

ASCENSION KNOWLEDGE INTENSIVE EIS FUND 2026

Investment Management

Agreement

The UK Seed Fund

— ascension.vc



Ascension EIS
Score



Top 50 Best
Performing
Investors



Top 50 UK
Venture Investors



Top 10 most active
London VCs over
past decade



Seed VC of the
year



One of the most active
impact VCs in Europe



UKs most active
impact investor

Ascension Knowledge Intensive EIS Fund INVESTMENT MANAGEMENT AGREEMENT October 2025

This Investment Management Agreement (the "**Agreement**") sets out the terms and conditions for the Ascension Knowledge Intensive EIS Fund.

Upon acceptance of an Investor's Application Form, this Agreement will constitute a binding contract between the Investor and the Manager.

Parties:

Ascension Ventures Limited, a company registered in England and Wales, acting as the Alternative Investment Fund Manager (FRN: 833108) (the "**Manager**" or "**AIFM**").

The individual or entity subscribing to the Fund as detailed in the Application Form (the "**Investor**").

1. Definitions and Interpretation

1.1. In this Agreement, unless the context otherwise requires, capitalised terms shall have the meanings set out in the Information Memorandum.

1.2. "Agreement" means this Investment Management Agreement.

1.3. "Application Form" means the application form completed by the Investor to subscribe to the Fund.

1.4. "Closing Date" means 3rd April 2026, the final date for the acceptance of Subscriptions into the Fund.

1.5. "Fund" means the Ascension Knowledge Intensive EIS Fund 2026, an HMRC Approved Knowledge-Intensive Alternative Investment Fund, established to invest in a portfolio of qualifying companies on behalf of Investors.

1.6. "Information Memorandum" means the Ascension Knowledge Intensive EIS Fund 2026 Information Memorandum dated October 2025, as may be amended or supplemented from time to time.

1.7. "Nominee" means MNL (Ascension) Nominees Limited, or such other entity as the Manager may appoint to hold legal title to the Fund's investments.

1.8. "Portfolio" means the collection of investments made by the Fund on behalf of the Investor.

1.9. "Subscription" means the total amount of money committed by the Investor to the Fund as specified in the Application Form.

1.10. References to Clauses and Schedules are to clauses of and schedules to this Agreement. Headings are for convenience only and do not affect interpretation.



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2. Appointment of the Manager

2.1. By completing the Application Form and having it accepted by the Manager, the Investor appoints the Manager on the terms of this Agreement to provide discretionary investment management services in respect of their Subscription to the Fund. The Manager accepts this appointment.

2.2. The Manager is authorised and regulated by the Financial Conduct Authority ("FCA") as a small registered UK AIFM (FRN: 833108).

2.3. The Investor will be categorised as a "Retail Client" for the purposes of the FCA's Conduct of Business Sourcebook (COBS), unless otherwise agreed in writing.

2.4. The Investor has the right to cancel this Agreement for a period of up to 14 calendar days from the day on which the Manager accepts the Investor's Application Form. In the event of cancellation, the Manager will procure the return of the Investor's Subscription, and all further provisions of this Agreement shall cease to apply.

3. Investor Declarations and Warranties

3.1. The Investor confirms and warrants that they have read and understood the Information Memorandum and this Agreement.

3.2. The Investor confirms that they meet the eligibility criteria for investment as set out in the Information Memorandum and fall into at least one of the following categories: a Certified High Net Worth Individual, a Self-certified Sophisticated Investor, a Certified Sophisticated Investor, or a Restricted Investor, as defined by the FCA's Conduct of Business Sourcebook.

3.3. The Investor acknowledges that this is a high-risk, illiquid investment and that they are prepared to lose their entire Subscription.

3.4. The Investor agrees to provide all necessary information and documentation for "Know Your Customer" (KYC) and Anti-Money Laundering (AML) checks.

