



**BLACKFINCH**

**Blackfinch Spring VCT**  
Standard Due Diligence Report



Signatory of:



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# Summary

## Product Name

Blackfinch Spring VCT plc

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## Product

Venture Capital Trust

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## Contact Details

[enquiries@blackfinch.com](mailto:enquiries@blackfinch.com)

# Company Background

## Blackfinch Group

Blackfinch's management team has operated for over 30 years in the UK investment market. First incorporated as Neville James in 1992, the company evolved through various brands before launching in 2013 as Blackfinch, an adviser-focused business with a flagship product in the tax-efficient investment space.

Blackfinch has since built a nationwide network of advisers. Its financial planning partners remain the lifeblood of the business. In 2016, the management team led a buy-out from all other shareholders. The ownership of Blackfinch is now entirely represented by Richard Cook and Richard Simmonds who, after building the business, have been at the helm for over 15 years. The firm remains true to its values to adapt, evolve and thrive. Through investment expertise and high-quality service with a transparent approach, it continues to deliver products that can meet adviser and client needs.

## Blackfinch Ventures

The foundation of its Ventures business, Blackfinch Ventures EIS Portfolios, was launched in July 2018 with the aim of investing in early-stage, technology focused businesses on the cusp of their growth journey. Blackfinch Ventures EIS Portfolios has raised over £58m and made investments in a wide range of sectors including wearables, EdTech, consumer electronics, and AI-powered SaaS (Software-as-a-Service), typically investing between £250k and £1.5m at seed stage.

The Ventures team combines experienced startup founders, technologists and finance professionals, including three PhDs. This team manages the Blackfinch Ventures EIS Portfolios as well as the Blackfinch Spring VCT, and has deployed over £100m into innovative technology businesses since 2019.

The Blackfinch Spring VCT targets firms at growth stage that have already raised funding, gained traction and are seeking to accelerate their progress. We aim for diversification and broad opportunities. These stem from both new deal flow and from the Blackfinch Ventures EIS Portfolios.

## Relevant history of investing under SEIS / EIS / VCT

Blackfinch launched its first Seed Enterprise Investment Scheme (SEIS) service in 2014, with media and asset-focused EIS vehicles following in 2015 and 2016, respectively. After the introduction of HMRC's risk-to-capital condition, Blackfinch launched the Ventures EIS Portfolios in 2018 to focus on early-stage companies. It made its first investments in April 2019 and now has a portfolio of 39 active companies. Blackfinch subsequently has also launched the Blackfinch Spring VCT in November 2019.

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**PRI Signatory**

Yes.

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# Key Personnel

## **Dr Dan Appleby**

CIO, Blackfinch Asset Management & Ventures

Dan is the Chief Investment Officer of Blackfinch Asset Management & Blackfinch Ventures and leads the research and analysis across the range of listed portfolios. Before this, he was Head of Research for Blackfinch Group, and has held Senior Analyst and Investment Manager roles within Blackfinch Group for the Multi-Asset and Adapt AIM portfolios. Previously he was a Senior Analyst at Fidelity, working in fair value markets. Prior to that, Dan worked as an engineer at Intel. Dan holds a PhD in nanoelectronic research and is also a CFA Charterholder.

## **Richard Harley**

Ventures Director

Richard Harley is an experienced entrepreneur and investor. He co-founded ScholarPack in 2011, an EdTech data and analytics platform that quickly became a fast-growing cloud product in its sector before being acquired in 2018. Following the acquisition, Richard served as a director at The Key, where he worked on the acquisition of additional businesses taking group revenue to over £20m ARR, and made over 20 investments in early-stage B2B tech companies. In 2022, he joined Blackfinch Ventures, where he manages the expanding portfolio, assisting companies with fundraising, strategy, and operations.

## **Dr Nic Pillow**

Ventures Director

Please see profile below on page 10.

