

ASCENSION

The UK Seed Fund

Fair By Design **Impact EIS**

INFORMATION MEMORANDUM



Directory

Manager

Ascension Ventures Limited (CRN: 07766902) whose registered office is at 5 Theale Lakes Business Park Moulden Way, Sulhamstead, Reading, Berkshire, England, RG7 4GB (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).



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Notice to Investors

This Information Memorandum (“IM”) is dated 31st January 2022. 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 5 Theale Lakes Business Park Moulden Way, Sulhamstead, Reading, Berkshire, England, RG7 4GB.

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 Disclaimers

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@ascension.vc.

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



Overview

The Fund’s objective is to co-invest with the existing Fair By Design Institutional (“FBDI”) and other Ascension-managed funds in businesses which meet the Fair By Design impact themes – New Work, Financial Inclusion, Access to Better Health – to seek commercial returns and social impact 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”).

About Ascension

- A specialist early-stage investor since 2013 with £68m 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
- 5 realisations since 2018 and more than 45 Ascension investments valued at >200%
- Four Ascension maturing funds having passed or closing in on 300% value: SEIS '15, SEIS '16, SEIS '19 & EIS '17

Fund	TVPI	
Ascension SEIS '15	409%	SEIS Tax Efficient Funds
Ascension SEIS '16	510%	
Ascension SEIS '17	128%	
Ascension SEIS '18	129%	
Ascension SEIS '19	322%	
Ascension SEIS '20	145%	EIS Tax Efficient Funds
Ascension EIS Fund Annual Close '17	298%	
Ascension EIS Fund Quarterly Close ('18+)	171%	£15M Institutional Fund
Fair By Design ('18+)	201%	

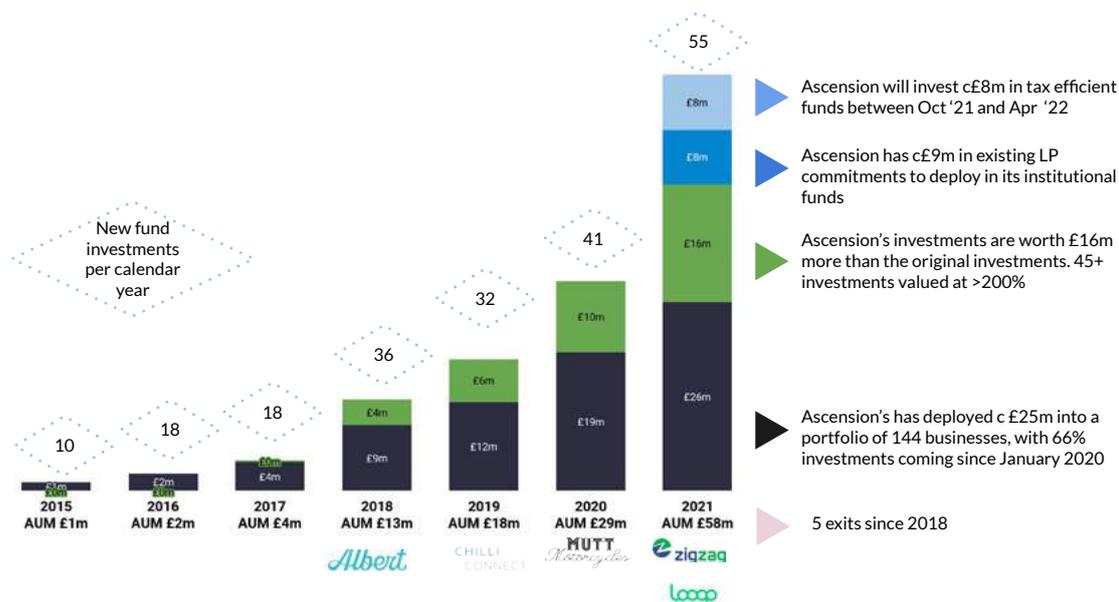
	Investment from: Ascension SEIS '15 (5.6x) Ascension EIS Evergreen (1.45x)
	Investment from: Ascension SEIS '15 (9.5x) Ascension EIS Evergreen (1.95x)
	Investment from: Ascension SEIS '18 (2.27x)
	Investment from: Ascension EIS '17 (6.24x)
	Investment from: Ascension SEIS '16 (4.3x)

As of 31st January 2022

Past performance is not a guide to future performance



The following graphic marks the evolution of Ascension's AUM from 2015. This is a combination of cash raised and change in valuation as of December 31st, 2021.



Please note that past performance is not a reliable indicator of future results

Fund Size

The Fund 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.



