

Comparison Blackfinch Ventures EIS Portfolios and Blackfinch Spring VCT



	VENTURES EIS PORTFOLIOS	SPRING VENTURE CAPITAL TRUST
Tax Reliefs ¹ <i>Note: tax reliefs are only applicable to UK income taxpayers aged 18 years+. Benefits of tax-efficient investments are subject to change and personal circumstances.</i>	• 30% Income tax relief • Tax-free capital growth • Up to 100% Inheritance Tax mitigation (after two years and held on death) • Capital Gains Tax deferral • Loss Relief (up to 45% of net investment per company)	• 20% Income tax relief • Tax-free capital growth • Tax-free dividends • Potential for special dividends
Investment Structure	• Ventures EIS Portfolios and are discretionary portfolios • We aim to invest in 10 or more companies, over a 12-month period	• Clients buy shares in Spring VCT PLC which in turn invests in a range of qualifying companies
ISA Availability	• No	• Accessible through ISAs that permit VCTs
Target Return <i>Note: Dividends are not guaranteed.</i>	• 3x return on capital	• 5% dividends per annum • Special dividends
Blackfinch Fees <i>(Advised Investor)</i>	• 3% Initial • 2% Annual Management Charges (AMC) on amount invested for the first 4 years only. We charge an upfront Arrangement Fee to the investee company equivalent to four years of AMC, which brings the added benefit of qualifying for EIS tax relief. • 20% Performance Fee (after min return of 130% per individual company investment) See the EIS brochure for a full explanation of fees	• 2.5% Initial • 2% Effective Investment Management Fee Blackfinch charges an Investment Management Fee of 2.5% of net asset value (NAV) but rebates 0.5% to investors. Any applicable adviser ongoing fee is paid from this rebate and any remainder is used to buy additional shares for the investor. • 20% Performance Fee (only taken when the performance value per share exceeds the high water mark, which starts at £1.30) See the VCT brochure for a full explanation of fees

¹ For EIS Investments income tax relief must be claimed on the subscription for clients to be eligible for tax free gains and loss relief.
As of April 2026 new Business Relief apply. Please refer to the Guide to Business Relief for further information.



VENTURES EIS PORTFOLIOS

SPRING VENTURE CAPITAL TRUST

Adviser Fees

- Initial adviser fee – as agreed with client
- Ongoing adviser fee – as agreed with client (capped at 4 years)

- Up to 5% Initial
- Up to 0.5% ongoing facilitated

Tax Relief on Fees

- 3% initial fee is deducted at outset, tax relief available on the net amount invested
- Any initial adviser fee and ongoing adviser fee (we keep 4 years in cash) will further reduce the net amount invested, and therefore tax relief

- Adviser initial fee is deducted prior to investing into the VCT, tax relief available on the net investment
- 2.5% initial fee is paid from within the VCT and does not affect tax relief
- Ongoing adviser fees are facilitated from the Investment Management Fee rebate and don't impact tax relief

Minimum Investment Amount

- £10,000 (£50,000 non-advised)

- £3,000

Maximum Qualifying Subscription Per Year

- £1 million (rules allow £2m pa if at least £1m invested in knowledge-intensive companies – we cannot guarantee this)

- £200,000

Expected Holding Period

- Target Exits between 4-7 years but shares must be held for a minimum of 3 years to retain relevant tax reliefs.

- Minimum of 5 years to retain relevant tax reliefs.

Liquidity

- No liquidity until companies exit (this can extend beyond the expected holding period)
- Individual companies will exit at different times

- There is a buy-back facility. Blackfinch buy the shares back at 5% discount on the NAV (subject to board approval)

Investee Company Size/Stage

- The EIS invests in early-stage technology-focused companies with evidenced product-market fit
- Technology and innovation must be at the core of the company's value proposition
- Companies typically operating in markets of over £1bn, with the potential to exit for at least £100m

- The VCT invests in growth-stage technology-enabled companies which have already delivered relevant milestones, such as evidence of product-market fit.
- VCT can potentially make follow-on investments into successful companies within the Blackfinch Ventures EIS Portfolios when they achieve milestones/KPIs as above