## **Kimberley Hay**

Ventures Director

Prior to joining Blackfinch Ventures in April 2023, Kimberley spent 4 years investing in companies focussed on disrupting the “Future Of Work”. She has built a strong track record of investing in and supporting companies at the Seed / Series A stage, covering sub-sectors including HealthTech, HRTech & RegTech. Previously, Kimberley specialised in corporate finance advisory, supporting businesses with a range of needs spanning mergers & acquisitions, IPOs and debt restructuring. She joined the team in April 2023 to support the continued growth of the portfolio, utilising her previous experience to source and execute high-quality investment opportunities.

**Simon Porter**  
Principal

Simon spent 5 years at Pembroke VCT, latterly as Investment Director, where he oversaw investments and supported portfolio companies as a NED. Simon previously worked in Corporate Finance at boutique buy/sell-side advisor Oakley Advisory, and he holds a PhD in Mechanical Engineering from the University of Bristol.

**Katie Connolly**  
Product Manager

Katie brings a robust background in asset and wealth management, and is experienced at aligning investor goals with tailored investment products. She has previously used her analytical prowess to devise and launch main market investment products with an environmental, social and governance (ESG) focus. Katie is a Level 3 CFA candidate.

**Hassaan Mehmood, CFA**  
Senior Associate

Hassaan brings previous investment experience from M&G Investments, where he worked on its Small Cap Fund, and in its asset-backed securities team. He is a CFA charterholder, having completed all three levels in just 13 months, and has a first-class degree in Economics from Aston Business School.

**Corey Price**  
Ventures Manager

Corey joined at Blackfinch as a summer intern in 2019. He became a full-time Ventures Analyst in 2020, showing a strong passion for start-ups. Corey observes multiple Ventures portfolio company boards and holds a Business Management bachelor's degree from the University of Nottingham, specialising in economics, innovation, and entrepreneurship.

**Winston Mathew**  
Assistant Ventures Manager

Winston graduated with a Masters in Mechanical Engineering from Imperial College London. He then gained valuable experience through internships, working as a Manufacturing Engineering Intern at Jaguar Land Rover and as a Mechanical Engineering Intern at Transport for London. After completing his education and internships, Winston joined Blackfinch in November 2018.

**Ijaz Khan**  
Associate

Ijaz has had a varied career in the technology and start-up space. An ex-founder, he spent the last four years building a travel start-up. Prior to that he worked in partnerships at an EdTech start-up and organised innovation-focused conferences in the UK, US and Australia. He holds a degree in Biomedical Sciences from Newcastle University.

**Cameron McGee**  
Technical Ventures Analyst

Cam has previously worked as an intern at a high-performance UK start-up, MissionUK. Before joining he studied Business & Finance, including Venture Capital, at the University of Warwick, before graduating with a Bachelor's degree in Management.

**Charles Horn**  
Associate

Charles has a background in finance and entrepreneurship. He began his career in equities, initially within prime brokerage at Morgan Stanley and later, equity derivatives sales at Commerzbank AG. Before joining Blackfinch, Charles founded a hyperlocal microblogging platform 'Loco'. He holds an Economics degree from the University of Durham.

## Directors

### **Peter Lionel Raleigh Hewitt, JP, FCSI, FRSA**

Chairman

Peter has been a Director or Chairman of 13 public companies over the last 30 years, with 9 of these being IPO's including 7 years as Chairman and CEO of an AIM quoted construction and facilities management business, which he founded and built from zero to £25m turnover and 400 people in 4 years. He is Co-Chairman and co-founder of Universal Defence and Security Solutions Limited, a global defence consultancy with over 750 team members.

Peter is a former Alderman of the City of London and inaugural Chairman of the City's £20m Social Investment Fund, creating investment strategy and policy. Peter is also an individually Chartered Fellow of the Chartered Securities Institute; a Justice of the Peace on the supplemental list and an Honorary Group Captain in 601 (County of London) Squadron, RauxAF, where his role is to partner with the SLT of the RAF.

