Don't invest unless you're prepared to lose all your money invested. This is a high risk investment. You could lose all the money you invest and are unlikely to be protected if something goes wrong. Take 2 minutes to learn more on page 6

Blackfinch Adapt IHT Portfolios

Factsheet November 2022

The Adapt IHT Portfolios are an Inheritance Tax solution with options focused on environmental, social and governance (ESG) factors. Clients can invest in firms operating across renewable energy generation and energy infrastructure assets, property development finance and asset-backed lending. We offer four model portfolios, targeting returns from 3-5%+.

Over £650 million
Group Assets Under Management

1873
Total Clients in Service

172
Exits Facilitated due to Client Death

£320m
Adapt IHT Portfolios AUM

100%
Business Relief Success[1]

Cumulative Performance

	1 Year 30/11/2021 - 30/11/2022	3 Years 30/11/2019 - 30/11/2022	5 Years 30/11/2017 - 30/11/2022
Ethical	4.08%	8.81%	16.10%
Balanced	3.34%	8.76%	19.81%
Balanced Growth	3.33%	9.67%	21.61%
Growth	3.31%	10.53%	23.34%

Discrete Performance

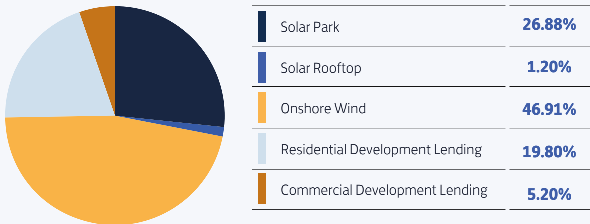
	YTD	YTD Annualised	2021	2020	2019	2018	2017
Ethical	3.94%	4.31%	2.05%	2.32%	3.38%	3.22%	2.72%
Balanced	3.15%	3.45%	2.70%	2.35%	4.83%	4.82%	4.71%
Balanced Growth	3.12%	3.41%	3.12%	2.74%	5.34%	5.11%	4.91%
Growth	3.08%	3.38%	3.52%	3.10%	5.83%	5.39%	5.10%

Past performance cannot be taken as a guarantee of future performance. Please read the disclaimer on page 5 of this factsheet.

BLACKFINCH INVESTMENTS

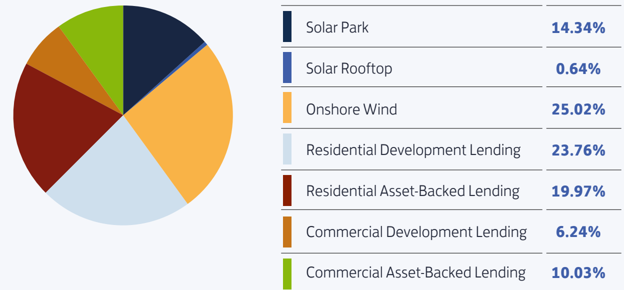
Typical Asset Allocations[2]

Ethical Portfolio



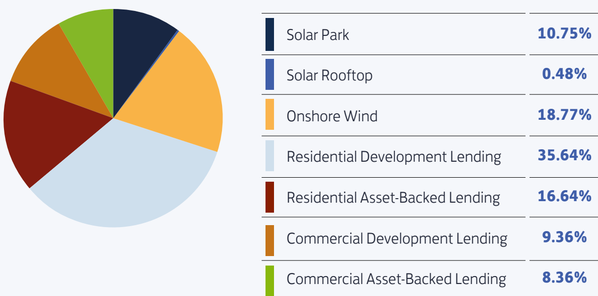
Target Return	**3.0%**
Average LTV	**58.86%**
Asset-Backed Lending/Property/Renewables	**0%/25%/75%**
5 Year Sharpe Ratio[3]	**5.12**
Standard Deviation[4]	**0.048**
Independent Directors	**Yes**
% of business UK-based	**100%**
% First Charge	**100%**

