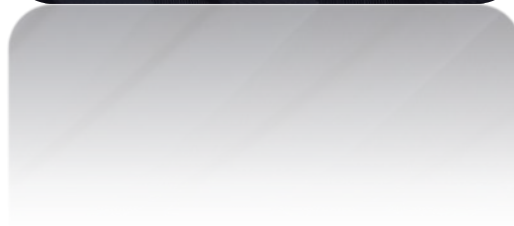
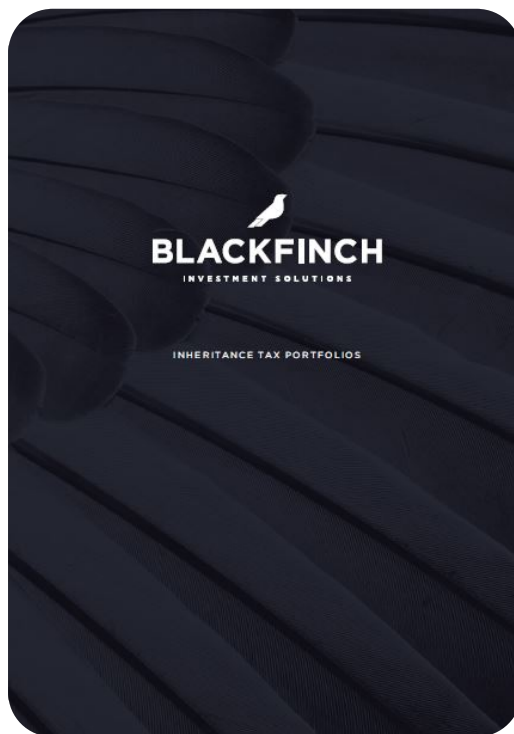


The Timebank Research



Function	Due Diligence
Product Name	Seed Enterprise Investment Scheme (SEIS) Music Portfolios – Discretionary Management Service
Issuing Company	Blackfinch
Date	February 2014



Due Diligence Report On Blackfinch Inheritance Tax Portfolios

Prepared by



Prepared for



Please note that this plan was prepared in the 2013/14 tax year and therefore the tax rates and assumptions used are those that were applicable.

This is due diligence looking at some of the key factors on the structure of the business and management controls.

This document neither endorses nor rejects the company but enables the adviser to make an informed decision on whether it is an appropriately run business to expose client to.

This is not in any way any form of advice and is an internal document that forms part of the wider, rigorous process of selecting any investments.

Advisers have responsibility to ensure that individual advice is based on individual needs.

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A BRIEF HISTORY OF THE COMPANY

They have been operating in the UK retail investment market since 1992. Their focus has been primarily on tax efficiency, coupled with capital preservation, and their track record reflects a growing client base, with group assets under administration of approximately £500 million. Please see the Group Structure attached.

LEGAL ENTITY

Blackfinch are a UK Limited Company.

DETAILS OF BRANCH OR AFFILIATE OFFICES OR BUSINESSES

Please see Group Structure attached.

CURRENT OWNERSHIP STRUCTURE

Please see Group Structure attached.

CHANGES IN THE LAST 3 YEARS

Please see Company timeline below.

PLANS FOR FURTHER OWNERSHIP CHANGES

There are currently no plans for changes in ownership.

MOST RECENT ACCOUNTS

Please see attached.

SHORT HISTORY OF THE BUSINESS WITH THE MOST IMPORTANT MILESTONES

- 1992: Neville James founded and begins purchasing and selling TEPs in the UK retail market and constructing portfolios.
- 2004: Leonard Simmonds Associates Limited incorporated as a UK market maker for TEPs.
- 2008: LSA Group International Limited completes merger with Austrian shareholder, to sit under the FinanzInvest GmbH holding company.
- 2009: AVD Wealth Limited (UK) is established and TEP portfolios are promoted to the UK intermediary market.
- 2010: The UK TEPs market maker 'Neville James' is acquired and brought in to the UK group.
- 2013: AVD Wealth Limited is rebranded to Blackfinch Investment Solutions Limited.