### **Dr Katrina Tarizzo PhD, BA (Hons), Dip MR**

Katrina's involvement with early-stage company development has spanned over 30 years from the perspective of being both a founding shareholder and director of several companies across a variety of sectors and geographies including financial services, real estate, chemicals and technology. She was formerly a director of The Share Centre in its founding years, a pioneer of low-cost stock broking for retail investors that was subsequently listed on AIM through Share PLC, having been acquired by Interactive Investor and more recently forming part of Aberdeen Group plc. Katrina was heavily involved in the UK and French privatisation programmes, establishing Johnson Fry Privatisations Limited which has since become part of Legg Mason. She was also a founder of a speciality chemicals company based in Poland, manufacturing and shipping rubber to the worldwide chewing gum market. Moving with the times into the technology sector, Katrina was involved in the development of a US financial website company, listed on NASDAQ, and more recently co-founded Linescape.com, a search engine that provides shipping schedule data feeds to the logistics industry. She is currently a director and shareholder of City Living PCC Limited, listed on The International Stock Exchange, which operates in the residential real estate and development sector across Poland.

She is a Doctoral graduate of the London Business School with a wealth of international business experience. She joined the Board on 14 August 2023.

## Directors

### **Dr Nicholas Henry Edmond Pillow M.Eng, D.Phil. FRSA**

Nic has over two decades of experience in creating value for start-up, fast-growth and multinational B2B technology companies. Since joining Blackfinch Ventures in 2019 he has helped launch and manage the Company, he has supported over 100 investments into high-tech Seed and Series A stage companies, and he has been an observer on the boards of numerous portfolio companies. Previously, Nic co-founded his own startup, Rhizome Live, a Software-as-a-Service business in the Education Tech sector. He raised £400,000 and gained access to a top accelerator. Prior to that he led a global team at Nokia which exercised portfolio control over 15 software products that grew in annual revenue from £50 to £250 million. He has also held roles including Product Manager at Logica and Solution Architect at Portal Software. Nic holds a first-class degree in Engineering & Computing from the University of Oxford and a Ph.D. in Computer Vision from the Robotics Research Group at the University of Oxford.

## Venture Partners

We have grown a network of Venture Partners who are all experienced founders, industry leaders or technology experts. We appoint them to the boards of our portfolio companies as needed. They add meaningful value through their experience and contacts.

### **Libby Chambers**

Elizabeth (Libby) Chambers is a board director and adviser with experience as a senior financial services executive, strategist, product and marketing leader. She is a seasoned investor, including serving as an Operating Partner at Searchlight Capital Partners and its portfolio companies over the last 5 years. She serves on the boards of Wise plc, the global payments provider, TSB Bank plc, a top UK retail bank, and Kape Technologies, the world's leading provider of VPN and data protection products for consumers and businesses. She is an Observer on the board of Currensea, which leverages Open Banking protocols and operates in several verticals. Recent boards include 7IM, Evelyn Partners, Hastings plc, and Vanquis Bank plc. Libby's executive career included roles as EVP, Chief Strategy, Product and Marketing Officer of Western Union, and Chief Marketing Officer of Barclays and Barclaycard. Earlier in her career, Libby was a Partner in the Financial Institutions and Organization practices at McKinsey & Company. A Harvard MBA, she is also a Stanford graduate and started her professional life with Morgan Stanley & Co.

### **Geraldine Osman**

Geraldine Osman is an Independent Consultant, advisor, NED, and exited entrepreneur. Geraldine brings expertise and creativity in go-to-market strategy, product marketing and has repeatedly implemented growth strategies for start-ups from £1m ARR onwards. She was co-founder and Chief Marketing Officer at StaffConnect Group, an enterprise B2B SAAS solution that transformed the employee experience for large field and remote workforces – a business that she rapidly grew and took to a successful exit within 4 years. She has over 20 years experience in worldwide leadership roles, building go-to-market teams for technology companies, and focuses particularly on scaling tech start-ups, contributing to several successful exits both trade and public. She was also based in North America for some of her career and has expanded businesses into and within this market.