Balanced Portfolio



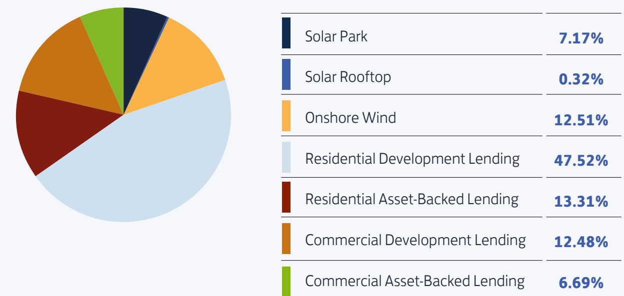
Target Return	**4.0%**
Average LTV	**58.14%**
Asset-Backed Lending/Property/Renewables	**30%/30%/40%**
5 Year Sharpe Ratio[3]	**6.81**
Standard Deviation[4]	**0.064**
Independent Directors	**Yes**
% of business UK-based	**100%**
% First Charge	**100%**

Balanced Growth Portfolio



Target Return	**4.5%**
Average LTV	**58.34%**
Asset-Backed Lending/Property/Renewables	**25%/45%/30%**
5 Year Sharpe Ratio[3]	**7.51**
Standard Deviation[4]	**0.073**
Independent Directors	**Yes**
% of business UK-based	**100%**
% First Charge	**100%**

Growth Portfolio



Target Return	**5.0%**
Average LTV	**58.50%**
Asset-Backed Lending/Property/Renewables	**20%/60%/20%**
5 Year Sharpe Ratio[3]	**7.75**
Standard Deviation[4]	**0.082**
Independent Directors	**Yes**
% of business UK-based	**100%**
% First Charge	**100%**

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ESG Committed

Underlying Diversification with an ESG Focus

BLACKFINCH INVESTMENTS

65
Number of Energy Assets

53
Number of Loans

We're committed to ESG principles, which are embedded in our investment processes and reflected in our evolutionary values. As part of our commitment we're a signatory to the Principles for Responsible Investment.

Our work includes investments in renewables and property development, making for a positive ESG impact. We continue expanding our solar and wind energy sites across the UK. Meanwhile our lending work helps to rejuvenate urban areas and boost local economies. Together we're working for a more sustainable future.

Liquidity

	3 Months 31/08/2022 - 30/11/2022	**1 Year** 30/11/2021 - 30/11/2022	**5 Years** 30/11/2017 - 30/11/2022
Funds raised	£13,688,709	£84,705,594	£287,092,158
Number of new portfolios	119	468	1588
Average Withdrawal Time (days)	2	7	10
Total number of client withdrawals	5	31	169
Total withdrawal amount	£248,651.23	£3,763,195.62	£18,854,003.50
Average annualised return to client (TWRR)[5]	3.73%	3.33%	4.28%
% met by matched bargain	100.00%	100.00%	100.00%

Average age of investors	78
Average remaining loan term (months)	9

	3 Months 31/08/2022 - 30/11/2022	**1 Year** 30/11/2021 - 30/11/2022
(Inflows/Service AUM)	5.24%	26.90%
(Inflows/Outflows)	400%	704%

[1]This figure relates to the percentage of clients in the service we believe to have qualified for Business Relief upon death. Although we cannot state this for certain, as Business Relief qualification is assessed by HMRC on a case-by-case basis, we are yet to be made aware of any clients that have failed to qualify.
[2]Typical asset allocation is based on the current allocation policy, current portfolio and predicted medium term strategy but can not be guaranteed.
[3]Please note that the Sharpe Ratio of any instrument or portfolio only measures the risk taken in relation to historic price volatility to achieve surplus returns above the risk-free rate and does not directly factor in any other class of risk. As with any investment, an investment in the Adapt IHT Portfolios carries an exposure to a range of different risks and it is the responsibility of advisers to consider the overall risk exposure of any investment when assessing its suitability for their clients.
[4]This figure has been calculated over a 5-year period at monthly intervals.
[5]These figures relate to the average Time-Weighted Rate of Return achieved by clients exiting the service within the given date range. They do not include clients transferring into or out of the service.

