par equity

Par KI EIS Fund IV

Key Information Document

November 2025
Confidential

pxn INVESTMENTS

Key Information Document

Purpose

This document provides you with key information about the Par Knowledge Intensive EIS Fund ("the Fund"). It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product, and to help you compare it with other products.

Product

Name of Product: Par Knowledge-Intensive EIS Fund IV.

Name of Product Manufacturer (Fund Manager): Par Fund Management Limited ("Par Equity") *www.parequity.com*.

Call (0)131 556 0044 for more information.

Par Fund Management Limited is authorised and regulated by the Financial Conduct Authority ("FCA"). FRN: 485668

This document was produced in December 2025.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.

What is this Product?

Type

The Fund is classified as a Restricted Mass Market Investment and as such may not be freely promoted to all consumers. It may be promoted to certain classes of retail investor under the FCA's rules as a non-real time promotion, the details of which are set out in COBS 4.12A. As an EIS Fund, the Fund has no legal personality, there is no pooling of assets and investors invest directly in the shares of underlying companies ("Portfolio Companies"). Such investments are typically held for at least three years and generally rather longer. As and when holdings in Portfolio Companies are sold, proceeds are distributed to investors.

Objectives

The Fund objectives are (1) to invest in unlisted shares issued by high growth potential Portfolio Companies offering the possibility of significant capital appreciation and (2) to allow investors to benefit from tax reliefs available under the Enterprise Investment Scheme ("EIS").

EIS is one of two venture capital schemes administered by HM Revenue & Customs and is intended to stimulate the provision of risk capital to early-stage companies based in the United Kingdom. Investment in early-stage companies involves long-term illiquidity and risk to capital. Reliefs available under EIS may only ever mitigate, rather than eliminate, such risks. Further information on EIS is contained in the Information Memorandum and, as the benefits of EIS are not within the scope of the specified information to be included in a KID, the potential benefits of EIS are not capable of being included in the analyses set out in this document.

Intended retail investor

The Fund is intended for retail investors with substantial investment portfolios and/or high levels of taxable income, who are sufficiently knowledgeable about investment to understand the nature of the Fund (in the context of any financial advice they may receive in connection with it), have a long-term investment horizon and who have the ability to tolerate investment risk, including risk to capital and illiquidity. The Fund may also be suitable for investors who wish to use EIS as a tax planning tool, bearing in mind that investment risks may outweigh any tax planning benefits of EIS.

What are the risks and what could I get in return?

Summary Risk Indicator

1 2 3 4 5 **6** 7

The risk indicator assumes that you hold all investments until each reaches an Exit Event, which may be seven years on average. The actual risk can vary significantly if you cash in at an early stage and you may get back less than you invested. You may not be able to sell your investments easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of the Fund compared to other financial products. It shows how likely it is that the Fund will lose money because of movements in the markets or because we are not able to pay you. We have assigned a risk indicator score of 6, which is the second-highest available risk class. This is because the Fund is invested in unlisted securities, in respect of which there is no market data and thus no ability to generte a reference price with the required frequency (not less often than monthly), yielding a market risk score of 6. Where a market risk score of 6 has been assigned, the Risk indicator score is 6 irrespective of what level of credit risk is assigned. In the case of the Fund, credit risk arises while your cash is awaiting investment (generally for around six months on average, but some cash may be at risk for a year) and when sale proceeds arising from the liquidation of an investment holding are generated. In each scenario, monies are deposited with a major UK financial institution in a segregated client money account. You should also be aware that investments in unlisted shares are highly illiquid. It may be impossible to sell such shares other than as part of an Exit Event and the likelihood, timing and value of Exit Events are highly uncertain. **The Fund does not include any capital protection from future market performance so you could lose some or all of your investment. The summary risk indicator does not take into account your personal tax situation, which may also affect how much you get back.**

Investment Performance Information

What are the main factors likely to affect future returns?

The Fund will invest in unlisted shares issued by small companies, at an early stage of development, with the potential for high growth but also carrying a high level of risk. Value is typically realised through the outright sale of Portfolio Companies or, less commonly, the sale of shares following a listing ("an exit"). The timing of such events is uncertain, and indeed they may not occur at all, even if a Portfolio Company doesn't fail – and many do. Investors should also be aware that early-stage investors may be diluted by later investors, especially as such later arrivals often require that they are issued with preferred share classes that give them a priority return over ordinary shareholders.

How can I assess the Fund's performance?

There is at present no relevant index for venture capital investment, but we have selected a pre-tax annualised realised return, after all fees and charges, of 15% as our benchmark. This is broadly comparable to the long term average return of the European venture capital market. Diversification is key to reducing volatility of returns when it comes to venture capital investment, so investors may wish to consider building a portfolio of holdings in different funds, with different managers, over a period of years.\

What could affect my return positively?

Occasionally an investment may perform very strongly, generating a return of over ten times the money invested. One such investment would turn an entire subscription profitable, with other, less profitable, investments enhancing the return. Within a portfolio of fewer than ten investments, however, such an exit can't be relied upon.

What could affect my return negatively?

A high level of Portfolio Company failures is the most likely cause of underperformance or loss, as in such cases investors will likely lose all money invested in the relevant companies. Equally, businesses that survive but which fail to achieve high growth may take some time to realise, and the value achieved could be low.

What effect might severely adverse market conditions have?