# Venture Partners

## **Andrew Hughes**

Andrew is an entrepreneur with a track record of success, having successfully established three high-performing digital start-ups from concept to exit. Additionally, he co-founded two internationally established industry associations, the Mobile Marketing Association (MMA) and the International Social Games Association (ISGA). Currently holding the positions of Chairman and NED in multiple venture-backed start-ups in the UK, Andrew actively engages as an angel investor, providing mentorship to entrepreneurs. Having mentored over 500 founders, Andrew excels in devising growth strategies, scaling start-ups, and driving product and feature evolutions through business intelligence derived from data analysis.

## **Steven Raffe**

Steve Raffe has a proven record of leading and growing B2B SaaS businesses with outstanding results. He has a Master's degree in Engineering from the University of Cambridge with First Class Honours and 13 years of experience in B2B Tech. He has expertise in sales, marketing, product, technical, strategy, and general management roles in both private and VC-backed companies. Steve started his career in Starleaf as a Hardware Engineer, then moved to Software Engineering in a small team that launched commercial video conferencing products. He quickly advanced to the Head of Teamline and then to Vice-President of Strategy and Alliances. More recently, he is the Commercial Director of Cambridge Future Tech, a deep tech venture builder. Steve is on the board of two company portfolio companies, Illuma and Measure Protocol.

## **Dr Reuben Wilcock**

Reuben is an award-winning entrepreneur with over 20 years' experience founding and growing start-ups. His smart home energy spinout, Joulo, won the British Gas Connected Homes award and was acquired by Quby. Reuben was a leading figure in entrepreneurship, founding the Future Worlds accelerator, through which he mentored over 250 entrepreneurs across 50 companies. He has a degree in Electronics, a PhD in integrated circuit design, is a named author on over 45 academic papers and has five patents. He was previously the Head of Ventures at Blackfinch Group where he led over £100m of investment into a portfolio of 40+ high-tech high-growth Seed and Series-A stage companies. He sits on the boards of many of these, actively supporting founders and their teams through different stages of growth.

## Investment Details

<b>ISIN</b>	GB00BKV46W45
<b>SEDOL</b>	BKV46W4
<b>TICKER</b>	BFSP
<b>LEI</b>	254900F3ZHVS78UV6D89
<b>Company Number</b>	12166417
<b>Investment Manager</b>	Blackfinch Investments Limited 1350-1360 Montpellier Court Gloucester Business Park, Brockworth, Gloucester, Gloucestershire, GL3 4AH.
<b>Launch Date</b>	01/11/2019
<b>First Capital Called</b>	27/03/2020
<b>Issued on Stock Exchange</b>	09/04/2020
<b>First Investment</b>	02/09/2020

## Regulatory

<b>Non-Mainstream Pooled Investment (NMPI)</b>	No.
<b>Non-Readily Realisable Security</b>	No. (as listed on main exchange)
<b>Subject to Product Guidance Rules</b>	Yes.
<b>HMRC Approved VCT Fund</b>	No.
<b>ISA Qualifying</b>	Yes.
<b>Currency</b>	Sterling.
<b>SRRI Level</b>	6

# Investor Specification

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<b>Suitable for Retail Clients</b>	Yes.
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<b>Suitable for Professional Clients</b>	Yes.
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## Target Market

- Those who want exposure to small company investing.
- Those who want a regular tax-free income from their investment.
- Those who have large amounts of capital and are looking to claim tax relief.
- Those who want diversification in their portfolio.
- Those who wish to accept a higher risk to their capital.
- Those who want to invest in a product that considers long-term outcomes and responsible values.
- Those who want exposure to small company investing.
- Those who want a regular tax-free income from their investment.
- Those who have large amounts of capital and are looking to achieve tax relief.
- Those who want diversification in their portfolio.
- Those who wish to accept a higher risk to their capital.
- Those who want to invest in a product that considers long-term outcomes and responsible values.

