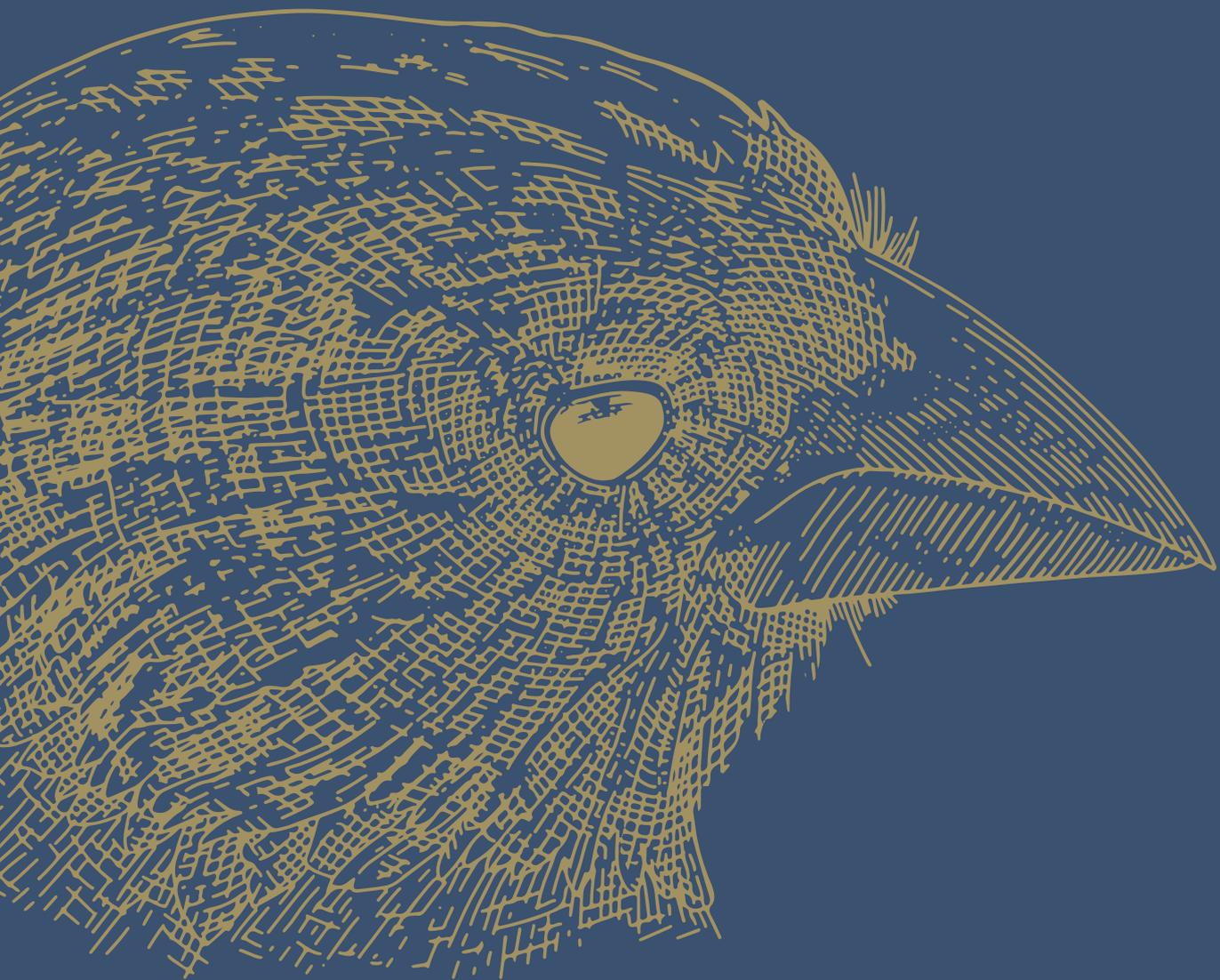


EVOLVE

ASSET FOCUSED
EIS PORTFOLIOS



BLACKFINCH
INVESTMENTS



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WELCOME TO BLACKFINCH

Blackfinch has been operating in the tax-efficient investment market for over 25 years providing products with a focus on capital protection, security and growth. Our group has built significant experience and expertise throughout this time and now has approximately £200 million under management and administration.

The Enterprise Investment Scheme (EIS) offers a government backed tax relief that allows investors to access younger companies which provide excellent opportunities for growth and development. We are able to offer our customers a simple portfolio service that provides access to EIS companies enabling them to benefit from this tax relief and growth opportunity.

