

# VCT Factsheet

## Blackfinch Spring VCT

### **VCT (Venture Capital Trust) are suitable for:**

- High net worth or sophisticated investors seeking high-risk, high-reward opportunities in early-stage, unquoted businesses.
- Investors with a diversified investment portfolio who understand the risks associated with investing in smaller, less liquid companies.
- Tax-efficient investors looking to benefit from 30% UK income tax relief (on up to £200,000 invested per tax year), tax-free dividends, and tax-free capital gains.
- Long-term investors comfortable holding shares for a minimum of five years to retain tax relief, but ideally prepared for extended holding periods due to the nature of venture capital investments.

These investors benefit from significant tax reliefs while supporting potentially high-growth businesses, creating employment opportunities in the UK. Investors should have the financial capacity to bear potential losses.

### **IMPORTANT INFORMATION**

This document aims to emphasise key aspects of the investment and should not be taken as a complete and comprehensive analysis of the risks of investing in the investment. It should be read alongside the Blackfinch Spring VCT Prospectus, which you are advised to review thoroughly. In case of any discrepancies between this document and the Prospectus, the latter's provisions will prevail.

## Principal Parties:

<b>Investment Manager</b>	<b>Blackfinch Investments Limited</b>
<b>Investment Adviser</b>	<b>Blackfinch Investments Limited</b>
<b>Administrator</b>	<b>Blackfinch Investments Limited</b>

## Investment Manager: Blackfinch Investments Limited

Blackfinch Investments Limited is part of the Blackfinch Group, an investment specialist with over 30 years' track record. Blackfinch Investments Limited has more than £900 million in assets under management and administration, accurate as at the date of the launch of the prospectus (11 September 2025), as referenced on page 22 of the prospectus.

Founded on evolutionary principles inspired by Charles Darwin, Blackfinch focuses on adaptability, helping individuals, businesses and communities to thrive. The firm partners with advisers to provide tax-efficient solutions, early stage and growth investing, and diversified offerings and diversified offerings known for flexible design and a transparent fee structure. Blackfinch emphasises capital protection, security and growth, operating with high regulatory standards, transparent processes and a strong commitment to responsible, long-term outcome.

<b>Key Details:</b>	<b>Blackfinch Spring VCT</b>
First Added to Titan Alternatives Panel	October 2025
Product Launch Date	November 2019
Product AUM	£64.2m (as at 30/06/25)
USP	Invests in high-growth, UK technology-enabled companies at scale-up stage, targeting 5% dividends, diversification and responsible, long-term outcomes
Total Offer Size	£20m fundraise with £20m over allotment
Minimum Investment	£3,000
Maximum Annual Investment	£200,000 (eligible for tax relief)
Subscription Amounts Invested	Can differ between 95-100% depending on if clients are investing with an adviser or on an execution only (EO) basis. Advisers can take up to a 5% initial fee, this amount is taken upfront prior to investing and so reduces the percentage of monies invested.
Level of Tax Relief Available	30% income tax relief Tax-free dividends No capital gains tax on growth
Target Number of Portfolio Companies	Current portfolio of 35 (30/06/25)
Target Dividend	5% of NAV per annum
Target Hold Period	Minimum of 5 years to retain tax relief benefits
Provisional Next Close Date	15 <sup>th</sup> December 2025 for our Early Bird Discount 1 <sup>st</sup> April 2026 for TYE Investments 24 <sup>th</sup> August 2026 for the current prospectus and offer.

## Fees

Fee (Excluding VAT)	
Initial Promotion Fee	Up to 2.5%
Available Discounts	1% Earlybird Discount (up to December 15 <sup>th</sup> 2025) 1% Discount for Existing Investors
Advised Initial Fee	Up to 5% (subject to relevant discounts)
Annual Running Expenses	Subject to a cost cap of 3% of NAV per annum. (Based on 2% Effective Investment Management Fee, as below. The cap is 3.5% if including the 0.5% rebate to shareholders as a cost.)
Annual Management Fee	2% Effective Investment Management Fee
Performance Fee	20% over a high watermark that is initially set at 130p performance value per share. This hurdle rate is yet to be reached and therefore no performance fee has yet been paid.