Investment Opportunity

- Co-invest with an existing institutional FBDI fund and other Ascension-managed funds, seeking commercial returns, with the benefits of EIS tax reliefs in a mix of early and later stage impact-driven technology businesses that tackle the Poverty Premium
- 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 in the UK's tech 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 over a twelve month period
- Target return of £2.50 per £1.00 invested over 3 to 7 years, excluding tax incentives and net of fees
- Transparent, aligned and tax efficient fees
- Key focus areas: Fintech, Insurtech, Energy, Economic Opportunity, Food & Household Goods, Transport/Mobility, Health, and Digital Inclusion
- Investments will be expected to have received EIS Advance Assurance prior to the Fund investment
- 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 occur



Part Two

About the Fair By Design
Impact EIS



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 businesses which meet the Fair By Design thesis as specified above. Its main objective consists of making society fairer for all. It operates alongside an established institutional fund and other Ascension funds 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 other relevant impact opportunities from the existing portfolio or other Ascension managed funds, some of which will be at a later funding stage (Seed+ to Series A+).

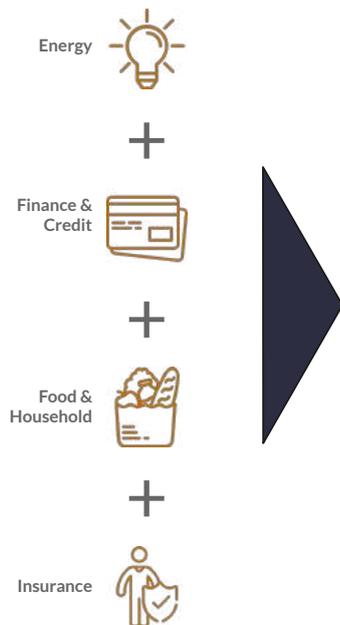
Key Investment Themes

The Poverty Premium & Ancillary Themes (‘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. Ancillary themes that can reduce these inequalities include democratising access to economic opportunity and better health.

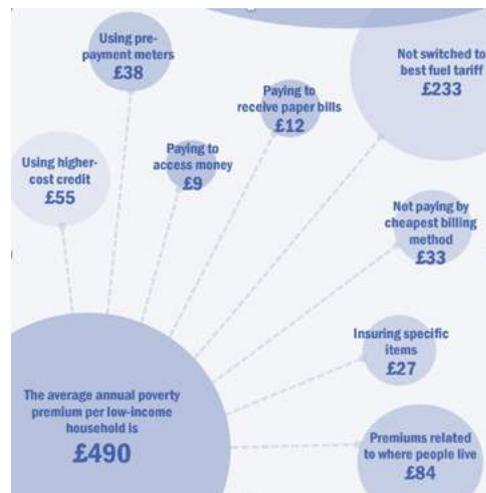
This manifests itself in a variety of ways as detailed in the University of Bristol’s [2016 study](#): The Poverty Premium - when low-income households pay more for essential goods and services. For example, there are increased costs to credit to those on lower incomes: not only are they more likely 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. 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.



The Poverty Premium (“PP”)



The Poverty Premium costs £490 per year, impacting 20% of UK households (compounded by digital exclusion)



Multi-Stakeholder Approach

The FBDI 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:

Fair By Design Campaign

Influences policy-makers, regulators, and companies to ensure fairer markets for low-income consumers
fairbydesign.com

Fair By Design Impact Infrastructure

Portfolio companies report quarterly performance on impact KPIs, which calculate Poverty Premium reductions and annual savings for low-income UK households



Lived Experience

A panel of Experts with Lived Experience of poverty support the FBD Fund's investment decisions (as part of our due diligence process) and the portfolios' product roadmap (post investment)

Fair By Design Roadshows

The team and portfolio go on the road to bring awareness of these innovations to key regional decision-makers such as local gov't and media, social housing associations, corporates & credit unions (these also provide commercial routes to market for investee businesses)

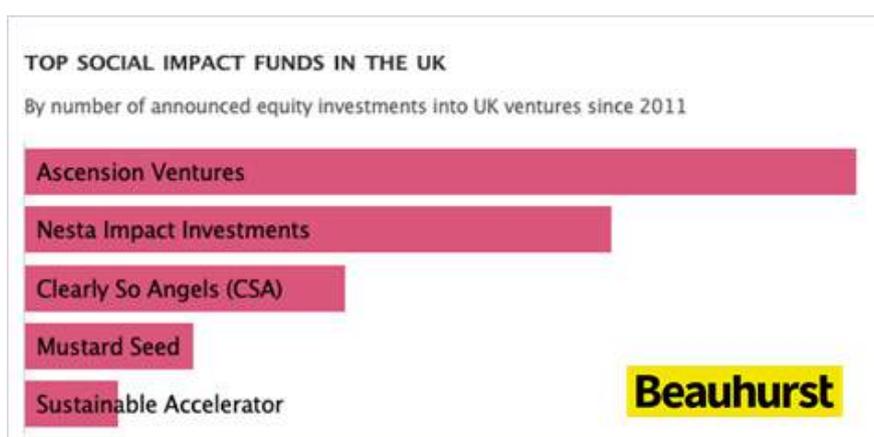


Co-Investment Vehicle with Institutional Fair By Design Fund and other Ascension-managed funds

Ascension has managed (S)EIS Funds since 2013, with the 2017 investments from its first EIS Fund currently trading at 4.6x value and rated the top performing UK fund according to [Tax Efficient Review](#) (December 2020). Ascension has 5 realisations to date - Mutt Motorcycles, Chilli Connect, Albert, ZigZag, and most recently Loop. More than 45 Ascension investments are currently valued at +200%.