It is not possible to redeem or encash an investment in the Fund. Adverse market conditions can lead to a slowdown or even pause in acquisition activity and /or flotations, which can delay the point at which exits can be achieved, or reduce the value of such exits, but this will be more of a timing issue than a value issue. Almost irrespective of market conditions, it's generally very hard to sell individual holdings in Portfolio Companies, and even in the event that such secondary sales are possible, the proceeds are unlikely to reflect the value that would be achieved in connection with a successful exit.

What about EIS?

EIS reliefs have the potential to enhance returns on capital (income tax relief) as well as producing an asymmetric post-tax return profile (loss relief reduces the blow of losses while the CGT exemption means that gains are tax-free). Other tax advantages can provide further benefits. The availability of such reliefs, however, is dependent on individual investors' circumstances and you should not make investment decisions based purely on tax.

What happens if Par Equity is unable to pay out?

You will retain the equivalent of direct ownership of the underlying investment assets (shares and uninvested cash, less fees) at all times (shares will be held via a nominee under a bare trust, leaving you with the entire beneficial interest). Accordingly, the issue of whether Par Equity is or is not able to pay out does not arise. Client money accounts and the nominee company that holds shares as trustee for investors are operated by the Fund's administrator, Kin Capital Partners LLP ("Kin"). A failure of Kin might lead to some temporary inconvenience, but should not result in your losing money. If you are an eligible claimant under its rules you may, in any case, have recourse to the Financial Services Compensation Scheme, but not in relation to poor investment performance.

What are the costs?

The reduction in yield ("RIY") shows what impact the total costs you will pay will have on an investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

Cost over Time

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. We do not charge early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future. The return scenario used is the "Moderate" scenario (which triggers a performance fee). You should note that, at a rate of 20%, once the performance fee hurdle has been reached, aggregate fees can increase significantly.

The person selling you or advising you about the Fund may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Scenarios

	£10,000 invested	1 year		4 years		7 years (recommended holding period)	
Investor type		Advised	Non-advised	Advised	Non-advised	Advised	Non-advised
Total costs		£200	£400	£500	£700	£800	£1000
Impact on return (RIY) per year		-2.00%	-4.00%	-1.25%	-1.75%	-1.14%	-1.43%

This table shows the impact on return per year over seven years, based on an investment of £10,000

Composition of Costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get back at the end of the recommended holding period
- The meaning of the different cost categories

One-off costs	Entry costs	0.14% (£100, or £14/year) for Advised investors 0.43% (£300, or £43/year) for Non-advised Investors	The impact of the costs (1.0% of investment amount) you pay when entering your investment.
Ongoing costs	Other ongoing costs	1.00% (£700, or £100/year), maximum	The impact of the costs that we take each year for managing your investments (1.00% of investment amount, net of realisations).
Incidental costs	Performance fees	0.18% (£125, or £18/year) for Advised Investors 0.10% (£72, or £10/year) for Non-advised Investors	The impact of the performance fee. We take this from your investment proceeds (net of all other fees and costs and your original investment amount)

Par Equity charges arrangement fees (5% of capital invested) to Portfolio Companies on making an investment, as well as recovering the cost of third party advisors used in connection with the investment. It also charges monitoring fees (up to 1.25% of capital invested, annually) to Portfolio Companies. The link between such fees and an investor in the Fund is nebulous. Arrangement fees paid and transaction costs reimbursed by a Portfolio Company will reduce the net proceeds available to that Company from a fundraising, but quantifying the notional effect of this is practically-speaking impossible, as costs attributed to the Fund will depend on the Fund's percentage shareholding in the Portfolio Company and on a range of factors specific to that Company, such as whether it is profitable, generating positive cash flow and so on. Moreover, Portfolio Companies will be valued, in connection with a sale or listing, on the basis of projected future performance and recent past trading. In relation to valuation techniques looking at past trading, values will be estimated by applying multiples of turnover and/or profit. For this purpose, profit numbers will be adjusted to strip out costs such as monitoring fees that would cease to apply going forward.

How long should I hold it and can I take my money out early?

Your money will be invested in unlisted shares. These shares are highly illiquid as there is no ready market for them. The articles of association of Portfolio Companies may in addition impose restrictions on the sale or transfer of such shares. Accordingly, you are most likely to realise sale proceeds from a Portfolio Company, not by attempting to sell shares at a time of your choosing, but by holding them until there is a sale of the entire company, or a listing of its shares on a stock market. In certain circumstances, you may realise some value through dividends, share buy-backs or a distribution of assets on a winding up, but this is unlikely to be material to the performance of your investment. You should expect to hold your shares for some time – many years, potentially. Furthermore, you will need to hold your shares for at least three years in order to derive certain key benefits of EIS.

How can I complain?

Par Equity and Kin have established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available on request.

Complaints may be made to Par Equity or Kin in writing (by mail or email) or orally (by telephone or face-to-face) using the contact details provided above. If for any reason Par Equity or Kin fails to resolve a complaint to your satisfaction, and you meet the eligibility criteria (see www.financial-ombudsman.org.uk), you should be able to bring complaints to the Financial Ombudsman.

Other relevant information

We have produced a comprehensive Information Memorandum relating to the Fund which is the basis on which the Fund is promoted. If you have not already received a copy of the Information Memorandum, or have mislaid it, please contact us (using the contact details on page 1) and we will provide you with a copy. While this KID may help you compare different EIS fund offerings, we strongly suggest that you and/or your adviser read each KID in conjunction with and not instead of the relevant EIS fund's information memorandum. You may also wish to consult independent research reports, which are often available in respect of EIS funds.