We use our experience and expertise to select companies with strong management teams who access trading activities with an underlying element of comfort provided by asset security and predictable revenue streams. All of this, means that we are able to mitigate many of the risks which are normally associated with companies offering this level of growth.

We are committed to providing transparency, competitive costs and charges, as well as making the investment process as simple as possible for our customers. Whilst we do not offer advice, our specialist technical team are always on hand to answer your questions.



RICHARD COOK
CHIEF EXECUTIVE

WHAT IS AN ENTERPRISE INVESTMENT SCHEME

EIS is a tax incentivised scheme introduced by the UK government in 1994 to encourage and reward individuals who invest capital in small unquoted companies.

The finance raised through EIS helps the UK economy as the capital is used by businesses to develop and grow.

The Government realise the risks that are involved with this type of investment and offer a range of valuable tax reliefs to encourage investment but ultimately reduce the risk involved.

EIS TAX BENEFITS INCLUDE THE FOLLOWING:

30% Income Tax relief

100% Inheritance Tax (IHT) exemption after 2 years

Capital Gains Tax (CGT) deferral relief

Growth free of CGT

Offset capital losses up to 45%

Carry back to previous tax year

These benefits are based on current legislation. Tax rules and regulations are subject to change and depend on personal circumstances.

WHAT SORT OF COMPANIES CAN USE THE SCHEME TO RAISE CAPITAL?

The Government set strict criteria for companies that wish to raise capital by this scheme. The Government has particular requirements on the type of company, the amount of money it can raise, how and when the capital raised can be used for the purpose of the trade and the trading activities it can be involved in.

EIS has grown in popularity and is now an established tax-planning solution for individuals or advisers and their clients.

According to figures provided by HM Revenue & Customs (HMRC), since EIS was launched 24,620 individual companies have received investment through the scheme and almost £14.2 billion of funds have been raised.

EIS COMPANIES ARE IN SEVERAL SECTORS SUCH AS:

INDUSTRY & INFRASTRUCTURE

- Construction
- Aerospace
- Manufacturing
- Precision engineering
- Storage

MEDIA

- Film production
- TV production
- TV distribution
- Music publishing

FOOD & DRINK

- Restaurants
- Pubs
- Leisure
- Wedding venues

TECHNOLOGY

- Communications
- Information
- Life sciences
- Electronics

GENERAL ENTERPRISE

- Vintage cars
- Logistics and Transportation

HOW IT WORKS

The Blackfinch Asset Focused EIS Portfolios allow you to access asset-backed trading activities that provide a degree of capital preservation and risk mitigation.

Our EIS portfolios are a discretionary managed service which means we select the investee companies on behalf of the investor according to our investment mandate. First and foremost, we will only invest into companies that have been granted advance assurance from HMRC, providing comfort to the investor that they qualify for the valuable EIS tax reliefs.

WHAT IS ADVANCE ASSURANCE FROM HMRC?

Advance assurance is an application to HMRC to check that a company meets the qualifying conditions to raise funds via an EIS.

ALL EIS BLACKFINCH INVESTEE COMPANIES MUST:

Fulfill requirements under EIS rules

Have advance assurance from HMRC

Be in the 'spirit of regulation'

Include growth and development objectives

INVESTMENT CHARACTERISTICS

Blackfinch have seen increased opportunities in a number of sectors such as the construction sector, where developers utilise a well-capitalised construction company which is able to defer some of the payments until the maturity of the projects. Often, these are well run businesses with strong profitability and experienced management teams, as well as substantial assets over which Blackfinch can take security.

The Blackfinch Asset Focused EIS Portfolios are discretionary managed portfolios and Blackfinch will look to offer investee companies across a number of sectors. To find out about the latest investee companies available within the Blackfinch Asset Focused EIS Portfolios refer to the individual deal sheets.

Investors can be reassured that all our investee companies will have advance assurance in place and have a high level of asset focus within the trading entity.

Did you know EIS can be used as:

- an alternative to pension funding
- part of a plan for the payment of school fees
- an offset to taxes on bonuses or dividends
- part of an investment plan for UK residents who are not UK domiciled

THE BLACKFINCH INVESTMENT COMMITTEE

The Blackfinch Investment Committee maintains involvement throughout the investment process. The committee is responsible for approving the investment into each of the underlying companies and for providing an oversight on the ongoing performance of these companies. This 'hands-on' approach ensures that our portfolios consist of high quality strong companies that we believe will provide security and development for the future.