3.5. For the purposes of maintaining the qualifying status of any investment for EIS, the Investor undertakes to notify the Manager immediately in writing if:

(a) they are, or become, "connected" with a portfolio company within the meaning of the Income Tax Act 2007 (as amended); or

(b) within the relevant holding period, they receive "value" from a portfolio company (other than by way of an ordinary dividend) within the meaning of the Income Tax Act 2007 (as amended).



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4. The Fund and Services

- 4.1. The minimum subscription to the Fund is £25,000, or such other amount as the Manager may agree at its sole discretion.
- 4.2. The Manager has full discretion over the management of the Fund's assets. This includes, but is not limited to, the selection, acquisition, and disposal of investments, exercising all shareholder rights such as voting and consents, making decisions on follow-on investments, and determining the timing and method of exits.
- 4.3. The Manager will invest the Fund's capital in accordance with the rules for an HMRC Approved Knowledge-Intensive Fund, which require at least 50% of the capital to be invested within 12 months of the Closing Date and 90% within 24 months. The Manager will aim to deploy the Investor's Subscription into a portfolio of approximately 10-12 qualifying companies.

5. Investment Objective and Policy

- 5.1. The Manager shall manage the Fund with the objective of generating capital growth by investing in a portfolio of high-growth UK technology businesses, as further detailed in the Investment Objective and Restrictions in Schedule 2.
- 5.2. The Manager will take all reasonable steps to ensure that investments are made in a manner consistent with the rules for the Enterprise Investment Scheme (EIS), but gives no warranty or guarantee that such tax reliefs will be available or maintained for any particular investment.

6. Custody and Administration

- 6.1. The Investor consents to the Manager appointing Apex Unitas Ltd (or such other firm as the Manager may appoint) to act as Administrator and Custodian, providing custody, administration, and client money services.
- 6.2. Legal title to the shares in portfolio companies will be registered in the name of the Nominee, which will hold them on a bare trust basis for the benefit of the Investors. The Investor shall be the beneficial owner of their proportionate interest in the Portfolio.

7. Fees and Expenses

- 7.1. The Investor agrees to pay the fees and expenses as set out in Schedule 1 to this Agreement.
- 7.2. The Manager is authorised to instruct the Custodian to deduct these fees directly from the Investor's cash balance held within the Fund or from the proceeds of the Portfolio as applicable.
- 7.3. All fees are exclusive of Value Added Tax (VAT), which will be charged where applicable.



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8. Reporting

- 8.1. The Manager will provide the Investor with an electronic valuation report every three months.
- 8.2. In addition, a portfolio report will be sent on a six-monthly basis for the first five years of an investment, after which portfolio reporting will become annual.
- 8.3. The Manager will arrange for the delivery of a single EIS5 certificate to the Investor, enabling them to claim tax relief on their total Subscription for the tax year in which the Fund closes. This certificate will be provided once it is received from HMRC following the requisite deployment of the Fund's capital.

9. Conflicts of Interest

- 9.1. The Manager maintains a written conflicts of interest policy, a copy of which is available on request.
- 9.2. The Investor acknowledges that the Manager and its associates provide services to other clients and funds, and that conflicts of interest may arise. The Manager will manage such conflicts fairly and in accordance with its policy and FCA rules.

10. Liability and Risk

- 10.1. The Manager will perform its duties with due skill, care, and diligence.
- 10.2. The Manager shall not be liable for any loss suffered by the Investor unless such loss arises directly from the Manager's negligence, wilful default, or fraud.
- 10.3. The Manager is not liable for the default of any third party, including the Nominee, Administrator, or Custodian, provided it exercised due skill and care in their selection and monitoring.
- 10.4. Force Majeure: The Manager shall not be liable for any failure, interruption, or delay in the performance of its obligations under this Agreement resulting from acts, events, or circumstances not reasonably within its control.
- 10.5. Knowledge-Intensive Company Risks: The Investor acknowledges the specific risks associated with investing in Knowledge-Intensive companies, including that the core technology of a company may fail to develop or become obsolete, that intellectual property may be challenged, and that such companies may require longer and more capital-intensive pathways to commercialisation.

