



Whole-of-life investments from Blackfinch Using VCTs at different life stages

Imagine a business owner.

What do you think they look like? How old do you expect them to be? And what do you believe matters most to them right now?

We've reached a point in time when the standard answers no longer apply. People's lives don't always take the traditional linear path. The milestones we all used to organise our lives around – education, career, marriage, children, mortgage, can potentially come in any order, if at all. Retirement is not the end anymore, it's the start of a new chapter.

At Blackfinch, we believe in innovative investments that help meet the needs of different generations. We're already helping financial advisers reflect the greater diversity within society, and identifying better ways to support more people on their investment journey. One of the ways we do this is through VCTs.

VCTs are now well tested, risk considerations are better understood, and their performance potential has been demonstrated over three decades. We believe VCTs deserve consideration among a much broader range of people at various life stages – regardless of their age.



Striving for future success



Client Profile

- Entrepreneurial, business owner or career-focused
- Educated, or considering further education
- May have inheritance likely in future
- Believes investments should have a social impact
- Believes in technology that solves problems and the importance of supporting entrepreneurship
- Interested in exploring new investment areas, including crypto, Non-fungible tokens (NFTs), and start-up investment – especially interested in doing so online
- Unsure about the relevance or value of financial advice



Goals

Climb the property ladder

Plan for children's education, family holidays

Wants greater financial security now to help improve future life choices



Concerns

Retirement seems abstract and too far away – can't visualise it – not ready to plan for it

Still working to accumulate wealth – but doesn't want to work this hard forever

Reasons to recommend a VCT

Opportunity to invest in growing, relatable tech-enabled businesses that are providing solutions to real-world challenges`

Access to an alternative asset class not typically available through mainstream investment funds

VCTs are a proven investment vehicle that can help a new generation of investors to access exciting, game-changing businesses – companies that are ambitious, growth-focused and meeting the needs of new generations

Especially useful for business owners looking to reduce their income tax liability

Low minimum investment of £3,000 reduces the barrier for investing in these growth-stage dynamic companies

Dividends are tax-free, supplementing income to help with shorter-term purchases

Growth free of Capital Gains Tax (CGT) helps to build wealth for major purchases or a house deposit

Please note VCTs are subject to Inheritance Tax (IHT)

[See our Ventures portfolio →](#)

Apprehensive about approaching retirement



Client Profile

- An established business owner or in a senior management position
- Has built up investments, properties, and has some disposable capital
- A family already largely independent
- A clear idea of what their retirement pot could look like



Goals

To comfortably retire

Take a step back from work with a target retirement age in mind

Wants to be as tax efficient as possible (IHT, Income Tax, CGT, etc)



Concerns

Beginning to worry about what the future may look like – particularly high inflation

Worried about unexpected costs such as long-term care or ill health in retirement

Reasons to recommend a VCT

Business knowledge means they can relate to entrepreneurs and growth-stage companies

Transparent and easy-to-understand VCT reporting gives reassurance on the value of the portfolio and lets investors see their wealth accumulate

Investing in a VCT especially useful for business owners looking to reduce their income tax liability

VCTs can add further diversification as part of their broader savings/investments/retirement planning

Access to an alternative asset class not typically available through mainstream investment funds

Another tax wrapper that can diversify an individual's tax wrapper risk (alongside pensions and ISAs), and a valuable hedge against future tax wrapper changes

[See all case studies →](#)

In retirement



Client Profile

- Either 'semi-retired' or approaching 'full' retirement
- Still adapting to retirement lifestyle
- Children all independent



Goals

Planning on stepping back from work fully with a target retirement age in mind

Wants to enjoy retirement – not sure how to yet

Wants to be as tax efficient as possible (IHT, Income Tax, CGT, etc)



Concerns

Want to ensure they have sufficient capital to cover their cost of living and lifestyle changes through retirement

Worried about unexpected costs such as long-term care or ill health in retirement

Reasons to recommend a VCT

Access to an alternative asset class not typically available through mainstream investment funds

An investment horizon of five years feels suitable and reassuring

VCTs can add further diversification as part of their broader savings/investments/retirement planning.

Pension payments can be placed into the VCT to mitigate income tax

Tax-free dividends can provide client with a supplementary income alongside pension drawdowns

Growth is free of CGT, helping build a pot to help plan for future care costs

[Read our 'Reasons to Invest' →](#)

Embracing the important things in life



Client Profile

- Having spent whole life saving up, not used to the concept of spending their wealth
- Wants to make sensible decisions and enjoy hard-earned wealth without feeling guilty



Goals

Considering retirement community for social value, will need income for retirement fees

Considering downsizing to enjoy life and use equity to unlock opportunities

Wants to help support the family financially: holidays, house purchases, car purchases, children's education, weddings



Concerns

Wants to manage money responsibly to make sure it doesn't run out

Aware of legacy, what will they be remembered for? Can they still make a difference?

Reasons to recommend a VCT

Access to an alternative asset class not typically available through mainstream investment funds

Quarterly statements make it easy for client to understand investment values and how to manage income needs and cashflow

Lump sums or large cash inflow from downsizing/selling a property could be invested into a VCT to mitigate income tax

Dividends are free of income tax, creating client income that supplements their pension and could help towards retirement community fees.

An investment window of five years with no CGT on growth could help support family members with lump sums (for wedding or house deposit)

[Read our VCT brochure](#) →



Here to help

For more help with tax-efficient strategies, please speak with your local Business Development Manager who will be happy to help.

[Find out more about VCT →](#)

[Send us an enquiry →](#)

IMPORTANT INFORMATION

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