Date of Inception

- Ventures EIS - July 2018

- November 2019



VENTURES EIS PORTFOLIOS

Team

- Ventures team combines experienced startup founders, technologists and finance professionals, including three PhDs
- Investee companies will generally benefit from addition of a value-add 'Venture Partner' to their board of directors (industry or business expert who can help the company develop)

Tax Certificates

- One EIS3 certificate for each investee company in the portfolio
- Typically issued within 2-3 months of each investment into a company, subject to HMRC, so can take longer
- Tax certificates held on Blackfinch Portal – adviser and client can register for access

Advance Assurance

- Advance Assurance of EIS status from HMRC is required to be considered for funding by the EIS
- External tax specialists are instructed on every company when we first invest to give a professional indemnity (PI) insurance backed opinion on the EIS qualification status of the investment
- Blackfinch will endeavour to ensure that all investee companies continue to adhere to the terms of EIS qualification throughout their term through contractual obligations for the company, no guarantees can be given

Diversification

- Investment in a minimum of 10 companies, aim to deploy over 12 months
- Diversification over the development stages of investee companies
- Diversification over the technology sectors of investee companies

SPRING VENTURE CAPITAL TRUST

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- One income tax certificate (expected within 21 days following share issue)
- Tax certificates held on Blackfinch Portal – adviser and client can register for access

- External tax specialists are instructed on every company when we first invest to give a professional indemnity (PI) insurance backed opinion on the VCT qualification status of the investment
- Blackfinch will endeavour to ensure that all investee companies continue to adhere to the terms of VCT qualification through contractual obligations for the company, no guarantees can be given

- The VCT expects to invest in 5-10 new companies per year
- Diversification over the development stages of investee companies
- Diversification over the technology sectors of investee companies



VENTURES EIS PORTFOLIOS

Pipeline/ Deal Flow

- Our dedicated team source deals across the UK from accelerators, incubators, hubs, universities and referrals from our network
- The Ventures team also uses an innovative research platform to search for companies that suit our investment mandate. We then proactively approach them to offer funding if suitable
- The team typically see at least 1,000 deals each year

USPs

- Our investment process, although thorough, is more efficient than most competitors. This is due to innovative due diligence processes and team structure.
- Extensive and rigorous due diligence. For instance, prior to investment, Blackfinch will undertake a detailed examination of the company's technology and team using a third-party expert. Plus 3-4 hour pitch session with founders.
- We aim to appoint Venture Partners (Non-Executive Directors) on the board of each company. They are experienced founders, industry leaders and experts who can add real value to a company.
- Blackfinch invests off its own balance sheet in every company. Fully aligned with investors.
- Team is incentivised through performance fee so focused on selecting the best companies and achieving the most successful outcomes possible
- EIS Advance Assurance is required and each company is assessed by independent tax specialists to ensure it is EIS qualifying
- Expert team combining startup founders, technologists and finance professionals, including three PhDs

SPRING VENTURE CAPITAL TRUST

- Potential for follow-on funding for successful Ventures' EIS investee companies
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USPs

Continued

VENTURES EIS PORTFOLIOS

- Solid return strategy targeting returns of up to 10x on individual companies
- Inbuilt diversification over min of 10 companies, size, growth stage and tech sector
- High hurdle for performance fee. It will only be applied on gains above £1.30 on every £1 invested, calculated on an individual company investment basis
- AMC only taken for 4 years, charged upfront to investee companies as an arrangement fee. It demonstrates that the team will be looking to find a successful exit for each company in a timely fashion and will not sit on successes for longer than necessary to reap the benefits

SPRING VENTURE CAPITAL TRUST

- Solid return strategy: companies must be capable of disrupting large growing markets, typically of at least £1bn
- Inbuilt diversification over a number of companies in a variety of sectors and at varying stages of growth
- High hurdle for performance fee. Only taken when the performance value per share exceeds a high water mark, which starts at £1.30.
- Potential for Special dividends. As this is a newer VCT, there will be fewer companies within the portfolio in the first few years than older, more established VCTs. This means that if a company has an early exit, it can really impact the NAV and could potentially result in ad hoc special dividends.

Here to help

At Blackfinch our goal is to deliver great service to advisers and their clients. Our knowledgeable team is always on hand to assist you. We also offer a range of support options including, product training, presentations, technical support, bespoke illustrations, lunch and learn sessions. Get in touch on **01452 717070** or email **enquiries@blackfinch.com**

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FCA 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>).