CORPORATE GOVERNANCE

DIRECTORS/EXECUTIVE AUTHORITIES

The Director and CEO is Richard Cook

INDEPENDENT DIRECTORS

Blackfinch currently have no independent directors.

BOARD MEETINGS

The board meet on a monthly basis.

STAFF INFORMATION

NUMBER OF PERMANENT STAFF

There are 15 permanent staff.

NUMBER OF STAFF IN EACH DEPARTMENT

Please see Organisation Chart attached.

NUMBER OF EMPLOYEES FOR THE LAST 5 YEARS

2013 - 15
2012 - 14
2011 - 12
2010 - 14
2009 - 20

COMPANY ORGANISATIONAL CHART

Please see Organisation Chart attached.

SIGNIFICANT EMPLOYEE TURNOVER OVER LAST (TWO) YEARS

Please see above for staff changes.

TALENT ATTRACTION

Blackfinch use recommendations and recruitment agencies.

COMPENSATION SCHEME FOR KEY PERSONNEL

Director - Profit share
Sales team - Defined performance bonus
Fund managers - Performance fee for investments
Other staff - Discretionary bonus

KEY PERSONNEL

Richard Cook – Chief Executive Officer

Richard graduated from University of London then moved into senior banking roles within Merrill Lynch and the Bank of New York where he headed up departments in off-shore taxation.

In 2004 Richard became a founding shareholder of the UK Group and in 2009 took the position of CEO. Having worked at a senior operations level within capital protected investment markets for the last 9 years, Richard is now an expert in the asset class and has developed skills in the taxation, regulation and risk management of this sector.

Jerry Price - Director

Jerry joined Blackfinch in 2013 to focus on strategic account management and has over 25 years experience in the financial services industry which has ranged from direct sales, management training and managing an IFA network. Over the past 10 years Jerry has been working on the development and distribution of IHT based solutions. He is well known and highly respected for the depth of his knowledge and understanding of the challenges advisers face both at an individual and corporate level.

Chris Bate - Director

Chris has over 25 years experience in financial services across a wide range of disciplines and roles within the industry. Chris spent 15 years with the Prudential which culminated in a national training and development role for the financial planners within the Prudential's high net worth financial planning arm. Chris then enjoyed a further eight years with a firm of IFA's specialising in organising tax strategies for clients within the professional sports arena and was Operations Director when the firm completed its multi way management buyout. In recent times Chris has been building and developing the group's distribution network.

Hannah Knijff – Chief Operating Officer

Hannah joined Blackfinch in 2013 and brings with her over 10 years experience working within investment Banking operations. Hannah started her banking career working for JP Morgan, managing teams within their Fixed Income department. She then moved to Barclays Capital, where she managed a number of Sales teams supporting the Hedge Fund and Money Market desks. Hannah's most recent role was held at Deutsche Bank where she was responsible for managing the Global Finance and Foreign Exchange support teams.

Jason Lloyd – Financial planning and Marketing Manager

Jason is CF30 and the Marketing Manager and will apportion increased focus onto the CF30 role as new business levels increase. Jason has experience working as an adviser for mortgages and life insurance and has recently worked in a firm of independent financial advisers where he had compliance file checking responsibilities. He now has the relevant exams to perform the suitability checking and execution of share purchases on behalf of investors. Jason will work under a training programme designed and managed by Pi Financial whereby a framework will be design and Jason will be mentored and gain experience under the supervision of Pi Financial, their compliance support company. Blackfinch are also actively looking to recruit a new adviser with suitable experience and qualifications to provide cover for Jason and continuity, as soon as business streams start and begin to grow.

Andrew Larsen - Financial Planning

Andrew has extensive experience as an investment manager on a retail discretionary basis. Andrew worked at Signia Wealth Ltd where he was responsible for a large number of Client mandates (discretionary and advisory) and £200 million of assets. Andrew also worked at Coutts & Co, as a Portfolio manager, where he actively managed £60 million for 12 multi-asset class individual client portfolios both on advisory and discretionary basis.