The Institutional Fair By Design Fund (“IFBD”) currently has a 208% TVPI fund performance since 2018. The IFBD’s social impact has been highlighted in The Economist’s [Helping Workers Get By](#) and The Big Issue’s [Top 100 Changemakers of 2020](#)¹. 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 (24x 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”. With over 300+ of the UK’s top employers employing over 750,000 frontline workers, to date they have prevented 100,000 predatory payday loans.

Ascension was recently named one of the top social impact funds in the UK by Beauhurst¹



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 per-sector, including:

- Fintech: savings enabled, customer segmentation (average income levels, geography), wages enabled
- Gig Economy: wages enabled, customer segmentation
- Energy: number of social clients as % to total clients, geography covered
- Insurtech: savings enabled, customer segmentation, % penetration and % penetration of target market

¹ <https://www.beauhurst.com/blog/impact-investing-funds>



In H2 '21, investee businesses from the **Fair By Design Fund ("FBD")** supported a total of **1,861,587** customers, up from **1,321,579** in H1 '21. The total estimated Poverty Premium reduction is **£192m** since inception (from **£67.4m** in H1 '21, a 2.84x increase). This equates to **£103** per person.

The fund focuses on the following areas:



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.

Deal-Flow & Co-Investment

Ascension believes in the power of its network to support businesses wishing to grow and flourish to Series A investment and beyond. In addition to the wealth of industry-specific knowledge and experience held by the Ascension team, Venture Partners and Mentors alike, the Fund embraces a co-investment approach, collaborating with the angel community and other Seed stage VCs. Ascension feels this philosophy not only increases deal-flow opportunities, but also the likelihood that portfolio companies are well capitalised and supported on their journey to Series A.

The Fund will co-invest into new EIS investment opportunities as a side-car to the existing IFBD, and will also consider relevant investment opportunities from other Ascension-managed funds.





Investment Process

Most target investments operate scalable, IP rich and tech enabled businesses. Ascension has adopted an investment approach that focuses on three key elements of any potential business: the **quality of the team, the robustness of the technology vs. competition, and market size/potential of the product.**

At the stage where the Fund invests (Seed-Series B), the **founding team is the most important consideration** - if the team is strong and combines a mastery of the problem they are trying to solve with a keen eye on commercial opportunities, Ascension will consider an investment. Typically, the team would have at least two co-founders with complementary skill sets: **CEO ('front of house') and CTO ('back of house').**

The Ascension team next focuses on the **quality of the technology** underlying each product, as well as its ability to create a moat around the market opportunity versus current or future competition.

Additionally, the investee target will have a compelling business model capable of rolling out in a large **market with global potential.**

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.

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

Due Diligence and Impact KPIs

In order to measure and regulate the impact on the Poverty Premium & Ancillary Themes of an investment, the Fund utilises a variety of KPIs to measure how impactful an investment is. Ancillary themes that can reduce these inequalities include democratising access to economic opportunity and better health.

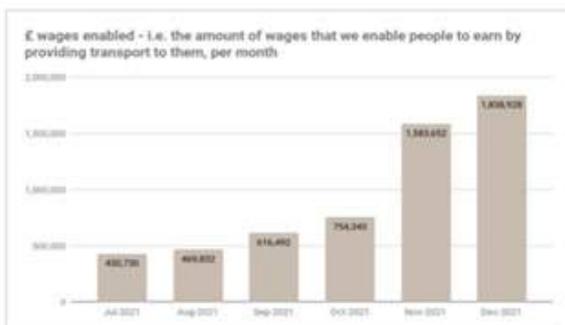
At Due Diligence ("DD") phase, Ascension seeks to find out to what extent the founder is committed to tackling the PP. This involves asking questions surrounding the purpose of the product, awareness of its impact on the PP, and how committed they are to reaching a target audience. The product is specifically tested to find out the degree to which it is inclusive and solves 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. At the Term Sheet phase, the founder agrees to report on social KPIs every quarter for Ascension to monitor the impact and report back to investors.

Across the portfolio, the team monitors and measures the total savings achieved on the PP on a quarterly basis and reports on it bi-annually. The tool used was developed by Ecorys and draws on the types and levels of the PP as quoted in the Bristol University research. 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 PP.