KEY BENEFITS

Providing the investments are held for at least 3 years, the current tax reliefs available to qualifying investors are as follows:



30% UPFRONT INCOME TAX RELIEF

Available up to a maximum investment of £1 million for the current tax year. This is also available for an investment of up to £1 million backdated to the previous tax year.



CAPITAL GAINS TAX DEFERRAL RELIEF

For gains realised within 3 years before investing or 1 year after investing. The CGT is deferred during the life of the investment and eliminated completely if held at death.

Unlike Income Tax, there is no limit on the level of CGT which can be deferred.



OFFSET CAPITAL LOSSES

Ability to claim up to 45% relief on any investments that are realised at a loss (net of any Income Tax relief on that investment).



TAX FREE GROWTH

No CGT is payable on disposal of the shares after 3 years provided the Income Tax relief has been given and not withdrawn.



100% INHERITANCE TAX RELIEF

Available after 2 years (provided the investments are held at the time of death) or sooner if the EIS investment replaces an investment which already qualifies for IHT through Business Relief (BR).



ATTRACTIVE INVESTMENT OPPORTUNITY

The Asset Focused EIS Portfolios allow you to access asset-backed trading activities that provide a degree of capital preservation and risk mitigation

RISKS

This investment may not be suitable for all investors and we recommend that you seek independent tax and financial advice before making a decision. You should carefully consider the following risk factors together with all other information contained in this brochure.

CAPITAL IS AT RISK

The capital invested in the Blackfinch Asset Focused EIS Portfolios is at risk. The value of your investment may go down as well as up and you may not get back the full amount invested. There is no guarantee that the targeted return per annum will be achieved.

TAXATION RULES MAY CHANGE

Any changes to the taxation environment or HMRC practice may affect investment returns. Rates of tax, tax benefits and allowances described in this brochure are based on current legislation as well as HMRC practice and depend on personal circumstances.

You may be liable to make tax payments on any amounts you withdraw from the investment.

QUALIFYING INVESTMENTS MAY CHANGE

We will invest in an investee company which we reasonably believe to be EIS qualifying at the time of investment. Please note there is no guarantee that the investee company will remain EIS qualifying at all times thereafter, or that EIS tax reliefs will be available to investors. There is no guarantee as to the timing of the availability of the EIS3 Certificates that are needed to claim EIS tax benefits.

BUSINESS RELIEF STATUS MAY CHANGE

The nature of the activities undertaken by the investee company we invest in, is such that the company will also qualify for BR. Unlike the EIS tax benefits, it is not possible to obtain any assurance from HMRC that the investee company will qualify for this relief; it is assessed by HMRC on a case by case basis at the time of death of the investor as part of the probate process. The proportion of the investment that is deemed to qualify at that time, assuming it has been held for at least 2 years and is still held at the time of death, can be passed to the beneficiaries free of IHT. The 2-year time frame commences when HMRC deem the investment has become BR qualifying, which may be later than the investment date.

THE ASSETS MAY BE HARD TO SELL

To qualify for tax relief investments made by the Blackfinch Asset Focused EIS Portfolios must be in unquoted companies. These investments are not readily realisable, unlike companies listed on the London Stock Exchange. The minimum holding period for an EIS investment is 3 years which runs from the latter of the date of investment into each EIS company and the commencement of the company trading. You should be prepared to leave your money invested for at least 3 years as it is unlikely that we will be able to arrange liquidity during the 3-year period.

HOW TO CLAIM TAX RELIEF

We work with HMRC to gain assurance that the underlying investment companies within the Blackfinch Asset Focused EIS Portfolios meet the qualification requirements for EIS relief. We have experience of managing this process for a variety of Blackfinch investment companies and we will only invest capital when advance assurance from HMRC is in place.

The amount of tax relief that you will be eligible to claim is dependent on the amount of money invested in the qualifying investment companies.

On the date when the qualifying companies start to trade you will be eligible for the tax reliefs and the 3 year minimum holding period will commence.

Tax reliefs can be claimed in the tax year in which your investment is made or can be carried back to the previous tax year.

In order for you to claim tax relief you will need an EIS3 Certificate. Blackfinch will apply to HMRC for these after the investment companies have completed 4 months of trading. We will then issue these to investors as soon as they are received, which will then enable you to claim income tax relief and to defer CGT.