11. Term and Termination

- 11.1. The Fund has an intended investment horizon of three to ten years from the Closing Date.
- 11.2. The Investor may not withdraw their Subscription or request the liquidation of their Portfolio before the Manager deems it appropriate to realise the investments. This investment is illiquid and must be held for the long term.
- 11.3. This Agreement shall terminate upon the final distribution of all cash and assets from the Investor's Portfolio.



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12. Confidentiality

12.1. Each party to this Agreement shall at all times keep confidential all information acquired in consequence of this Agreement, except for information which:

- (a) is or becomes public knowledge otherwise than by a breach of this clause;
- (b) it is required to disclose under compulsion of law or by any regulatory authority;
- (c) is given to its respective professional advisers where reasonably necessary; or
- (d) the other party has authorised for disclosure.

13. General Provisions

13.1. Notices: Any notice or other communication given under this Agreement must be in writing and may be delivered personally, sent by pre-paid first-class post, or by email to the address provided by the relevant party for such purpose.

13.2. Amendments: The Manager may amend this Agreement by giving the Investor not less than 30 days' written notice. An amendment may be made with immediate effect if necessary to comply with applicable laws or regulations.

13.3. Entire Agreement: This Agreement and the Application Form constitute the entire agreement between the parties and supersede all prior agreements.

13.4. Severability: If any term of this Agreement is held to be invalid, illegal, or unenforceable, the remaining terms shall remain in full force and effect.

13.5. Rights of Third Parties: A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

13.6. Governing Law and Jurisdiction: This Agreement shall be governed by and construed in accordance with the laws of England and Wales. The parties submit to the exclusive jurisdiction of the English courts.

13.7. Complaints and Compensation: Complaints should be directed to the Manager in the first instance. Eligible complainants may refer unresolved complaints to the Financial Ombudsman Service. The Administrator and Custodian are covered by the Financial Services Compensation Scheme (FSCS), subject to its rules and limits. The FSCS does not cover investment performance risk.



SCHEDULE 1: FEES AND EXPENSES

The Investor shall be liable for the following fees which will be deducted from their Subscription:

Up-front Investment Fee: 5% of the Subscription amount, payable upon subscription. The Investor acknowledges that this portion of their investment will not be eligible for EIS relief.

Deferred Annual Management Fee (AMF): A fee of 1% per annum (plus VAT). For years one to five, this fee is calculated on the total Subscription amount. From year six until year ten, the fee is calculated on the cost of the investments remaining in the Portfolio, subject to a minimum annual fee of 0.5% of the total Subscription amount.

Performance Fee: A tiered performance fee is calculated on a cumulative, fund-level basis on all distributed proceeds to the Investor, as follows:

- **Standard Performance Fee:** 20% of any distributed proceeds in excess of 130% of the Investor's total Subscription amount (i.e., a hurdle of £1.30 for every £1.00 subscribed).
- **Enhanced Performance Fee:** 30% of any distributed proceeds in excess of 230% of the Investor's total Subscription amount (i.e., a second hurdle of £2.30 for every £1.00 subscribed).
- **Follow-on Performance Fee:** A separate performance fee of 10% on any profits realised from a specific follow-on investment. This is calculated on returns above 100% of the gross amount invested in that follow-on funding round.

Follow-on Fee: 2.5% of the amount of any follow-on investment made on behalf of the Investor's Portfolio.

Transaction Fee: 0.25% of the gross proceeds realised from an exit, deducted from the distribution.

Initial Company Charge: The Manager may charge investee companies a fee of up to 5% of the amount invested by the Fund. This fee is not paid directly by the Investor.



SCHEDULE 2: INVESTMENT OBJECTIVE AND RESTRICTIONS

Investment Objective

To generate long-term capital growth through investment in a diversified portfolio of UK-based, unquoted, R&D-intensive companies that are developing scalable and defensible intellectual property and.