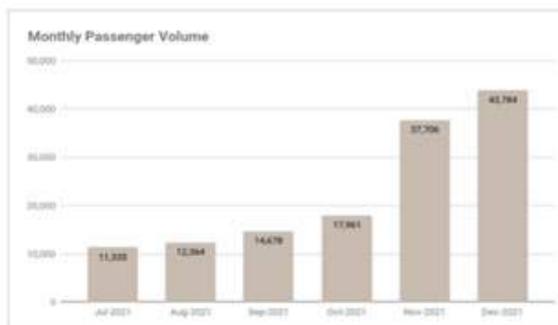


Key performance indicators

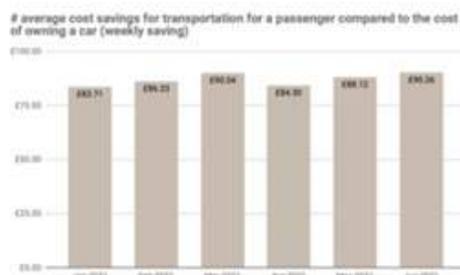
£ wages enabled



Passenger volume



average cost savings compared to the cost of owning a car



Qualitative Feedback

From Gap Personnel: "on a side note, your service is one I will be recommending to my work associates, and one I will certainly be using across my clients wherever possible going forward. Thank you for making my job a lot easier, I have had a very positive experience to date with Ride Tandem."

Fundraising update

Tandem secured fundraising, which provides runway through to H1 '23. The round was led by 1818 Ventures with participation from existing investors. This was c. £1m round, with an additional c. £200k expected through Seedrs in Q1 '22 and c. £250k extension from 1818 Ventures. Tandem is in conversations about extending the raise with c. £200k from the Low Carbon Innovation Fund

Post investment plans:

- Increase annual GMV by 5x (to £6.25m in 2022)
- Increase average portfolio take rate (from current level of 15%)
- Maintain 0% voluntary churn of clients
- Increase wages enabled and offset CO2 emissions by at least 5x

Key progress since last report

Second half of 2021 saw Tandem enable over £5m in wages (5x vs first half) and c. 4x more passenger journeys from first half of 2021.

- **GMV increase** - Tandem obliterated its 2021 targets, achieving £1.25m in GMV (versus the £750k anticipated in the previous report)
- Recent partnerships include: Gap Personnel, which signed up as a client after hearing positive feedback from another employment agency and being unhappy with its current service (provided by Tandem's main competitor, **Zeele**). Gap Personnel is also starting two new routes with Tandem, including one taking workers to a Hotel Chocolat factory
- Wiltshire County Council has included Tandem as part of its formal transport budget/bus service improvement plan for a shuttle route for a new housing development
- **Take rate uplift / gross margins** - at end of 2021, Tandem crossed 15%, and some of its most recent clients are being sold at higher margins

Annual turnover





Part Three

Key Terms



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 and relevant opportunities from other Ascension-managed funds, for commercial returns, with the benefits of EIS tax reliefs, and with the goal to eliminate the Poverty Premium (the extra cost of being poor) & Ancillary Themes that reduce these inequalities.

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. 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. 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. **UK tax incentives are dependent on individual circumstances and may be subject to change.**

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.

Investment and Management Fees

There are fees which are 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.

~~Target Returns~~



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 2.50% 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.

Business Investment Relief

For Investors who are UK resident non domiciled individuals ('Non Doms'), or UK domiciled and resident but not ordinarily resident individuals ('NORs'), who have claimed the remittance basis of taxation and who wish their investments to qualify for Business Investment Relief using our offshore account facility with our custodian, Mainspring.



Part Four

EIS Tax Relief



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:

Income Tax Relief (30%)	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)
Deferral of Existing CGT	Deferral of Capital Gains Tax ("CGT") 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
Loss Relief (up to 45% of loss)	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
Capital Gains Tax-Free (0%)	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)
Inheritance Tax Relief (up to 100%)	100% Inheritance Tax Relief (provided the investments have been held for at least 2 years at time of death)
Business Investment Relief ("BIR")	<p>Under BIR, the relevant foreign income and/or gains are treated as not remitted to the UK for the duration of the period that the BIR qualifying investments are held, and for up to 45 days before and after investment</p> <p>When Non Doms/NORs dispose of their BIR qualifying Investments, they must either transfer the proceeds offshore or reinvest in further BIR qualifying Investments during the 45 day period in order to prevent a taxable remittance from arising</p>

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.



Part Five

Ascension Team Overview



Ascension Team Overview

The Ascension Team

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

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.



Kip Meek
Chairman



Jean de Fougerolles
Managing Partner



Remy Minute
Partner



Emma Steele
Investment Director



Chris Wheatcroft
Investment Partner



Rakesh Murria
Chief Operating Officer



Nico Albanese
Investment Principal



Iulia Tudor
Portfolio Manager



Hadley Diest
Investment Manager



Alia Alenazi
Life Fund Associate



Sam Marchant
Investment Associate



Maryam Mazraei
Investor



Michelle Bendall
Finance



Eilish Saba
Operations Manager



Rockman Law
Operations Associate



Caspar Barrie
Marketing Associate



The Ascension Team



Kip Meek
Chairman

[Kip](#) is the Chairman of Ascension, Inquiry Chair at the Competition and Markets Authority (CMA), 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 and has over 20 years 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, a pioneer in interactive technology, where he became CEO and led its sale 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 in New York, having completed a Masters Degree in International Relations from Columbia University.

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



Emma Steele
Partner

Emma Steele is a Partner at Ascension and focuses on sector verticals across FinTech, Sustainability, and New Work.

Prior to joining Ascension in January 2018, Emma 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.