Joe Maccarthy - Fund Management

Experience in identifying new opportunities and assets which qualify for tax advantaged fund sources. A large focus of this would be for investment opportunities which qualifies for BPR and would provide the strong capital preservation mandate.

These funds source bridged EIS, VCT and IHT, but the large majority of which qualified for BPR and largely for clients looking to qualify for IHT relief. Responsible for internal approval process for new investment companies and opportunities (Investment Committee); considerations given to ensuring suitability for new investment activities for BPR/IHT according to security, returns, BPR qualification, liquidity etc.

Ongoing monitoring of underlying investment performance and activity in line with business/investment expectations, across the underlying qualifying activities. Responsible for external approvals process for tax qualification, with EIS and IHT/BPR with HMRC.

POSSIBLE RETIREMENT OF KEY INDIVIDUALS

The ongoing business activities are managed by an experienced team of individuals with relevant experience gained in other roles, as well as within Blackfinch. Richard Simmonds, a previous Managing Director of Blackfinch, works on a consultancy basis to provide feedback to the board and to understand the ongoing activities within the company.

Richard Simmonds is able to provide a seamless transition should there be an absence from Richard Cook. Additionally, there are a team of strong management positions which work closely with Richard Cook on a daily basis and manage the ongoing running of the company. The Chief Operating Officer, Hannah Knijff, is in place to provide continuity from an operational perspective, with heavy involvement in the running of the client accounts and investment processes, as well as oversight of the compliance monitoring programme under delegation from the Compliance Officer, and in conjunction with the compliance consultancy firm.

CORPORATE PHILOSOPHY

The philosophy behind the business is to provide investment opportunities that provide fee transparency to investors through simplicity and asset selection that enables investors to understand the nature of asset class they are investing in. Blackfinch made this transparency philosophy its guiding principle in response to the credit crunch/financial crisis, when it became clear that many investors no longer understood the complexity of the financial instruments they were buying.

They cater for investors who prioritise capital preservation, but are prepared to take a degree of risk to beat inflation or diversify their holdings. They aim to provide strong levels of capital protection with the added bonus of tax advantages through non-contentious statutory reliefs.

OPERATIONAL DUE DILIGENCE (ODD)

OPERATIONAL DUE DILIGENCE TEAM

Blackfinch has an Operational Due Diligence Team.

DUE DILIGENCE FUNCTIONS ON UNDERLYING INVESTMENTS ON THE PLATFORM

They have Due Diligence functions in place for the underlying investments.

SIZE AND QUALIFICATIONS OF THE TEAM

The selection and monitoring of investment opportunities is the responsibility of their Investment Committee. It consists of senior management at Blackfinch and includes individuals with proven track records in the key industry sectors that their portfolios invest in. Their committee members hold extensive experience in sourcing business opportunities and structuring efficient and transparent investment products and services.

The committee meets regularly to review opportunities and to perform in depth due diligence on any new BPR qualifying businesses under consideration. It will also monitor the performance of all underlying assets held within the portfolios and works closely with the asset managers to ensure that the investment policy is adhered to. This 'hands-on' approach means that their portfolios consist of assets with high levels of asset-backed security and that risks are managed appropriately.

MIDDLE AND BACK OFFICE OPERATIONS

The key part of the Blackfinch IHT Portfolio mandate is to ensure that the shares are purchased in a company which qualifies for BPR. To ensure this, they use independent, established and experienced accountants to provide a written opinion on the trading activity of each company to ensure that the trading activity will qualify for BPR. The next key part of the process is to ensure that the trading activity provides a strong degree of capital protection, usually by taking a conservative level of risk against a secure asset. To ensure that they are investing in line with this capital preservation strategy, they use their own oversight company, Origin, to verify and check every loan which happens within the property and agri loan companies.

This is to ensure that the valuations on the assets have been provided by an independent RICS valuations agent for agri, and similar for property. The strategy of the borrower is also heavily considered as to their ability to repay, and the methods by which this will happen.

EXTERNAL/INTERNAL RESEARCH

Legal - Osborne Clarke

Marketing / Compliance - Gallium

Taxation – Bishop Fleming / Osborne Clarke

Compliance – Osborne Clarke

PUBLICATION OF RESEARCH/ACADEMIC PAPERS

Blackfinch do not publicise any research or academic papers.