## Target Market - Knowledge and Experience

- An understanding of the type of product being offered.
- An understanding of the risks involved in investing in illiquid shares.
- Awareness of other tax-efficient products such as the EIS and Individual Savings Accounts (ISAs).
- An understanding of the VCT scheme, and the threshold of £200,000 for income tax relief.
- An understanding that the amount of tax credit received cannot exceed the total income tax liability for the same tax year.
- An understanding of investments into tax advantaged products (e.g. VCTs, EIS) or direct investment into large quoted (e.g. FTSE 100 and FTSE 250), smaller quoted (e.g. FTSE 350) or AIM quoted or unquoted companies.
- An understanding that the movement of the VCT share price is dependent on the performance of underlying investments in unquoted companies.

## Target Market - People who should not invest

- Those who lack the requisite investment knowledge and experience.
- Those who have an investment horizon shorter than five years.
- Those with an insufficient income tax liability to fully benefit from the tax relief offered by a VCT.
- Those who are looking to protect their capital.
- Those who are risk averse.
- Those who have low tolerance to risk.
- Those who need the investment to pay a predictable income.
- Those who are not happy to give up control of their capital.
- Those investing a high proportion of their savings into one product.

## Investment Specifics

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<b>Minimum Investment</b>	£3,000
<b>Target Return</b>	Target of regular dividends equating to 5% of net asset value (NAV) per annum with the potential for special dividends.
<b>Minimum Holding Period</b>	The minimum holding period to retain tax relief is five years.

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## Current Offer Details

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<b>2025/2026 Offer Date</b>	11 September 2025
<b>Subscription Amount</b>	£20,000,000
<b>Over-Allotment</b>	£20,000,000
<b>Discount(s)</b>	<p>The following discounts are available for 2025/2026:</p> <p>1% for all subscriptions before 15/12/2025</p> <p>Additionally, 1% per Ordinary Share to be deducted from offer price for existing investors.</p>

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# Investment Ethos

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<b>Sector</b>	Evergreen.
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<b>Sub-Sector</b>	Technology-enabled companies.
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<b>Strategy</b>	<p>The VCT invests in innovative growth-stage technology-enabled companies which are on their scale-up-journey and have the potential for high growth alongside reasonable exit timescales, and that are underpinned by clear long-term growth prospects. To be considered for investment, companies must demonstrate to Blackfinch that they are capable of growth through disrupting large growing markets – typically a market value of at least £1bn – and be capable of achieving significant predicted exit multiples. Highly regulated industries, for example MedTech, are considered only in exceptional cases due to the timescales involved in bringing products to market. On behalf of the VCT, the Investment Manager will be pursuing an active investment strategy.</p>
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<b>Investee Company Requirements</b>	<p>The VCT will focus its investment on unquoted companies with some or all the following characteristics:</p>
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- Innovative growth-stage and technology-enabled, and which are on their scale-up-journey.
- The capability to grow quickly through disrupting their markets.
- Strong performance against previous investment round milestones.

**The investee companies will be:**

- Requiring investment of at least £0.25m.
- Entering large growing markets and have the potential for high return multiples.
- Generally able to show evidence of product-market-fit.

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<b>Investee Company Size</b>	Scale-Up
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<b>Target Number of New Companies Per Annum</b>	5 - 10
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<b>Active Number of Companies</b>	35
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# Investment Process

## VCT Tax Compliance

Blackfinch will seek an opinion from an independent, professional-indemnity insurance backed tax specialist.

## Deal Flow

The Investment Manager uses links to UK accelerators, incubators and start-up hubs to source potential investments. The Investment Manager also sources highly qualified deal flow using a cutting-edge research platform which tracks high-growth start-ups in the UK. Carefully designed searches across sector, buzzword, valuation, time since last funding and accelerator attendance gives access to some of the strongest, yet least-known, investment opportunities. Using this data-driven strategy allows the Investment Manager to proactively approach companies before they start their next funding round. Inbound leads are also captured through the Investment Manager's website, direct email, LinkedIn and other online platforms. Referrals provide a further rich stream of deal-flow and can arrive from many sources, including founders of existing portfolio companies, the external Venture Partner network, other investors and different teams within Blackfinch's Group. The net result is that typically at least 1,000 leads are considered each year, from which the VCT plans to make in the region of five to 10 new high-growth investments annually.

