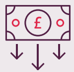
Don't invest unless you're prepared to lose all your money invested. This is a high risk investment. You could lose all the money you invest and are unlikely to be protected if something goes wrong. Take 2 minutes to learn more on page 2

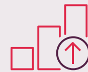
Blackfinch Ventures EIS Portfolios

8 Reasons Why



Annual Management Charge for Four Years Only

Blackfinch's charges are competitive as it only takes its annual management charge for the first four years. It applies it to the investee firms, so clients can also benefit from tax relief on this element.



Performance Fee has a Hurdle of 130%

The team only applies its performance fee of 20% on gains above a high hurdle of £1.30 for every £1 invested. It also calculates the fee on an individual company basis.

Team Aligned with Clients

Blackfinch has an ESG focus and invests in companies that we believe can deliver a positive benefit. Blackfinch invests alongside our clients and the team is incentivized by the performance fee. Managers focus on picking the best firms, making them successful and targeting early exits.

Expert Team Including Tech Founders

The Blackfinch Ventures team is highly experienced in start-ups and early-stage firms in the tech sector – the portfolios' focus. The team includes award-winning tech start-up founders and technology specialists.

Solid Return Strategy

The team targets a 3-5x return. This is across a wide-ranging portfolio of at least ten companies in different sectors. There's also a realistic, manageable timeframe of around 12 months to deploy clients' capital.

Rigorous Process

The team follows a standout process. It includes: generating UK-wide deal flow through a pipeline team; using a cutting-edge research platform to find companies; and holding 3-4-hour initial pitch sessions with founders.

Extensive Due Diligence

Alongside advance assurance from HMRC, Blackfinch performs extensive due diligence on prospective firms. This includes a detailed evaluation by a sector expert, and getting an independent and professional indemnity-backed opinion from a leading tax specialist.

Value-Add Non-Executive Directors

The team aims to appoint value-add non-executive directors named 'Venture Partners' to investee firms' boards. With decades of experience in tech, they use their contacts and expertise, sharing knowledge and opening doors for firms.

IMPORTANT INFORMATION

Capital at Risk. Blackfinch Ventures is a trading name of Blackfinch Investments Limited which is authorised and regulated by the Financial Conduct Authority. Registered Address 1350–1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH. Registered In England and Wales Company Number 02705948.

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).