RISK MANAGEMENT

RISK MANAGEMENT PHILOSOPHY

Risk mitigation is at the forefront of everything they do. Their philosophy is to identify, assess and control all aspects of risk at the earliest opportunity. Their IHT portfolios focus on capital preservation by investing in carefully selected asset-backed companies that qualify for BPR, which are then regularly monitored by the Blackfinch Investment Committee.

RISK MANAGEMENT STRUCTURE

New opportunities for investment are considered by the Investment Committee, who will also conduct all the necessary due diligence.

All lending (within the IHT Portfolios) will be checked against the credit policy by Origin to ensure it complies. Origin will then report back to the investment committee on overall performance of the management teams of underlying companies.

They will always obtain verification from an independent market-leading accountancy firm in relation to the investment activities qualifying for BPR.

RISK MANAGEMENT CONCEPTS

Management teams of the underlying unquoted companies have set lending criteria that they must meet. This outlines the required security for each loan, the LTV. All lending (within the IHT Portfolios) will be checked against the credit policy by Origin to ensure it complies. Origin will then report back to the investment committee on overall performance of the management teams of underlying companies.

There will only be one dealing per month, monthly NAV's will be produced and certified by 3rd party accountants so we can monitor the performance of the each individual portfolio, the investor will also receive a statement every 6 months so they have full visibility over the performance of their portfolio.

WRITTEN RISK MANAGEMENT POLICY

A risk management policy is incorporated within the credit policy, which Origin monitor.

A risk management policy is also incorporated within the discretionary management service to ensure that trading decisions it takes are suitable for Clients.

FORMAL RISK LIMITS

Credit policies are in place and they use their own oversight company, Origin, to verify and check every loan which is originated within the property and agricultural loan companies. Origin also monitors their performance throughout their term to ensure the best outcome for Blackfinch investors.

STOP-LOSS POLICIES

Blackfinch do not have any formal Stop Loss policies in place, however controls are in place to prevent them.

RISK MANAGEMENT SYSTEM

They use their oversight company Origin which monitors liquidity, performance of assets, compliance with investment strategies and credit policies for lending.

LIQUIDITY PROVISIONS

Blackfinch will seek to achieve liquidity for investors wishing to exit the investment (including the estate of a deceased investor) by matching their orders with incoming investors where possible. Where this is not possible, Blackfinch will ensure that the companies in which it invests retain sufficient cash amounts and liquid assets to facilitate capital reductions.

"BLOW UPS" EXPERIENCE

Blackfinch have no experience of blow ups to date.

OPERATIONAL RISK FOR OUTSOURCED FUNCTIONS

DUE DILIGENCE PROCESS FOR OUTSOURCED FUNCTIONS

Administration is performed in-house. They have, however, instructed Pi Financial to provide compliance audit for the company and this is done through Hannah Knijff and Richard Cook. Any areas of risk are highlighted and the Compliance Monitoring Plan is checked regularly to ensure that the company is not at risk in any areas.

SERVICE LEVEL AGREEMENTS

They have not outsourced any administrative functions.
They have service level agreements in place with Origin.

ONGOING ASSURANCE

They have not outsourced any administrative functions, therefore no on-going assurance is required.

ADMINISTRATION /OPERATIONS/IT

COMPUTER SYSTEMS & OUTSOURCED SERVICES

They use a mixture of off-the-shelf and in-house systems, as well as customising off-the-shelf products to suit their business needs

They use external web-hosting for some of their websites. This is provided by Softlayer (formerly The Planet/EV1 Servers), whose services they have used since 2004.

Their offsite backups are streamed to and stored with Cloud4Computers. They switched to using their services earlier this year, due to improved stability and reliability over their previous provider. They use salesforce.com as their sales CRM, as well as integrating with some post-sales systems. Contractors are periodically used on a temporary basis to assist with tasks such as web design and development

All other systems are maintained by internal IT staff. While internal IT staff develop and maintain systems to assist with generating documentation and reporting, they are not generally client-facing and such documents and reports are reviewed by operational staff before being sent to clients.