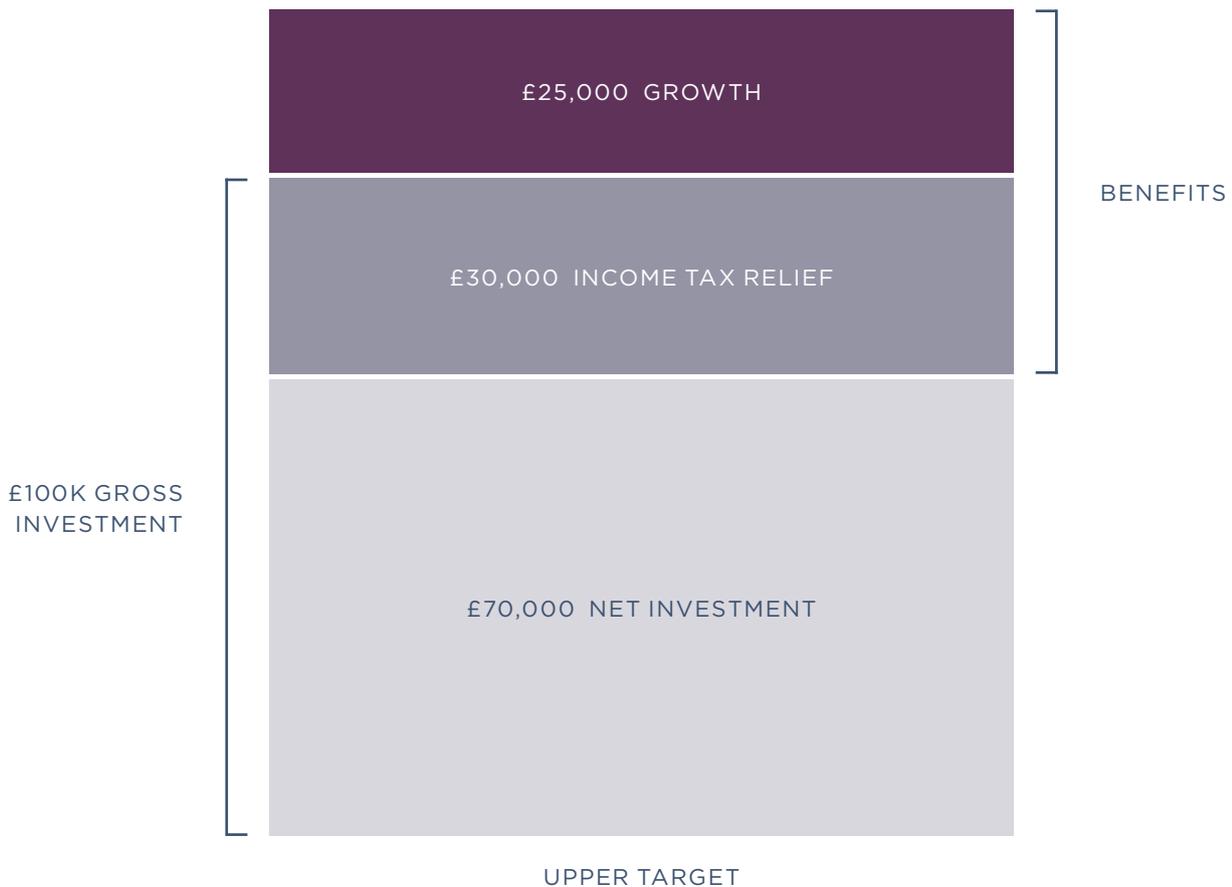


“EIS is a valuable tool for investors seeking to reduce their tax burden and gives investors the opportunity to access exciting UK companies with potential for growth and development.”

JERRY PRICE
CHIEF DISTRIBUTION OFFICER

TAX RELIEF ILLUSTRATED

The example below illustrates the tax reliefs and upper target return of a sample investment in the Blackfinch Asset Focused EIS Portfolios. It is based on an investment of £100,000.



- GROWTH
- INCOME TAX RELIEF AT 30%
- NET INVESTMENT

The gross investment of £100,000 will effectively cost the investor £70,000 as they are able to claim back £30,000 Income Tax relief through their tax return (assuming they have paid the corresponding amount of Income Tax).