Investment Focus

The Fund will typically seek to invest in Knowledge-Intensive companies operating in sectors where the UK has shown a competitive advantage, such as:

- DeepTech & Applied AI
- Commerce
- New Work
- Fintech
- Health

Investment Stage

The Fund will invest in companies at the late-seed stage.

The Manager will, wherever practicable, seek Advance Assurance from HMRC prior to investing to confirm that a company is a qualifying investment for the purposes of the Enterprise Investment Scheme.

By signing the Application Form, the Investor confirms they have read, understood, and agree to be bound by the terms of this Investment Management Agreement.



ANNEX: MANAGER'S BEST EXECUTION POLICY

1. Purpose

This Annex summarises the arrangements put in place by the Manager under the FCA Rules to meet its obligation to take all reasonable steps to obtain the best possible result when executing orders in financial instruments on behalf of clients. The duty of best execution is owed by the Manager to a client only when the Manager has a contractual or agency obligation to the client. For the avoidance of doubt, the client in this instance is the Fund.

2. 'Execution Factors' and 'Execution Criteria'

In meeting our best execution obligation, we will take into account the following execution factors: price, costs, speed, the likelihood of execution and settlement, size, nature, or any other consideration relevant to the execution of the order. Additionally, when executing a client order, the following best execution criteria will be taken into account when determining the importance of the execution factors, which are the characteristics of the client (including their categorisation as a retail or professional client); client order, the financial instruments that are the subject of the order, and the execution venues to which the order can be directed (where relevant).

3. The Role of Price When Obtaining Best Execution

For a Retail Client, the best possible result will always be determined in terms of the "Total Consideration". The Total Consideration represents: a. the price of the financial instrument; and b. the costs related to execution, which will include any expenses incurred by you, which are directly related to the execution of your order. This can include: i. execution venue fees; ii. clearing and settlement fees; and iii. any other fees paid to third parties involved in the execution of the order. Therefore, when dealing, obtaining the best result in terms of Total Consideration will take precedence over the other execution factors listed above, and the other execution factors will only be given precedence over the immediate price and cost consideration insofar as they are instrumental in delivering the best possible result in terms of the Total Consideration.

4. Execution Venues

The Manager primarily executes deals in transferable securities, which are not admitted to trading on a Regulated Market or Multilateral Trading Facility (MTF). Transactions in unlisted securities will be effected on the best commercial terms which can be secured. The Manager considers that it will be demonstrated that all reasonable steps have been taken to obtain the best possible result when executing a client order in an unlisted security where this is in accordance with: a. the Investment Objectives of the Fund, as detailed in the Information Memorandum; and b. the factors set out in the Investment Management Agreement.



Appendix A | Definitions & Glossary

Term / Acronym	Definition
Advance Assurance	A statement from HMRC giving an opinion on whether a proposed share issue is likely to qualify for EIS. It is not a binding guarantee.
AIF (Alternative Investment Fund)	A collective investment vehicle, such as the Fund, regulated under the UK AIFMD regime.
AIFM (Alternative Investment Fund Manager)	The firm with legal responsibility for managing an AIF (in this case, Ascension Ventures Ltd). Also defined as Alternative Investment Fund Manager.
AIFMD	The Alternative Investment Fund Managers Directive (AIFMD) is a UK transposition of a European Union (EU) directive that applies to hedge funds, private equity funds, and real estate funds.
Annual Management Fee (AMF)	The annual management fee payable to Ascension Ventures Ltd as described in 'Part Nine' of the Information Memorandum.
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 the Online Application Form, Investment Management Agreement, and the Administrator and Custodians terms of business.
Approved KI EIS Fund	An HMRC-approved fund under ITA 2007 s.251 that allows investors to claim tax relief for the tax year the fund closed via a single EIS5 certificate.
AUM	Assets Under Management. Value of cash and securities currently under management by Ascension Ventures.
BPR (Business Property Relief)	An Inheritance Tax relief that can provide 100% exemption from IHT on qualifying assets after a two-year holding period. Also referred to as relief from IHT pursuant to sections 103-114 of IHTA.
Business Investment Relief	Relief for non-domiciliaries from tax on remitted income or gains pursuant to sections 809VA-809 VO of ITA.
CGT (Capital Gains Tax)	UK tax on the profit realised from the sale of certain assets.