CONTACT DETAILS FOR THE FOLLOWING FUNCTIONS - FINANCIAL REPORTING & VALUATIONS

Financial reporting: P.davies@blackfinch.co.uk

Valuations/Fund Accounting: h.knijff@blackfinch.co.uk

SERVICE PROVIDERS

PROFESSIONAL COUNTERPARTS

Legal advisors - Osborne Clark

Auditors - Bishop Fleming

Banks - Lloyds

COMPLIANCE/REGULATION

COMPLIANCE OFFICER

Richard Cook is the full time Compliance Officer.

Pauline Davies and Hannah Knijff provide compliance support to Richard Cook for both ops and finance.

COMPLIANCE STRUCTURE & COMPLIANCE TEAM

Richard Cook is the full time Compliance Officer.

Pauline Davies and Hannah Knijff provide compliance support to Richard Cook for both ops and finance. Blackfinch uses PI Financial to provide Compliance audit and support for new procedures and ongoing supervision.

There is a compliance monitoring programme in place.

WRITTEN COMPLIANCE MANUAL

See response above - Compliance manual attached.

The Compliance Manual was updated within the last 3 months.

COMPANY REGISTRATION WITH REGULATORY/SUPERVISORY BODIES

Blackfinch are regulated by the FCA.

MOST RECENT REGULATORY INSPECTION

Their last inspection was within the last 3 months when applying for the Variation of Permission which was successfully granted.

LAWSUITS PENDING

There are currently no lawsuits pending.

MEMBER OF RELEVANT TRADE ASSOCIATION

Blackfinch are not members of any Trade Associations.

INVESTMENT COMPENSATORY FRAMEWORK

The Service involves investors purchasing and owning unquoted shares in various trading companies. Unquoted shares are not eligible investments that are protected by the FSCS, therefore if the investment fail, then investors would not generally be entitled to compensation.

However, in the event of the investment failing there are certain circumstances in which an investor will have a potential claim. This will involve either Blackfinch or another FSCS participant (i.e. FCA regulated adviser) mis-selling the service to an investor.

Investors would therefore typically have a potential claim against the compensation scheme in two scenarios:

-Investors have a proven claim for mis-selling against Blackfinch or another FSCS participant AND Blackfinch or the FSCS participant is not able to satisfy judgement against them (i.e. they are insolvent);

-The custodian of the investor's assets (including shares or money) becomes insolvent and has not properly segregated the investor's assets to protect them against claims by its creditors.

To this extent Blackfinch will always verify suitability of an investment to avoid any risk of mis-selling and shares are held in the Blackfinch Nominee company on behalf of its investors.

CONFLICTS OF INTEREST

ALIGNMENT OF INTERESTS

Blackfinch has constructed its remuneration and order execution arrangements to minimise the potential for conflicts of interest with clients and between different clients.

This involves only charging fees directly to clients, rather than seeking the payment of commissions through associated parties, employing a 4% per annum hurdle rate in order to trigger the investment management and performance fee and applying this over the life of the portfolio to encourage managers to generate long-term performance rather than trying to achieve periodical peaks.

ANY POTENTIAL CONFLICTS OF INTEREST

Blackfinch IHT Portfolio investee companies may acquire shares in, or assets from, other companies managed by Blackfinch Investment Solutions Limited.

They may also make loans to other entities which are managed by Blackfinch Investment Solutions Limited or in which Blackfinch Investment Solutions Limited has a financial interest. All loans and transactions will be on an arm's length basis and will be ratified by the non-executive directors of the Blackfinch IHT Portfolio investee companies.

ANTI-MONEY LAUNDERING

ANTI -MONEY LAUNDERING (AML) PROCEDURES:

Blackfinch have AML Procedures in place.

JURISDICTION

UK law.

AML OFFICER

Their AML Officer is Hannah Knijff.

COMPLIANCE WITH AML POLICIES

All staff are checked for AML competence when starting in the company, then there is a refresher training session on an annual basis.