IMPORTANT INFORMATION: THE ABOVE RETURNS ARE FOR ILLUSTRATIVE PURPOSES ONLY AND ARE NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE. THE CALCULATIONS SHOWN ABOVE DO NOT TAKE INTO ACCOUNT ANY RELATED CHARGES OR FEES. NO WARRANTY AS TO FUTURE OUTCOME IS IMPLIED, OR SHOULD BE INFERRED. THE ATTENTION SHOULD BE DRAWN TO THE SPECIFIC RISK FACTORS OUTLINED ON PAGE 9. THESE EXAMPLES ARE BASED ON CURRENT LEGISLATION. TAX RULES AND REGULATIONS ARE SUBJECT TO CHANGE AND DEPEND ON PERSONAL CIRCUMSTANCES.

INVESTMENTS MUST BE HELD FOR A MINIMUM OF 3 YEARS TO QUALIFY FOR EIS TAX RELIEFS. THE VALUE OF YOUR INVESTMENT MAY GO DOWN AS WELL AS UP AND YOU MAY NOT GET BACK THE FULL AMOUNT INVESTED. THERE IS NO GUARANTEE THAT THE TARGET RETURN WILL BE ACHIEVED.

INVESTMENT TEAM

Our EIS investment team consists of senior management at Blackfinch who are responsible for the review and approval of all the underlying investment opportunities that are considered for our Asset Focused EIS Portfolios. Each member of our committee has been selected on the basis of having a wealth of industry expertise in the specific areas that we invest in.



RICHARD COOK
CHIEF EXECUTIVE OFFICER

Richard has been Chief Executive Officer since 2009 and has been involved in the structuring and management of tax-efficient investment assets for over 14 years. Richard conceptualised and launched the Blackfinch brand and has overseen the growth and expansion of the company within the UK retail market, evolving the company to where it is today. Previously, Richard has worked in senior banking roles within Merrill Lynch and the Bank of New York.



RICHARD SIMMONDS
CHIEF INVESTMENT OFFICER

Richard has 15 years' senior experience in financial services, specialising in asset backed fund management. Richard has extensive project, corporate finance and fund management experience across multiple asset classes such as property, renewable energy, asset backed lending and capital protected investments. Richard holds an Executive MBA from IE Business School the Certificate in Discretionary Investment Management and the Diploma in Financial Planning. Prior to joining Blackfinch Richard held roles at NatWest, FTSE and Credit Suisse in London and New York.



STEFAN AGOPSOWICZ
INVESTMENT MANAGER

Stefan has been with Blackfinch since 2009 and is involved in the analysis and valuation of potential new investment opportunities for the company's portfolios. He holds a current Statement of Professional Standing issued by CFA Society United Kingdom, having passed Level 1 of the CFA exam and achieved the CFA Level 4 Investment Management Certificate, and is a member of the CFA Institute.



ANDREW TROUGHTON RICS, CAAV
INVESTMENT SPECIALIST

Andrew is a Chartered Surveyor with over 16 years' experience in the residential and agricultural markets, working predominantly on valuations, tenancy work, compensation claims, planning and development. Andrew is also owner and manager of Carver Knowles, a successful and established Chartered Surveying business.



DAVID HIGSON
INVESTMENT MANAGER

David joined Blackfinch in April 2017 as an Investment Manager. His previous role was as Manager in the Transaction Services team at PwC London where his focus was performing financial due diligence on deals across a range of sectors. David holds a degree in Economics from the University of York, is an ICAEW qualified chartered accountant and is studying for the Investment Management Certificate.

INVESTMENT LEVELS & FEES

INVESTEES COMPANY ARRANGEMENT FEE

Typically, a fee of 5% is charged to each underlying company, on a pro rata basis, when it is initially funded. Please note this fee is charged to the qualifying investee companies, so investors should receive tax relief on the entire amount invested and the fees charged to the companies. The fee is payable by the investee company to cover fundraising expenses, the dealing of shares, the drafting of the company business plans and confirmation of advance assurance from HMRC.

ANNUAL MANAGEMENT FEE

Blackfinch will charge an annual management fee equivalent to the 2% of capital invested. The Blackfinch ongoing fees are charged to the investee companies so investors should receive tax relief on the entire amount invested into the companies and the fees charged to the companies.

PERFORMANCE FEE

Blackfinch will be entitled to a 25% share of returns from the investment, subject to the investors receiving £1.05 for every £1.00 invested (ignoring tax reliefs).

