team described in 'Part Five' of this IM
<b>Ascension Ventures or Ascension</b>	Ascension Ventures Limited (CRN: 07766902) (FRN: 833108) is a UK based venture capital firm whose registered office is at 20 Air Street, 4th Floor, London, W1B 5AN
<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 Deferral</b>	Capital gains made on the disposal of any kind of asset may be able to be deferred by reinvestment in EIS qualifying companies (Section 150C and Schedule 5B of TCGA)
<b>CGT Exemption</b>	Exemption from CGT on realised capital gains on disposal of Qualifying Investments (Sections 150A-B of TCGA)
<b>CGT Reliefs</b>	The CGT Exemption and CGT Deferral
<b>Closing Date</b>	The final date on which an application for the Fund will be accepted in an Investment Period. The Closing Dates are 4th January, 4th April, 4th July and 4th October
<b>COBS</b>	The FCA's Conduct of Business Sourcebook
<b>Deferred Annual Management Fee</b>	The deferred annual management fee payable to the Manager as described in 'Part Nine' of this IM

Reference	Description
<b>EEA</b>	European Economic Area
<b>EIS</b>	The Enterprise Investment Scheme set out in Sections 156-257 of ITA and Sections 150A-150C of TCGA 1992
<b>EIS Compliance Certificate</b>	Compliance Certificates (otherwise known as EIS3 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 EIS Income Tax Relief and CGT Deferral both where eligible
<b>EIS Income Tax Relief</b>	Relief from income tax available under the EIS pursuant to sections 157 and 158 of ITA
<b>EIS Loss Relief</b>	Relief in respect of income tax for allowable losses pursuant to Section 131 of ITA
<b>EIS Reliefs</b>	EIS Income Tax Relief and EIS Loss Relief
<b>EIS 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
<b>Evergreen Fund</b>	A fund that has no definitive closing date. The Fund will have multiple Closing Dates, initially, 4th April 2021 and on the successive 4th July, 4th October, 4th January and 4th April thereafter
<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>Follow-On Funding Round</b>	When an Investee Company subsequent to investment raises additional funds through an issue of shares, or debt
<b>Follow-On Funding Round Fee</b>	The fee, paid out of the Investors gross Investment amount to the Manager, should an investor choose to exercise their pre-emption rights in a Follow-On Funding Round
<b>Force Majeure Event</b>	An unforeseeable and unavoidable event that prevents the Manager, Investee company or an Associate from fulfilling contractual obligations to either the Fund or Investors
<b>FSMA</b>	Financial Services and Markets Act 2000

Reference	Description
<b>Fund</b>	The Ascension Fair By Design Impact EIS, 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>IM</b>	This information memorandum issued in relation to the Fund and dated 1st February 2021
<b>Initial Charge</b>	An initial charge payable to the Manager by the Investee Company
<b>Intermediary</b>	A person/company who promotes and markets the Fund to his/its clients and arranges the investment for the Investor
<b>Investee Company</b>	A Company in which the Fund invests
<b>Investment</b>	An investment into an Investee Company
<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>Investor Subscription Fee</b>	The fee payable by the Investor at the point of Subscription into the fund. This fee will be deducted from the initial Investor Subscription amount, unless the Investor requests for it to be paid separately to the Subscription amount

Reference	Description
<b>Knowledge Intensive Criteria</b>	A company defined as Knowledge Intensive as defined by the UK Government: <a href="https://www.gov.uk/guidance/use-the-enterprise-investment-scheme-eis-to-raise-money-for-research-development-or-innovation">https://www.gov.uk/guidance/use-the-enterprise-investment-scheme-eis-to-raise-money-for-research-development-or-innovation</a>
<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: 591814
<b>Management Fee</b>	The management fee payable to the Manager as described in 'Part Nine' of this IM
<b>Manager</b>	Ascension Ventures Limited (CRN: 07766902) (FRN: 833108) is a UK based venture capital firm
<b>Minimum Fund Size</b>	The aggregate of all Minimum Subscriptions (1st close) being equal to at least £1,000,000, which may be increased or decreased at the Manager's discretion
<b>Minimum Subscription</b>	Minimum investment by an Investor into the Fund of £25,000 or such lower amount as agreed by the Manager at its sole discretion
<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
<b>Nominee</b>	MNL (Ascension) Nominees Limited 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>Offshore Custodian</b>	Such person or persons as the Fund may appoint to provide, and which the Fund has agreed terms for, safe custody, custodial and nominee services in respect of the Companies for services outside the UK which, at the date of this Information Memorandum.  Different settlement, legal, regulatory requirements and different practices relating to the segregation of Investments held outside of the UK may apply.
<b>Performance Fee</b>	The performance fee payable to the Manager as described in 'Part Nine' of this IM
<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

Reference	Description
<b>Pre-Emption Rights</b>	An Investor right that may apply on the issue of new shares in by Investee Company. The Investor may have the right, but not the obligation, to maintain their percentage shareholding in each Investee Company in which they have a beneficial shareholding, to avoid dilution, as the Investee Company goes through subsequent funding rounds
<b>Qualifying Company</b>	A company that meets the requirements for EIS as set out in Section 180 of ITA
<b>Qualifying Investment</b>	An Investment by an Investor in a Qualifying Company which satisfies all the conditions for EIS Reliefs
<b>Qualifying Shares</b>	Shares in an Investee Company, subscribed for by the Fund on behalf of Investors, that qualify for EIS Reliefs
<b>Retail Investment Product</b>	<a href="#">As defined in the FCA Handbook</a>
<b>SEIS</b>	Seed Enterprise Investment Scheme as set out in Part 5A of ITA 2007
<b>Subscription</b>	A subscription to the Fund by an Investor on the terms of this IM, the Investment Management Agreement, the Administrator and Custodian's Terms of Business and the Application Pack
<b>Target Fund Size</b>	£4,000,000 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 return of 200% (not considering any tax reliefs), within 3-7 years
<b>TCGA</b>	Taxation of Chargeable Gains Act 1992

The logo for Ascension Ventures features a white stylized arrow pointing upwards and to the right, positioned to the left of the word "Ascension" in a bold, sans-serif font. Below "Ascension" is the word "VENTURES" in a smaller, all-caps, sans-serif font.

**Ascension**  
VENTURES



**RAM Capital Partners LLP**  
4 Staple Inn, London WC1V 7QH  
T: 020 3006 7530 | E: [taxsolutions@ramcapital.co.uk](mailto:taxsolutions@ramcapital.co.uk)  
[www.ramcapital.co.uk](http://www.ramcapital.co.uk)