AML PROCEDURES

Please see AML procedures attached.

BUSINESS CONTINUITY /DISASTER RECOVERY

FORMAL BUSINESS CONTINUITY MANAGEMENT PLAN

Please see the attached Disaster Recovery plan.

INSURANCE

They have PI and Public Liability insurance cover in place.

SPECIALISM

The objective of this service is to mitigate inheritance tax (IHT) liabilities after two years by investing in Business Property Relief (BPR) qualifying trades, whilst provide an income and/or growth on the capital.

A product they also offer is the Blackfinch Music SEIS Portfolios, it's an opportunity to invest in a range of companies which will fund the recording of new albums.

CLIENT REPORTING POLICY

They will provide updated investment valuations each month which can be accessed through a secure area on the Blackfinch website (www.blackfinch.co.uk). Intermediaries have access to valuations for all their clients whereas investors are only able to view their own investments. They will issue half-yearly reports to investors in April and October each year (issued direct to intermediary to review and distribute).

METHOD OF COMMUNICATION WITH CLIENTS

They send all correspondence through the IFA / intermediary, normally via email and post. They can facilitate issuing correspondence direct to investors on request.

REMUNERATION

REMUNERATION IN RESPECT OF BUSINESS ISSUED POST-RDR WHICH COULD BE CONSTRUED TO CONTRAVENE THE LETTER OR SPIRIT OF COBS AS AMENDED BY PS13/1

Blackfinch do not receive any remuneration in respect of business issues post-RDR which could be construed to contravene the letter or spirit of COBS as amended by PS13/1. The following questions have been answered as not applicable as Blackfinch are not a platform but offer a discretionary service for investors wishing to shelter their wealth from potential inheritance tax liabilities by investing in a portfolio of investments benefitting from business property relief

REMUNERATION FROM RETAIL PRODUCT PROVIDERS

Not applicable see above.

REMUNERATION BIAS ON PRESENTATION OF RETAIL INVESTMENT PRODUCTS

Not applicable see above.

ONLINE BIAS TOWARDS PROPRIETARY INVESTMENTS

Not applicable see above.

ADVERTS PRESENTED DISPROPORTIONATELY COMPARED TO REST OF WEBSITE

Not applicable see above.

FUNDS PRESENTED ALPHABETICALLY EXCEPT FOR FOCUS FUNDS

Not applicable see above.

SELECTION PROCESS BIAS

Not applicable see above.

BROKER CONSULTANT/CONTACT POINT BIAS TO CERTAIN WRAPPERS/FUNDS

Not applicable see above.

REMUNERATION AFFECTED BY THE RETAIL INVESTMENT PRODUCTS CHOSEN ON THE PLATFORM

Not applicable see above.

INVESTMENT DETAILS

PORTFOLIO MANAGER BACKGROUND	
Business Background	<p>Portfolio manager - Christian Goldthorpe - Christian has extensive experience as a portfolio manager but also as a product designer within the UK retail market. Christian has worked as a senior funds manager at Close Brothers, managing multi-asset class absolute return fund. He was also responsible for the structuring and the creation of structured products for Merchant Capital.</p>
Senior Investment Team Bios	<p>Tax mitigation expertise</p> <p>Richard Cook – Chief Executive Officer</p> <p>Richard Cook has over 10 years experience at board level within corporate structures and partnerships whereby asset backed trading activity was a key focus for the qualification of tax efficiencies.</p> <p>Joe MacCarthy is a chartered accountant and corporate financier. Joe has over 8 years working in with tax advantaged investments and for more than 6 years worked at Octopus investments, latterly as an investment manager sourcing, structuring and monitoring investments in using EIS, VCT and IHT funds across a variety of sectors.</p> <p>Sector expertise</p> <p>Ian Brown has spent over 2 decades in the music industry as a band member, a songwriter, a manager, an independent record label executive and as a consultant to some of the major record labels and publishers. In total, Ian has been responsible for the sales of more than 10 million worldwide albums and singles and currently acts as a consultant to Island Records (Bob Marley, U2) and EMI Music publishing (Rihanna, Emeli Sande).</p> <p>Ian's experience of the music industry, his connections and track record of finding and nurturing new talent puts him in a unique position to develop new recording artists and work with the major record labels to ensure that the best new talent gets the best chance of a commercially successful album, and that the investors get the opportunity to participate in that success.</p> <p>Ian is responsible for overseeing the artists and investee companies from a 'creative' perspective and to ensure the adequate level of diversification within the portfolios.</p> <ul style="list-style-type: none"> • Andrew Troughton – Member of the Blackfinch Investment Committee • Member of the Royal Institution of Chartered Surveyors • Registered RICS Valuer • Fellow of the Central Association of Agricultural Valuers <p>Andrew took sole ownership of Carver Knowles in November 2012, involved in all elements of Chartered Surveying business, working predominantly on valuations, tenancy work, compensation claims, planning and development.</p>