## Materials

### Product Provider (Manufacturer) Materials

Prospectus

Brochure

Target Market Assessment

## Overview

### Investment Strategy

The VCT invests in innovative, growth-stage technology-enabled companies on their scale-up journey, with potential for high growth and reasonable exit timescales. Companies must demonstrate the ability to disrupt large, growing markets typically worth at least £1bn and show the capacity to deliver significant exit multiples. Highly regulated industries, such as MedTech, are considered only in exceptional cases due to extended timescales.

A central focus is identifying businesses that have convincingly delivered on milestones from previous investment rounds. Companies are expected to evidence product-market fit through traction, often revenue, indicating progress beyond the inflection point of their growth curve. They must also demonstrate the ability to control customer acquisition, verified by clear growth metrics.

Investment selection places strong emphasis on the founding team, who must be motivated, driven and complementary in their skills. Alignment with long-term value creation is essential, alongside evidence of resilience, responsiveness and readiness for the challenges of scaling.

### Sectors:

- Software & SaaS
- Data & Market Insights
- Marketing & Consumer Engagement
- Financial & Business Services
- Health, Wellbeing & Education
- Industrial, Energy & Transport
- Property, Space & Emerging Tech

## Notable Merits & Consideration Points

- **Diversified Technology-Enabled Portfolio:** Blackfinch Spring VCT provides exposure across a broad range of technology-enabled sectors, offering investors diversification and reduced reliance on any single industry.
- **Active Scale-Up Strategy:** The VCT targets innovative, growth-stage businesses with clear potential for rapid expansion and strong exit opportunities, typically in markets worth at least £1bn.
- **Experienced Investment Manager:** Managed by Blackfinch Investments, an established specialist with over 30 years' experience and more than £900m in assets under management and administration.
- **Dividend Objective:** The Company intends to pay annual dividends equivalent to c.5% of net asset value, supplemented by special dividends on successful exits.
- **Tax-Efficient Structure:** Investors benefit from the standard suite of VCT tax reliefs, including 30% upfront income tax relief, tax-free dividends and CGT exemption (subject to five-year holding).
- **Long-Term Growth Potential:** By backing disruptive UK SMEs on their scale-up journey, the VCT seeks to generate capital growth alongside sustainable, responsible investment outcomes.

## Key Risks

- **High Risk and Volatility:** Investments in smaller, unquoted UK companies are inherently high risk. These businesses often have limited trading records, fewer resources, and greater exposure to economic conditions, which may result in fluctuations in value and potential loss of capital.
- **Illiquidity:** Although the VCT's shares are listed on the London Stock Exchange, they are inherently illiquid. There may be limited opportunities to sell shares, and investors should be prepared to hold for at least five years to maintain VCT tax reliefs.
- **No Guarantee of Returns:** There is no certainty the Company will achieve its dividend target or deliver capital growth. Returns depend on portfolio performance, and losses may occur.
- **Tax Relief and Legislative Changes:** The availability of VCT tax reliefs depends on the Company maintaining qualifying status. Changes to legislation or HMRC rules could adversely affect both the Fund's strategy and investor returns.
- **Concentration of Portfolio:** While diversified across technology-enabled sectors, the portfolio remains exposed to risks specific to early-stage and growth-stage SMEs, which may impact performance.

Please note that this is a summary of the key risks and potential investors should refer to pages 13-20 of the Prospectus for full details

## Tax Relief

- **Income Tax Relief:** Investors can claim 30% income tax relief on investments up to £200,000 per tax year, provided shares are held for a minimum of five years. This relief is only available against income tax liability for the year in which shares are issued.
- **Capital Gains Tax Exemption:** Gains realised on the disposal of VCT shares are exempt from capital gains tax, provided the shares were held within the £200,000 maximum qualifying limit per tax year.
- **Tax-Free Dividends:** Dividends received on VCT shares are tax-free, offering an additional benefit for investors seeking income.
- **No Loss Relief:** Losses on the disposal of VCT shares do not qualify for relief against income or capital gains.
- **Tax Legislation:** The availability of these tax reliefs depends on the Company maintaining its qualifying status as a VCT and may be impacted by changes in tax rules. Investors should consider their personal circumstances and consult with a tax adviser.
- **Personal Circumstances:** Tax reliefs depend on individual circumstances and are subject to change.

