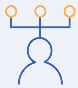
Don’t invest unless you’re prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong. Take 2 minutes to learn more on page 2

Blackfinch Adapt IHT Portfolios

Reasons Why



Choose From Four Portfolios

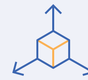
We give clients a broad selection of investments, based on their requirements. There is a choice of four portfolios, each with its own target return: (Ethical 3%, Balanced 4%, Balanced Growth 4.5% and Growth 5%+). This helps advisers select a portfolio which best meets a client’s objectives and attitude to risk.

Full ESG Overlay

As a signatory to the Principles for Responsible Investment (PRI) we’re committed to helping create a more sustainable global financial system. We incorporate Environmental, Social and Governance (ESG) considerations into the investment analysis and decision-making processes for our Adapt IHT Portfolios, and our portfolio companies report on their ESG-related activities and progress.

100% Business Relief Success Rate

The Adapt IHT Portfolios are designed to provide an exemption to IHT, subject to being held for a minimum of two years and at the point of death. To date, we are yet to be made aware of any clients (with investments of two years plus) that have failed to qualify for BR.



Diversification Across Three UK sectors

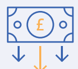
The IHT portfolios offer diversification across up to three UK sectors: property development lending, renewable energy and asset-backed finance.
The portfolios have access to the same underlying portfolio companies, but with different allocations to suit different return requirements.

Market-Leading Returns

We believe high-quality investments lead to better outcomes for our clients. For example, the performance of the Adapt IHT Portfolios has been independently acknowledged by tax investment expert Martin Churchill*, who noted that the Growth Portfolio has delivered one of the highest levels of returns to investors from among the asset-backed IHT-efficient peer group over five years.

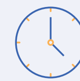
Direct Payment Scheme

Dealing with IHT liabilities can be a painful and lengthy process for families. To combat this, we facilitate HMRC’s Direct Payment Scheme. This ensures the investment can be sold down and proceeds paid directly to HMRC to help cover any IHT liability on the deceased’s estate, giving family and beneficiaries peace of mind.



Low Charges

Our Annual Management Charge (AMC) is just 0.5% plus VAT, and is deferred until the client sells their investment, transfers it into trust, or passes away. We only take our fee after the investment has achieved its pre-determined target return.



Liquidity Target of 2-4 Weeks

Investors have the option to withdraw some or all of their capital by selling their shares in the underlying businesses. While we cannot guarantee the timing of withdrawals, over the last five years, the average time taken to return money to investors has been 11 calendar days.

**Martin Churchill Tax Efficient Review Issue 478 - September 2022*

IMPORTANT INFORMATION

Capital at Risk. Returns are not guaranteed and values can go down as well as up. This Information is Issued by Blackfinch Investments Limited 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.

Estimated reading time: 2 mins

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).