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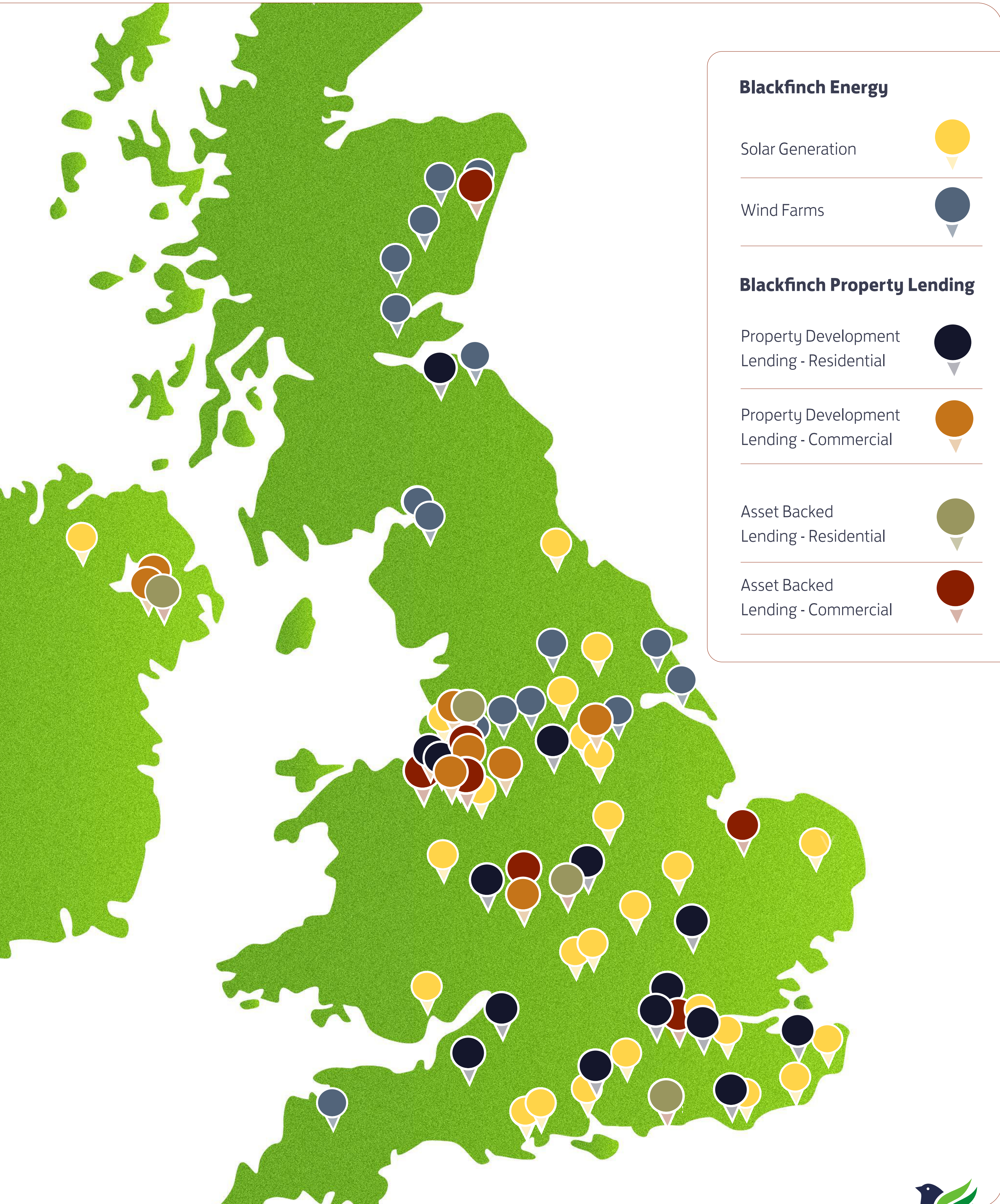
ESG Committed



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ESG Committed

BLACKFINCH INVESTMENTS

Glossary

Assets Under Management (AUM)
The total market value of investments in the service that we manage on behalf of clients.

Average Withdrawal Time (Days)
The average number of calendar days it takes for a client to receive their funds for the given period, once we've received all necessary documentation.

Average Annualised Return to Client
The arithmetic mean of each Time-Weighted Rate of Return achieved by clients exiting the service for the given period.