Appendix A | Definitions & Glossary

Term / Acronym	Definition
Custodian	An independent, regulated financial institution responsible for holding the Fund's assets (investors' cash and share certificates) for safekeeping.
Distribution	The process of paying out the cash proceeds from an Exit to the Fund's investors.
EIS (Enterprise Investment Scheme)	A UK government scheme providing a range of tax reliefs to investors who subscribe for shares in qualifying early-stage companies. Set out in Sections 156-257 of ITA and Sections 150A-150C of TCGA.
EIS3 Certificate	A form issued by an investee company to an investor to certify that their investment meets the criteria of the Enterprise Investment Scheme.
EIS5 Certificate	The official form issued by the Manager of an Approved Fund (with HMRC authority) to investors, enabling them to make their EIS tax relief claims on their total subscription to the fund.
Exit (or Realisation)	The sale or disposal of the Fund's shares in a portfolio company to 'realise' its value. Can include a listing, an offer for the entire share capital of a Company, a winding up, or other capital distribution.
FCA (Financial Conduct Authority)	The UK's conduct regulator for financial services firms.
FPO	Financial Services and Markets Act 2000 (Financial Promotion Order 2005 as amended).
FSCS (Financial Services Compensation Scheme)	A statutory safety net that can compensate consumers if an authorised financial services firm fails.
FSMA	The Financial Services and Markets Act 2000, the primary UK legislation governing financial services regulation.
HMRC	His Majesty's Revenue & Customs, the UK's tax authority.



Appendix A | Definitions & Glossary

Term / Acronym	Definition
Hurdle	A minimum rate of return that must be achieved at the fund level before the Manager is entitled to charge a Performance Fee.
IHT (Inheritance Tax)	UK tax on the value of an estate transferred on death.
Investee Company	A Company in which the Fund invests.
Investment Management Agreement	The agreement to be entered into between Investors and the Manager.
KIC (Knowledge-Intensive Company)	A specific category of company under EIS rules, often with high R&D expenditure, which allows for higher annual investment limits for Investors.
Late-Seed	A stage of venture capital funding that sits between the initial seed round and a formal, larger Series A round.
Loss Relief	A tax relief that allows an investor to offset a loss from the disposal of qualifying EIS shares against either their income tax or capital gains tax.
Multiple	A measure of investment performance, calculated by dividing the gross proceeds from an exit by the amount of capital initially invested.
Nominee	A separate legal entity that holds the legal title to the shares on behalf of the beneficial owners (the Investors).
Performance Fee	A share of the Fund's profits paid to the Manager, typically after Investors have received back their initial capital plus a minimum preferred return (the hurdle).
Portfolio	The collection of all investments made and held by the Fund on behalf of its investors.
Qualifying Company	A company that meets the requirements for EIS as set out in Section 180 of ITA and/or ITA07/S252A, as applicable.
Qualifying Investment	An Investment by an Investor in a Qualifying Company which satisfies all the conditions for EIS Reliefs.



Appendix A | Definitions & Glossary

Term / Acronym	Definition
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.
Series A	The first significant round of venture capital financing a company receives from institutional investors, typically after demonstrating product-market fit.
Subscription	The amount of money committed by an investor to the Fund.
TCGA	Taxation of Chargeable Gains Act 1992.
Unquoted Company	A company whose shares are not listed or traded on a public stock exchange, making them inherently illiquid.
Valuation	The process of determining the current worth of a company.



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