Blackfinch and its affiliates retain the right to recover reasonable expenses (e.g. legal, director, accounting, arrangement, company secretarial, audit) incurred in administering and managing the service together with the investee companies which Blackfinch Asset Focused EIS Portfolios invest. Blackfinch also retains the right to charge monitoring and exit fees to the investee company.

ADVISER FEES

On agreement with your adviser, adviser fees will be paid through the investee companies. Typically, up to 3% for the initial charge and 0.5% annually. As the adviser fee comes directly from the investee company, you will benefit from more of your capital being eligible for tax relief.

NB: ALL FEES AND COSTS ARE EXCLUSIVE OF VAT,
WHICH WILL BE CHARGED WHERE APPLICABLE.

INVESTMENT LEVELS

The minimum investment in the Blackfinch Asset Focused EIS Portfolios is £25,000.

LIQUIDITY

You will not be able to access your investment during the 3 year minimum holding period. The minimum holding period starts from the date of investment into the EIS qualifying company, or the date on which the company starts to trade (whichever is later). This means that the total amount of time you need to hold the investment before being able to withdraw may be closer to 4 years.

INVESTMENT TIMEFRAME

To qualify for tax relief your investment must be held for a minimum of 3 years. An exit opportunity for investors should be available between 3 to 5 years. At this point Blackfinch will contact you to offer the choice to remain invested or to release all or part of your investment.

REPORTING

We will provide half-yearly investment valuations to investors.



INVESTMENT PROCESS

APPLICATION PROCESS



TRADING PROCESS



* Replacement Property relief allows you to count the ownership period of the original asset towards the 2 year qualifying period of a new asset.

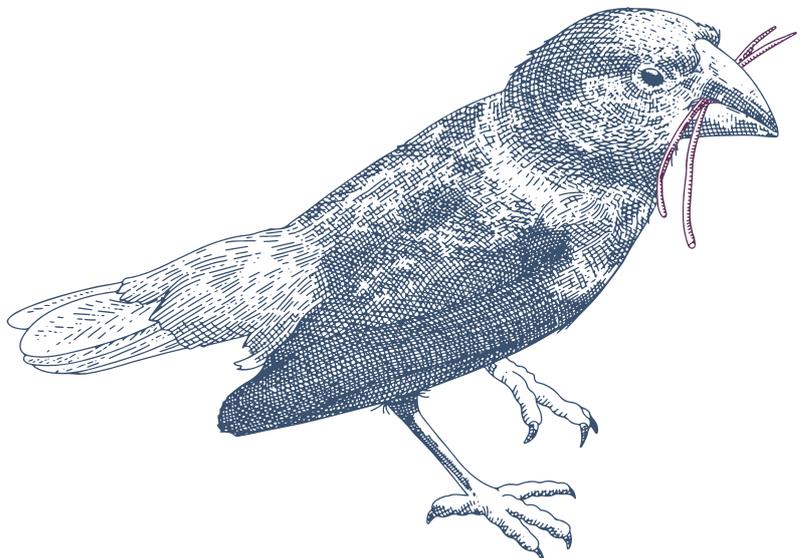
AFTER TRADING

Blackfinch believe 3–5 years after portfolio companies have started trading that opportunities should become available for investors to realise their investments (see risk section on page 9).

Blackfinch are committed to working on behalf of investors to source and realise any such opportunities. Should such an opportunity arise, Blackfinch will contact investors to determine the next stage of their investment.

Any realisation of the investment will result in deferred CGT becoming payable and loss of IHT relief.

Investors can re-invest into another EIS to continue deferral, maintain IHT relief and benefit from further tax relief.



IMPORTANT INFORMATION

This brochure is being issued by Blackfinch Investments Limited, which is authorised and regulated by the Financial Conduct Authority ("FCA") (FCA number: 153860). Registered Address: 1350-1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH

Any decision to invest in this service should be made on the basis of the information contained in this 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 brochure as advice relating to legal, taxation or other matters and, if in any doubt about the proposal discussed in this brochure, its suitability, or what action should be taken, should consult their own professional advisers.

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The Blackfinch Asset Focused EIS Portfolios may not be suitable for all investors and we would recommend that prospective investors seek independent advice before making a decision.

LET US HELP

At Blackfinch our goal is to deliver a service to advisers and their clients which is second to none. We offer a range of support and our team is always on hand to assist you.

Product training

Presentations

Technical support

Case studies

Illustrations

PLEASE CONTACT US FOR MORE INFORMATION

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