# Investment Process

## Pipeline Process

Prospects that meet the requirements of tech focus, correct stage and VCT suitability are placed in a 'Long List' and founder discussions allow the collection of key information under standard headings including raise, product, team, competition, financials and traction, along with graphs of key metrics. Regular filtering meetings with the senior team determine whether to pass, hold or progress the opportunity in which case it enters a 'Short List' with specific areas of interest highlighted for further analysis. Areas of interest typically include further details of existing traction, sales pipeline, market size, customer journey, ESG, introductions to existing investors or customers, and product demonstrations, following which a decision is made on whether to move to the 'Pitch' stage. Recorded pitch sessions often continue for many hours and involve deep dives into data, metrics, performance and financials. The aim of these sessions is to gain enough information to decide whether to progress to 'Term Sheet' stage. Term Sheets typically include requests for founders to re-vest their shares, incentivising the key team to stay in the company for up to four years. 'Investor Consents' are also asserted where appropriate to provide a veto over significant decisions that could devalue investors' shareholdings. Specific conditions or bespoke deal terms specific to the VCT are also included. Input is taken from the Investment Committee (IC) before moving beyond Term Sheet, which ensures strong governance before any party incurs legal costs. A comprehensive approach is taken in the Due Diligence stage, which covers technical, team, financial, tax, ESG, market and competitor risk. The VCT is requested to upload answers and supporting documents in response to a carefully considered and standardised due diligence questionnaire. A VCT tax specialist is normally engaged to ensure that the business qualifies under the VCT rules.

Technology risk is assessed by a sector expert from the Investment Manager's network who performs a deep dive on the technology state. This may involve assessing everything from architecture to code level in the case of software or walking through schematics, mechanical designs, supply chain and firmware in the case of hardware. A senior member of the Investment Manager's team also devotes time with employees to assess team dynamics and expertise. If not already in place, relationships will be formed with Principals in other funds who have previously invested or are co-investing in the round, in order to smooth the process and benefit from their opinions on VCT performance. This can generate significant insight. The result of the Due Diligence phase is a fully-furnished IC report, which is presented to the IC for approval to proceed to Full Form agreement stage. Where possible, the Investment Manager's standard legal templates will be used, but sometimes the portfolio company's existing legal agreements, or those from a separate lead investor, are simply modified in order to assert the main Term Sheet conditions.

## Post-Investment Support

### Ongoing Monitoring

The VCT aims to appoint a value-add NED to the portfolio company Board, from its external Venture Partner network, who will typically be an experienced founder, industry leader or sector expert. This Venture Partner is normally identified during the Due Diligence phase and appointed after an investment is made. These individuals, acting on the Board, increase the chance of companies making solid business decisions, reducing the risk of failure. A member of the Investment Manager's team typically also acts as a board observer for monitoring purposes.

Where possible, investor consents are embedded in the Shareholder's Agreement to give the VCT a veto over decisions that could devalue the VCT, ensuring robust governance. Financial records are recorded monthly, along with performance set against the agreed business plan, which allows quick intervention if problems begin to emerge. Rather than reprimand, the Investment Manager will look to help, through its guidance and the support from its wider network of external contacts.

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<b>Non-Executive Director</b>	Yes, from Venture Partner Network. (where appropriate)
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<b>Board Observer</b>	Yes. (where appropriate)
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## Net Asset Value Per Share

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<b>31/12/2024</b>	103.62p
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<b>31/12/2023</b>	101.54p
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<b>31/12/2022</b>	90.85p
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<b>31/12/2021</b>	93.08p
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<b>31/12/2020</b>	94.08p
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## VCT Total Return (NAV cumulative total return to 30/06/2025)

<b>1 Year</b>	1.8%
<b>2 Year</b>	13.7%
<b>3 Year</b>	14.5%
<b>4 Year</b>	17.8%
<b>5 Year</b>	9.9%

## Raise History

<b>Tax year 2024/2025</b>	£23,646,812
<b>Tax year 2023/2024</b>	£13,836,626
<b>Tax year 2022/2023</b>	£7,260,322
<b>Tax year 2021/2022</b>	£8,164,818
<b>Tax year 2020/2021</b>	£6,162,112
<b>Tax year 2019/2020</b>	£3,294,296

Raise history includes funds reinvested under Flexi-DRIS and rebate.