Remy Minute
Partner

[Remy Minute](#) 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 technology for nearly 20 years and is an active angel investor. Remy has been a Partner at Ascension since 2018 and is responsible for leading its (S) EIS investments with Jean and [Nico Albanese](#). 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](#), and others.



Rakesh Murria
Chief Operating Officer

[Rakesh Murria](#) is Ascension's Chief Operating Officer, and runs investor relations, operations and portfolio management. He joined Ascension in January 2019. Previously, Rakesh built a 20-year career within the technology, media, and telecommunications (TMT) sector, including roles such as Head of Strategy and Director of Product at 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.



Iulia Tudor
Portfolio Manager

[Iulia Tudor](#) is the Portfolio Manager, leading the work stream related to maximising the value-add to the portfolio. Iulia has spent nearly a decade working in tech - at the Startup Institute and at TechHub (one of London's oldest communities for startups) - in operations, community building and business development. She experienced first hand the challenges of expansion, built teams and planned/executed on go-to-market strategies. Previously, Iulia was at Digital Catapult where she focused on building relationships with the investor community and helped startups with their fundraising strategy.



Sam Marchant
Associate

Sam Marchant is an Associate at Ascension and is responsible for sourcing, screening and performing due diligence on investment opportunities for Ascension's Fair By Design fund. Sam also assists across the investor relations and fundraising functions of the business. Before joining Ascension, Sam co-founded a low sugar, vegan snack bar brand. Sam has personally invested in several high-growth, impact focused ventures.



Ascension Venture Partners (“VPs”)

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](#)

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



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



The Ascension EIS Fund Mentors (“Mentors”)

Ascension has assembled an experienced group of Mentors, 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.

The Mentors will contribute their expertise in building technology businesses, from start-ups to global companies operating within the sectors the Fund focuses on. When Ascension is considering investing into a business, it can call upon a relevant Mentor, 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, they offer valuable insight into whether the proposition 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.



Part Six

Ascension Track Record



Ascension Track Record

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

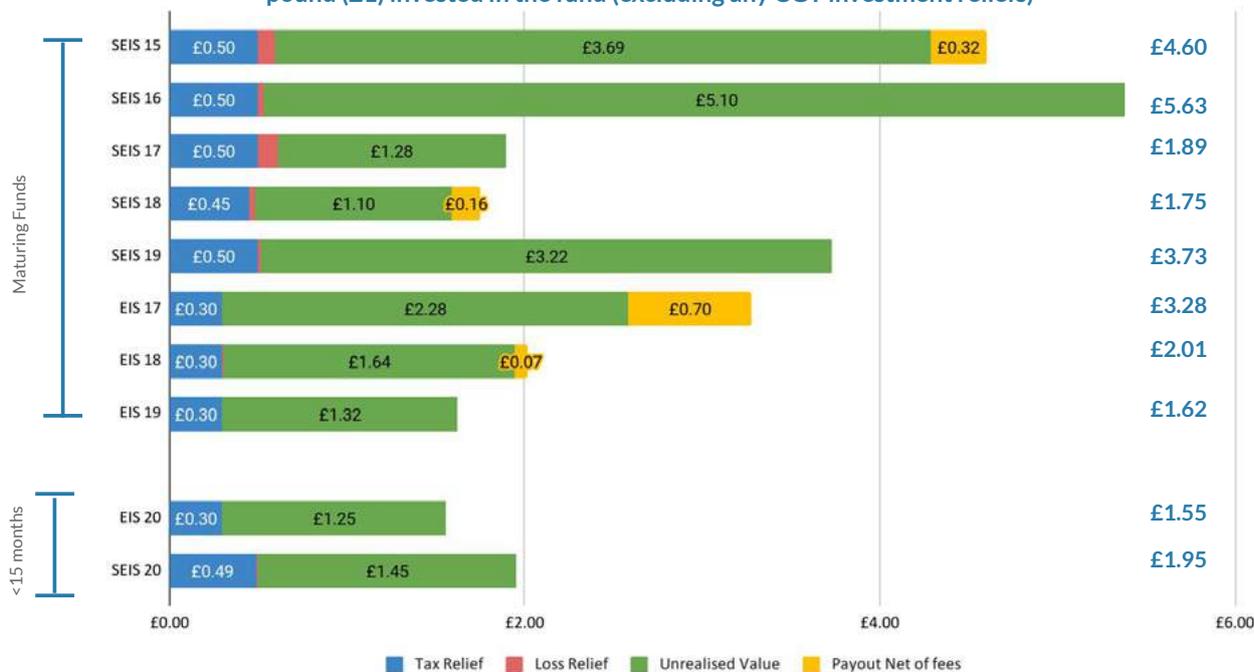
- Ascension has achieved 5 recent realisations: HQ Mobile Ltd at 5.6x (SEIS '15) and 1.45x (EIS '18), Mutt Motorcycles Ltd at 9.5x (SEIS '15, 50% partial exit) and 1.98x (EIS '18, 50% partial exit), Chilli Connect at 2.27x (SEIS '18), ZigZag at 6.4x (EIS '17) and most recently Loop at 4.3x (SEIS '16)
- More than 45 Ascension investments are currently valued at +200%
- Ascension portfolio companies are generating significant industry recognition, with four recently selected for prestigious Tech Nation cohorts:
 - Wagestream joined the [Future 50](#), a network of leading late-stage businesses - other companies include Cazoo, hopin and multiverse
 - Oxwash joined [Net Zero](#), a cohort which will be pivotal in the UK achieving net-zero carbon emissions by 2050
 - Beautonomy and Compare Ethics joined [Libra](#), a cohort of leading companies with at least one black founder
- Some of the biggest rounds for Ascension portfolio companies have occurred recently: Wagestream \$32m, Percent £20m, Lick \$22m, Vidsy £12m, MonolithAI £8.5m, Visionable £8m, WeGift £6m, Credit Kudos £6m, Moteefe £4m
- The EIS '17 is now valued at 298%, 3 years after being fully invested