## Client Suitability

- **High-Risk Tolerance:** Suitable for investors who understand the high-risk nature of smaller, unquoted companies and accept the possibility of losing their entire investment.
- **Tax Mitigation and Growth-Oriented Investors:** Appropriate for individuals seeking to benefit from 30% upfront income tax relief, tax-free dividends, and capital gains exemption, while accessing long-term growth opportunities.
- **Long-Term Commitment:** Designed for investors prepared to hold their investment for at least five years to retain tax reliefs, recognising the illiquid nature of VCT shares.
- **Sophisticated and Experienced Investors:** Suitable for investors who are comfortable with higher-risk investments, ideally as part of a diversified portfolio, and who may already have experience with alternative investments.
- **Exposure to UK SMEs:** Provides access to a diversified portfolio of innovative, technology-enabled growth companies, primarily headquartered in the UK.

## Consumer Duty

Advisers should review relevant consumer duty materials and ensure that investors align with the intended target market as outlined in the documentation provided.

## Conclusion

Having first launched as Blackfinch in 2013, the Management team looked to build on their vast experience in the UK investment market following their first incorporation in 1992 as Neville James.

The primary aim of Blackfinch was to build an adviser focused business with products in the tax efficient investment space and now boasts over £900 million under management and administration through trading companies and client portfolios.

The firm is proud of the services it offers advisers, having built a business development team that covers the whole of the UK and is supported by a dedicated client services team that has been recognised and rated with 5 stars by the Financial Times Financial Adviser Awards.

Established in 2019, the Blackfinch Spring VCT focuses on innovative growth stage technology companies looking to scale up. The VCT has deployed capital across 35 companies (30/06/25) spanning a wide and diverse range of sectors in tech enabled businesses, stating no sector preference but a desire to avoid companies in regulated industries where possible.

Technology risk is assessed by a sector expert from within Blackfinch's network, whose deep dive may include assessment of everything from architecture to code level, schematics, mechanical designs, supply chain and firmware dependant on the relevance and company's activity.

Supporting firms that they have sourced from their network as well as existing investments made via their EIS portfolios, Blackfinch brings the advantage of deep knowledge, experience and data collected on the companies to make informed decisions and believe this combination offers investors a higher chance of success.

The size of the portfolio in comparison to much larger VCTs also offers the possibility of a significant exit from any one company representing a much larger return per share and as such creates the potential for special dividends from early successful exits.

The Manager's intention is to give investors wide diversification and exposure to a spread of many different technology areas within the VCT, having deliberately sourced companies with specific characteristics and identified as having growth and disruption capabilities within large growing markets, typically of at least £1 billion.

The Blackfinch Spring VCT target dividends equating to 5% of NAV per annum along with 'special dividends' from the proceeds of successful exits that are not reinvested or required elsewhere by the company. Following its first dividend payments made in 2024 the VCT has paid total cumulative dividends of 10.3p per share (30/06/25). It is this combination of maturity and ability to pay a yield that has driven the continued increase of capital introduced to the VCT each year since launch (£3.2m in 19/20 to £23.6m in 24/25).

The rise in capital raised each year supports their aim of adding to existing exposures whilst looking to make 5-10 investments in new companies per annum.

The combination of the above lead us to recognise that the Spring VCT is now successfully established in the market and its reputation should be further enhanced by the continuation of the growth of AUM, dividend yield and potential special dividends.

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*Investments in unquoted companies are high risk and may be volatile, with a significant chance of failure. Although VCT shares are listed, they can be difficult to sell and should be regarded as a long-term investment, typically held for at least five years. Tax advantages depend on individual circumstances and may change, and there is no guarantee a VCT will retain its qualifying status.*

*The value of an investment may fall as well as rise. Past performance should not be seen as an indication of future performance. Due to the potential for losses, the Financial Conduct Authority (FCA) considers these types of investments to be high risk. Any opinions expressed reflect our current judgment at the date of this document and are subject to change without notice.*