## Dividend History (payment date)

<b>26/04/2024</b>	2.5p
<b>26/04/2024</b>	2.6p
<b>09/05/2025</b>	2.5p
<b>08/08/2025</b>	2.7p
<b>Total Cumulative Dividends Per Share</b>	10.3p

## Buy Back Policy

The Shares are intended to be traded on the London Stock Exchange's main market for listed securities. Although it is likely that there will be an illiquid market for such shares and, in such circumstances, shareholders may find it difficult to sell their Shares in the market. Income tax relief is only available on the primary issuance of VCT shares. The Company intends to pursue an active buy back policy to improve the liquidity in the Shares where the Company may repurchase Shares, which shareholders wish to sell, at a discount of 5% to the latest published Net Asset Value per Share, (adjusted as appropriate for any dividends approved by shareholders at general meeting, subsequently paid or in respect of which the record date has passed), subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable cash resources available for the purpose. The making and timing of any share buybacks will remain at the absolute discretion of the Directors. The first buyback for the Company was facilitated on 30 May 2025,. The second buyback for the company had a deadline of 14 August 2025. Investors wishing to participate in the buyback are subject to costs which include brokerage fees as well as the fees for the VCT, which typically amount to 0.5p per share such costs being deducted from any sales proceeds paid.

# Charges Overview

## Initial Adviser Charge

This can be facilitated up to 5% of initial investment. It is agreed between the adviser and their client. The Initial Adviser Charge is not eligible for Income Tax Relief.

## Initial Promotion Fee

This is 2.5% of the subscription amount, less any discounts.

## Execution-Only Initial Fee

This is up to 3% of initial investment.

## Direct Investor Premium

This is 3% of initial investment.

## Effective Investment Management Fee

This is 2% per annum. It is charged at 2.5% per annum but 0.5% is rebated to facilitate adviser, execution, and direct fees. If the charges applied are lower, then the remainder of the rebate is used to purchase additional shares for the client.

## Transaction Fees

Blackfinch Investments is entitled to charge portfolio companies' arrangement, director and monitoring fees. These are not borne by the VCT.

## Performance Fee

20%

The amount of the fee will be equal to 20% of the amount by which the performance value per share at the end of an accounting period exceeds the high-water mark. This is the higher of 130p and the highest performance value per share at the end of any previous accounting.

## Initial Hurdle Rate

130p.

## High-Water Mark

Yes (higher of initial hurdle rate or highest performance value per share at the end of any previous accounting period).

## Investment Limits & Policy

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**Gearing & Borrowing**

There is no intention to use gearing at the present time. Borrowing is not permitted to exceed 25% of the aggregate total amount received under the subscription of shares (without a shareholder resolution).

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**Valuation**

Fair Value in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines.

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**Valuation Frequency**

Quarterly.

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**CREST Eligible**

Yes.

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## Risk Factors

The following (non-exhaustive list) of risk factors apply:

- Investments in smaller unquoted companies (usually with limited trading records which require venture capital) carry substantially higher risks than would an investment in larger or longer-established businesses.
- The imposition of trade tariffs or other international trade barriers, including significant US tariffs, ongoing post-Brexit adjustments and geopolitical tensions, may adversely impact the performance of the Company's portfolio and reduce the NAV per Share. Whilst the Company primarily invests in UK-based small and medium-sized enterprises (SMEs), portfolio companies may operate within international supply chains, rely on imported goods and services, or sell products into overseas markets or otherwise be affected by global events.
- There can be no guarantee that suitable investment opportunities will be identified.
- The current hostilities in the Middle East and Ukraine and, in respect of the latter, the resulting sanctions imposed on the Russian Federation by various countries around the world may have unforeseen, long term and far-reaching consequences for the global economy and the Company's portfolio of investments. In particular, the interruption and/or limitation in the supply of certain natural resources (such as oil and gas) could have a negative impact on the performance of the Company's portfolio of investments.
- Inflation remains above the Bank of England's target rate of 2%. The value of any income distributed by the Company and the real value of any capital returned to investors may be adversely affected by inflation over time. While the Company aims to achieve capital growth and/or income through its investments in VCT qualifying portfolio companies, many such companies are early-stage or growth-stage businesses that may be disproportionately affected by rising input costs, wage inflation, or general economic conditions linked to inflation.
- The VCT may be unable to maintain its VCT status, which could result in loss of certain tax reliefs.

## Risk Factors

- The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively, which may adversely affect an investment in the Company. While the UK Government has extended the VCT scheme's "sunset clause" to 5 April 2035, thereby continuing the availability of VCT tax reliefs for qualifying shares issued up to that date, there is no assurance that the scheme will be further extended beyond this date.
- The market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. There may also be constraints imposed on the realisation of investments to maintain the VCT tax status of the Company.
- The Company's portfolio of VCT non-qualifying investments (e.g. certain money market funds) are subject to market and interest rate fluctuations. Such investments are affected by the selection of funds and managers by the Investment Manager and by investment decisions of such portfolio managers, and there can be no assurance that appreciation will occur or that losses will not be incurred.
- The Company may make investments into companies with similar trading profiles and with exposures in the same industry and/or to the same customer base. The level of returns to the Company may, therefore, be adversely affected by any downturn in those sectors or the sources within those sectors from which income is derived.
- Any change in government and/or of governmental, economic, fiscal, monetary or political policy, in particular government spending reviews and political party policies, resulting in changes to existing policies, tax legislation and the venture capital trust schemes could materially affect, directly or indirectly, the operation and performance of the Company and/or its portfolio companies and/or the value of and returns from, the ordinary shares and the Company's ability to achieve or maintain its VCT status.

## Third Party Reviews

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<b>MiCAP</b>	Yes.
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<b>Tax Efficient Review</b>	Yes.
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<b>Hardman</b>	Yes.
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## Associated Third Parties

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<b>Registered Office</b>	1350-1360 Montpellier Court Gloucester Business Park Brockworth, Gloucester Gloucestershire, GL3 4AH.
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<b>Solicitors and Sponsor</b>	Howard Kennedy Corporate Services LLP No. 1 London Bridge London, SE1 9BG.
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<b>VCT Tax Adviser</b>	Philip Hare & Associates LLP, Bridge House, 181 Queen Victoria St, London EC4V 4EG.
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<b>Auditor</b>	BDO LLP 55 Baker Street London, W1U 7EU.
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<b>Secretary</b>	The City Partnership (UK) Limited The Mending Rooms Park Valley Mills Meltham Road Huddersfield, HD4 7BH.
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<b>Investment Promotor</b>	Blackfinch Investments Limited 1350- 1360 Montpellier Court Gloucester Business Park, Brockworth, Gloucester, Gloucestershire, GL3 4AH.
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<b>Administrator</b>	Blackfinch Investments Limited 1350- 1360 Montpellier Court Gloucester Business Park, Brockworth, Gloucester, Gloucestershire, GL3 4AH.
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<b>Custodian</b>	Blackfinch Investments Limited 1350- 1360 Montpellier Court Gloucester Business Park, Brockworth, Gloucester, Gloucestershire, GL3 4AH.
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## Relevant Documentation

All relevant documentation can be found on the website.

[blackfinch.investments/literature/](https://blackfinch.investments/literature/)

## Platform Summary

The VCT is available on the following platforms:

- Transact.
- Platform One.
- Interactive Investor.
- WealthClub.

# 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>).

***IMPORTANT INFORMATION***

Blackfinch Investments Limited (Blackfinch) 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.