The FBD Fund is now valued at 213% after 3 years (driven upwards by Wagestream, Credit Kudos, Tandem, Organise and We Are Digital - see selected investments below).

Company	Sector	Stage of Initial Investment (date)	Co-Investors
WAGESTREAM	Financial Inclusion	pre-Seed (04/18)	VILLAGE, LCIF, QED INVESTORS
switchee	Energy	Seed (03/18)	mustard seed, W way's
CREDIT KUDOS	Financial Inclusion	Seed (02/19)	NFT Ventures, e-ii, TriplePoint, AlbionVC
we are digital	Digital Inclusion	Seed (02/19)	W way's, TriplePoint, SP FUND
Kroydel	Digital Inclusion	Seed (12/18)	HAMBRO PERKS, RGA
mini beams	Energy	pre-Seed (09/18)	SET Ventures
STEADYPAY	Financial Inclusion	pre-Seed (12/19)	HAMBRO PERKS, 24HAYMARKET PRIVATE CAPITAL
Youtility	Energy	Seed+ (12/19)	BARCLAYS VENTURES, IPGL
Organise	Digital Inclusion	pre-Seed (01/18)	ada, FORM, RLC
CourtCorrect	LegalTech	pre-Seed (10/21)	20VC, VISIONARIES CLUB, RLC VENTURES



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

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)

Date 31st January 2022

Past performance is not a guide to future performance

As a policy, Ascension 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

Ascension has achieved 5 realisations since 2018, the most recent being 360Learning's acquisition of Loop. Others have come 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 partial exit (private equity purchased 50% of the SEIS '15 and the Funds' shares in Mutt Motorcycles Ltd) in June 2020.



Part Seven

Fund Infrastructure



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

Ascension Ventures Ltd (“the 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 six years (being mindful that EIS qualifying investments need to be held for at least three years). Investment returns, net of fees and charges, will be returned directly to the Investor, as they occur, and will not be reinvested.

Ascension is FCA authorised and a regulated UK Alternative Investment Fund Manager (AIFM).

Mainspring Nominees Limited (the Administrator and Custodian)

Mainspring Nominees Limited (“Mainspring”) is the Administrator (winner of the Fund Administrator of the Year at the 2021 Private Equity Awards) and Custodian, providing safe custody, administration and other services to the Fund. Mainspring Nominees Limited is authorised and regulated by the Financial Conduct Authority under number 591814.

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

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



Investor Updates & Events

Ascension will provide a bi-annual report to Investors detailing the progress of the Investee Companies and their impact. Five years after an investment in an investee business, portfolio reports will move to an annual basis each December.

Investors will also be invited to events organised by Ascension, where there will be a chance to meet members of the Ascension Team and a selection of portfolio companies. Investors wishing to get more information or who are interested in meeting more regularly are encouraged to inform Ascension's marketing lead, Caspar Barrie (caspar@ascension.vc).

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 (EIS3 Form) 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 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 by Ascension's custodian, Mainspring.

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

Ascension Syndicate

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 or co-investment from Investors within Ascension's (S)EIS funds. All Investors within this Fund may have pre-emption rights on the possible 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 they go through their potential funding rounds.

This Syndicate 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 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 offers Investors the opportunity to co-invest alongside Ascension, after consultation with the Investee Company, into future Ascension fund opportunities. If this is of interest, please email rakesh@ascension.vc.



Investors Eligible to Participate

The Fund is open for participation by prospective investors which can be categorised by the Manager as a Retail client under the rules of the FCA, subject to meeting certain regulatory requirements. Further information explaining how this categorisation can be affected, what it means, and the consequences thereof, is set out in the Investment Management Agreement.

Life of the Fund

In order to retain the EIS Reliefs, Investors must normally hold the Qualifying Shares acquired by the Manager for at least a three-year period, and no partial withdrawals are permitted within this time. It is intended that the Manager will consider options for realising the Qualifying Shares in the interests of the Investors after the expiry of the Three-Year Period.