Funds Raised
New investments in the service for the given time period.

Number of New Portfolios
The number of new portfolios created for the given period.

Inflows/Outflows
Shows what percentage of fundraising was against total outflows for a given period. A higher number means that we can provide liquidity more easily through fundraising than by buying back clients' shares. A number higher than 100% indicates that fundraising is higher than redemptions and that liquidity on a matched-bargain basis hasn't been an issue. A number less than 100% indicates that redemptions are higher than fundraising, reflecting a potential liquidity issue.

Inflows/Service AUM
Shows what percentage of fundraising was against the service's total AUM for a given period. A higher percentage means that we can provide liquidity more easily through fundraising rather than by buying back clients' shares.

Time-Weighted Rate of Return (TWRR)
Time-Weighted Rate of Return is a measure of the compound rate of growth for a given portfolio. Return is calculated between intervals at which funds have been added or withdrawn, eliminating the distorting effect this can have on overall growth calculations.

Total Number of Client Withdrawals
The total number of portfolios encashed/redeemed for the given period.

Total Withdrawal Amount
The total cash amount withdrawn for the corresponding number of clients that have encashed/redeemed their portfolios for the given period.

5-Year Sharpe Ratio
A measure of the return against risk taken, relating to volatility. Volatility is a measure of the fluctuations of returns of an asset or portfolio. Any figure over 1 is a good thing. This ratio represents the average return earned in excess of the total risk taken, also expressed as the risk-free rate per unit of volatility. We've taken the risk-free rate to be the yield of a 5-year UK bond.

% Met by Matched Bargain
Indicates the percentage of clients looking to withdraw capital in a given period for whom we sold shares to new clients on a matched bargain basis. This creates potentially better taxation outcomes.

IMPORTANT INFORMATION

Capital at Risk. This factsheet is being issued by Blackfinch Investments Limited (Blackfinch), which is authorised and regulated by the Financial Conduct Authority (FCA number 153860). Registered address: 1350–1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH. Registered in England and Wales Company Number 02705948.

The factsheet is based on a model portfolio. No guarantee can be made as to the composition of any individual portfolio. All figures are correct at the time of compilation. Any decision to invest in this service should not be based on this factsheet but rather made on the basis of the information contained in the brochure, and the terms and conditions.

Prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of investing and the risk involved. Prospective investors should not treat the contents of this factsheet as advice relating to legal, taxation or other matters. If in any doubt about the information discussed in this document, its suitability, or what action should be taken, the investor should consult their own professional advisers.

ESG Committed

Risks

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk.

What are the FCA key risks?

1 - You could lose all the money you invest
If the business you invest in fails, you are likely to lose 100% of the money you invested. Most start-up businesses fail.

2 - You are unlikely to be protected if something goes wrong
Protection from the Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover poor investment performance. Try the FSCS investment protection checker (https://www.fscs.org.uk/check/investment-protection-checker).

Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, FOS may be able to consider it. Learn more about FOS protection (https://www.financial-ombudsman.org.uk/consumers).

3 - You won't get your money back quickly
Even if the business you invest in is successful, it may take several years to get your money back. You are unlikely to be able to sell your investment early.

The most likely way to get your money back is if the business is bought by another business or lists its shares on an exchange such as the London Stock Exchange. These events are not common.

If you are investing in a start-up business, you should not expect to get your money back through dividends. Start-up businesses rarely pay these (https://www.financial-ombudsman.org.uk/consumers).

4 - Don't put all your eggs in one basket
Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well.

A good rule of thumb is not to invest more than 10% of your money in high-risk investments (https://www.fca.org.uk/investsmart/5-questions-ask-you-invest).

5 - The value of your investment can be reduced
The percentage of the business that you own will decrease if the business issues more shares. This could mean that the value of your investment reduces, depending on how much the business grows. Most start-up businesses issue multiple rounds of shares.

These new shares could have additional rights that your shares don't have, such as the right to receive a fixed dividend, which could further reduce your chances of getting a return on your investment.

If you are interested in learning more about how to protect yourself, visit the FCA's website (https://www.fca.org.uk/investsmart).