	<p>As a CAAV member , Andrew provides advice and valuation expertise on issues affecting the countryside from tenancy matters to sale and purchase of farms and land, from taxation and compulsory purchase to auctioneering.</p> <p>Please note that an additional 2-3 Investment Committee members are being appointed in the next 3-6 months.</p>
Remuneration	<p>Blackfinch company directors or key management will be entitled to a 25% share of disctributions from the portfolio investments, subject to the investors receiving 100p for every 100p invested (ignoring tax reliefs).</p>
INVESTMENT STRATEGY	<p>To deliver a positive return to investors through investment into companies which qualify for SEIS relief. Capital will only be deployed into companies that have received advanced assurance from HM Revenue & Customs that they qualify for SEIS relief.</p> <p>The portfolio of investments will comprise a mix of new artists’ albums (“Type A”) and more established artists’ albums (“Type B”).</p> <p>Type A investee companies tend to be new artists and will have a high degree of uncertainty around the future performance of the albums: they will have the potential for exceptional ‘breakout’ success, but also for commercial failure.</p> <p>Type B investee companies will pursue a more conservative investment strategy of commissioning albums from established artists with a track record and a known fan base. These are likely to deliver more predictable returns, but with a lower chance of a breakout success.</p> <p>Each Blackfinch SEIS Portfolio tranche will typically invest in 10 artists’ albums which are split between Type A and Type B investee companies. As a discretionary service each tranche will vary, however the aim for each tranche is to have no more than 40% of the artists being Type A and the remaining being Type B artists.</p> <p>Each investment is spread across a range of at least 5 new albums, with each album having a funding requirement of up to £150,000.</p>
INVESTMENT PROCESS/PORTFOLIO CONSTRUCTION	<p>Tax Reliefs</p> <ul style="list-style-type: none"> -FEBRUARY-MARCH 2014: The investee companies will be funded to trigger tax relief in 2013/14 t -AUGUST-OCTOBER 2014: Companies will have completed 4 months of trading and will apply to HM -OCTOBER-DECEMBER 2014: Companies should receive SEIS3s for the companies, to enable the i -DECEMBER 2014: Subject to receipt from HMRC, SEIS3s will be sent to investors by Blackfinch. W <p>Operational Activity</p> <ul style="list-style-type: none"> -MARCH-MAY 2014: The funds which have been invested in the companies will be utilised to record -MARCH 2014-MARCH 2017: Ongoing monitoring of investment and quarterly royalty payments du <p>Exit</p> <ul style="list-style-type: none"> -MARCH 2017-AUGUST 2017: Exit opportunity for investors. Possible sale of company to artist, ma -..... APRIL 2017-SEPTEMBER 2017: Return of proceeds to investors.

RISK MANAGEMENT

Capital will only be invested in companies that have received Advance Assurance from HM Revenue & Customs that they qualify for SEIS relief.

The portfolio of investments will comprise of a mix of new artists' albums ("Type A") and more established artists' albums ("Type B").

Using industry experts to oversee the artists and investee companies . Please see Ian Brown's expertise provided above

Recording artists distributed by or licensed by Major record labels (Sony, Universal, Warner Bros).

REPORTING AND TRANSPARENCY

We will issue half-yearly valuations to investors.