With regard to the Three-Year Period and the feasibility of obtaining a realisation thereafter, the Fund has a target life of between three to six years, but there can be no guarantee that all Qualifying Shares will be realised within this period, or at all. The Manager may, in its absolute discretion, consider requests made to it by an Investor to liquidate any individual shareholdings in the Fund. 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 medium to long term. An investment should only be made in the Fund on the basis that it will remain invested for at least three to six years, and that you are prepared to lose your entire holding.

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



Part Eight

Timetable & How To Apply



Timetable & How To Apply

Online Application Process

If you wish to make a Subscription, please visit the Online Application Form by clicking below:

[Ascension Online Application](#)

This online application process includes any Anti-Money-Laundering (AML) and other regulatory checks to allow us to process your application smoothly.

Additional Information for Advisors

For advised clients, 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.

Advisors not already registered with Mainspring can use the link above to sign up and create an online account in a few easy steps. Investors can also add their advisor to their Application and they will be notified of their clients' submission with an automated email enabling them to review and confirm the Application.

Contact

If you have any questions about these documents or require any help filling in the Application Pack, please contact your Financial Advisor. Alternatively, please contact: rakesh@ascension.vc.

The Fund operates an Evergreen model, and will accept Subscriptions every quarter on an ongoing basis, with the Fund raising through 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



Fee Structure

Investment and Management Fees

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), but only 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
- All costs associated with the setting up of the Fund, including deal execution fees, Custodian and Administration Costs, all legal, share issue and start-up costs ("Fund Costs")
- Annual Administrator and Custodian fees
- All general day to day running costs of the Fund, including portfolio management

Fees for Follow-on Funding or Co-Investment

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.

Fund Investors may wish to co-invest ("Co-Investment") in an investment opportunity alongside the Fund.

The Fund structure allows Ascension to continue overseeing the execution and management process on an Investor's behalf for Follow-on Funding or Co-Investment, 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 Follow-on Funding rights or on any Co-Investment with the Fund, 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 or any Co-Investment, 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 paid to the Administrator and Custodian.

Performance Fee

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

- Standard Performance Fee of 20% of any returns to Investors above £1.10 per £1 of Subscriptions in the Fund
- 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 using the same structure as the Fund

VAT

All these fees are excluding VAT, but if applicable, may be added.



Part Ten

Risk Factors



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 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 not be considered a short-term investment. Any withdrawals within the Three-Year Period will result in the loss of EIS tax reliefs in relation to those 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 have no value at all. Accordingly, an Investor may potentially lose up to 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.

The past performance of investments 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.



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

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.

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.

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.

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, CGT Reliefs and potential IHT Reliefs may be lost if an Investor receives value from the Investee Company (other than a normal dividend), in the period from one year before the issue of Qualifying Shares to the expiry of the 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 Reliefs in respect of an Investment in that Investee Company. An investor will also be treated as connected to an Investee Company, and so not entitled to EIS or CGT Reliefs in respect of an Investment in that Investee

Company, if he or an associate is employed by the Investee Company (with some exceptions for individuals who are employed as directors).

Other Risks Relating to Taxation

Whilst it is the intention of the Manager to invest in companies qualifying under the 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 Information Memorandum 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 Information Memorandum 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.

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



Definitions

Reference	Description
Administrator and Custodian	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
Administrator and Custodian's Terms of Business	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 https://systems.mainspringfs.com/documents/ascension-ventures/custody-agreement/3ff The latest version can always be found on the Administrator and Custodian's website
Advised Retail Client	Any Retail Investor as defined in the FCA's Conduct of Business Sourcebook who receives investment advice from an IFA prior to making a Subscription into the Fund
AIF	An alternative investment fund (AIF) is defined in the Alternative Investment Fund Managers Directive (2011/61/EU) (AIFMD)
AIFM	Alternative Investment Fund Manager
AIFMD	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
AIM	The Alternative Investment Market (AIM) is a sub-market of the London Stock Exchange (LSE) that is designed to help smaller companies access capital from the public market



Reference	Description
Annual Management Fee	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
Applicable Laws	Relevant UK laws and regulations, including the FCA Rules
Application Pack	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: Online Application Form (Investor Details, Advisor Details, Appropriateness Questionnaires and Appendices) Investment Management Agreement Administrator and Custodians terms of business
Ascension Team	The team described in 'Part Five' of this Information Memorandum
Ascension Ventures or Ascension	Ascension Ventures Limited (CRN: 07766902) (FRN: 833108) is a UK based venture capital firm whose registered office is at 5 Theale Lakes Business Park Moulden Way, Sulhamstead, Reading, Berkshire, England, RG7 4GB The postal office is Tintagel House, 9th floor, 92 Albert Embankment, London SE1 7TY
Associate	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
AUM	Assets Under Management. Value of cash and securities currently under management by Ascension Ventures
Business Property Relief or IHT Relief	Relief from IHT pursuant to sections 103-114 of IHTA
CGT	Capital Gains Tax
CGT Deferral	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)



Reference	Description
CGT Exemption	Exemption from CGT on realised capital gains on disposal of Qualifying Investments (Sections 150A-B,E-F of TCGA)
CGT Re-investment Relief	Re-investment relief may enable an individual who has disposed of an asset - that would give rise to a chargeable gain - to treat a maximum of 50% of the gain as exempt from CGT, where they have reinvested all or part of the amount of the gain in SEIS qualifying shares
CGT Reliefs	The CGT Exemption and CGT Deferral
Closing Date	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
COBS	The chapter of the FCA handbook entitled the 'Conduct of Business Sourcebook'
Co-Investment	Investors may be able to invest additional capital alongside the Fund at their own discretion
EEA	European Economic Area
EIS	The Enterprise Investment Scheme set out in Sections 156-257 of ITA and Sections 150A - 150C of TCGA
EIS Compliance Certificate	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
EIS Income Tax Relief	Relief from income tax available under the EIS pursuant to sections 157 and 158 of ITA
EIS Loss Relief	Relief in respect of income tax for allowable losses pursuant to Section 131 of ITA
EIS Three Year Period	The period beginning on the later of the date that the Qualifying Shares are issued by the Investee Company and the date that the Investee Company commences trade, and ending three years after that date



Reference	Description
EIS Reliefs	EIS Income Tax Relief and EIS Loss Relief
Evergreen Fund	A fund that has no definitive closing date. The Fund will have multiple Closing Dates on the 4th April, 4th July, 4th October and 4th January each year. Once invested the investor has no right to redeem their investment.
Exit	A listing, offer for the entire share capital of a Company, winding up or other capital distribution
FCA	Financial Conduct Authority
FCA Rules	The FCA rules made under powers given to the FCA by the Financial Services and Markets Act 2000
Financial Advisor	A firm authorised by the Financial Conduct Authority to provide advice to investors and potential investors
Follow-On Funding Round	When an Investee Company subsequent to investment raises additional funds through an issue of shares, or debt
Follow-On Funding Round Fee	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
Force Majeure Event	An unforeseeable and unavoidable event that prevents the Manager, Investee company or an Associate from fulfilling contractual obligations to either the Fund or Investors
FSMA	Financial Services and Markets Act 2000
Fund	The Ascension Fair By Design Impact EIS, a discretionary investment management service managed by the Manager
Fund Costs	The costs associated with the setting up of the Fund, including deal execution fees, Custodian and Administration Costs, legal, issue and start-up costs
HMRC	HM Revenue & Customs
IHT	Inheritance Tax



Reference	Description
IHT Reliefs	Inheritance Tax Reliefs
IHTA	Inheritance Tax Act 1984
IM	This information memorandum issued in relation to the Fund and dated 31st January 2022
Income Tax Act or ITA	Income Tax Act 2007
Initial Charge	An initial charge payable to the Manager by the Investee Company
Intermediary	A person/company who promotes and markets the Fund to his/its clients and arranges the investment for the Investor
Investee Company	A Company in which the Fund invests
Investment	An investment into an Investee Company
Investment Management Agreement	The agreement to be entered into between Investors and the Manager
Investment Period	The period from which an Investor's Subscription is deemed to have been received through to a specific investee company realisation/exit
Investor	<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">• 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



Reference	Description
Investor Subscription Fee	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
Knowledge Intensive Criteria	A company defined as Knowledge Intensive as defined by the UK Government: https://www.gov.uk/guidance/use-the-enterprise-investment-scheme-eis-to-raise-money-for-research-development-or-innovation
Manager	Ascension Ventures Limited (CRN: 07766902) (FRN: 833108) is a UK based venture capital firm
Management Fee	The management fee payable to the Manager as described in 'Part Nine' of this IM
Mainspring Nominees Limited	Mainspring Nominees Limited is the Administrator and Custodian of the Fund and is authorised and regulated by the FCA, FRN: 591814
Minimum Fund Size	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
Minimum Subscription	Minimum investment by an Investor into the Fund of £25,000 or such lower amount as agreed by the Manager at its sole discretion
Nominee	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
Offshore Custodian	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
Performance Fee	The performance fee payable to the Manager as described in 'Part Nine' of this IM



Reference	Description
Portfolio	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 uninvested 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
Pre-Emption Rights	An Investor right that may apply on the issue of new shares by an 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
Qualifying Company	A company that meets the requirements for EIS as set out in Section 180 of ITA
Qualifying Investment	An Investment by an Investor in a Qualifying Company which satisfies all the conditions for EIS Reliefs
Qualifying Shares	Shares in an Investee Company, subscribed for by the Fund on behalf of Investors, that qualify for EIS Reliefs
Retail Investment Product	As defined in the FCA Handbook
SEIS	The Seed Enterprise Investment Scheme set out in Sections 257A-257HJ of ITA and Sections 150E-G of TCGA
Subscription	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
Target Fund Size	£2,000,000 unless increased or decreased at the absolute discretion of Ascension
Target Returns	A portfolio of Investee Companies will be chosen based on a minimum target return of 250% (not considering any tax reliefs), within 3-7 years
TCGA	Taxation of Chargeable Gains Act 1992

ASCENSION

The UK Seed Fund

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INFORMATION MEMORANDUM