AIM Inheritance Tax (IHT) Investment Service

As part of their inheritance tax planning, clients can benefit from our AIM IHT Investment Service, which potentially gives exemption from inheritance tax after only two years by investing in companies that qualify for business relief.

About AIM (The Alternative Investment Market)

Launched in 1995 with just ten companies. A less tightly regulated market than the main London Stock Exchange, AIM provides a lower cost alternative for growth companies. It has seen some tremendous successes over the years with the likes of ASOS and Fever-Tree growing into multi billion pound companies, and now boasts 700+ companies (N.B. not all AIM listed companies qualify for business relief and therefore inclusion in an AIM IHT portfolio). It should also be noted that it has seen its fair share of failures too. Investing in AIM carries greater risk than investing in blue chip FTSE stocks but may be advantageous for some clients as part of a broader investment universe.

Why consider R.C.Brown's AIM IHT Investment Service?

Our AIM Expertise – we have been investing in the AIM market for over 25 years. We are aware of the potential for growth but also the pitfalls in the market.
Our unique primary opportunities process – this allows us unrivalled access to IPO's and equity raisings which are typically the preserve of institutional investors. We have been running our UK equities via this process since we were founded in 1990.
Our experienced team – Oliver Brown and Neil Whelan both have over 16 years' experience in the financial services sector. Oliver is also lead manager of the IFSL R.C.Brown UK Primary Opportunities Fund which has a strong long term performance record, and can and does invest in the AIM market.
Competitive & transparent fees – there are no dealing, custody or hidden charges.
Low minimum – we will establish an IHT portfolio from £20,000
Diversification – we look to hold 30-40 companies in a portfolio. This is typically more diversified than our peers, providing the potential for more consistent returns and less damaging to performance should a holding fall sharply.

FEES

Our management charge for an IHT portfolio is 0.95% pa + VAT. This is inclusive of all dealing & administration charges. A flat-rate Custody Fee of 0.30% pa will be charged monthly, at the same time as the management fee. The Custody Fee is exempt from VAT.

Fees are calculated calendar monthly and charged according to the total portfolio value at the month end.

HISTORIC PERFORMANCE

We created our AIM / IHT Investment Service in May 2018, at the specific request of an existing client. The performance figures quoted are taken from that portfolio, as at 30/9/2024 and are post all fees & transaction costs.

	3 Months	6 Months	1 Year	3 Years	5 Year	Since Inception (1 May 2018)
RCBIM	-0.83%	2.15%	16.98%	-38.77%	-9.08%	-10.26%
FTSE AIM All Share Index	-2.73%	0.63%	3.90%	-37.42%	-9.13%	-23.54%

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EXAMPLE PORTFOLIO

This is an example of the holdings in a client portfolio as at 30th September 2024 (exact stock selection and sector weightings for a new client portfolio may be different from this illustration):

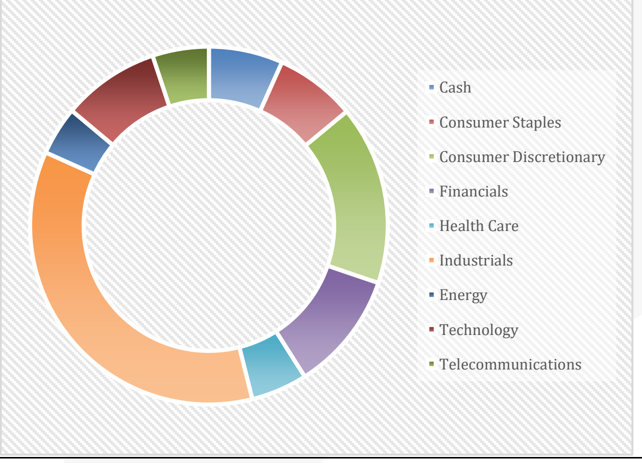
‘Having outperformed its larger peers in the previous quarter, the AIM market gave back some of those gains this quarter following mixed updates by a number of its largest constituents. There has also been some focus on the upcoming first budget of the new Labour government which has seen buyers hold off ahead of a tax raising budget that some commentators have suggested business relief on AIM shares could be changed. Clearly this would be unhelpful to the UK’s junior market where long term capital has been deployed by investors prepared to invest in smaller companies and in return receive a useful tax incentive. Assuming no major changes are made, we would expect inflows and a re-rating to follow after the budget. Lower interest rates should also be beneficial to growth focused companies which are a mainstay of the AIM market.

The summer months are often a quiet period for stock markets and equity fund raising and this year was no exception. We received cash following the previously announced take overs of Lok N Store and Mattioli Woods. We added Tatton Asset Management to the portfolio as a replacement for Mattioli Woods as it operates in the same industry and we like its growth prospects. We added to the holding in Kitwave which raised money in order to fund an attractive acquisition. Optima Health has been spun out of Marlowe as a stand alone business, which we believe will create further shareholder value as two discrete businesses operating in very different sectors – health and water/fire testing. Towards the end of the period, Learning Technology Group received a bid from private equity which proved a positive catalyst for a languishing share price.

Anexo
Animalcare
AOTI
Ashtead Technology
Brooks Macdonald
Brickability
Fonix Mobile
Franchise Brands
FRP Advisory
Jet2 Group
Elixirr Consulting
Gamma Communications
Hargreaves Services
Helios Underwriting
Impax Asset Management
Johnson Service Group
Kitwave
Learning Technologies
Lords Trading Group
Marlowe
Microlise
Midwich
Next 15
Sigmaroc
Strix
Springfield Properties
Supreme
Tatton Asset Management
Team17
Volex
Young & Co Brewery

By sector:

Cash	6.7%
Consumer Staples	7.3%
Consumer Discretionary	16.2%
Financials	10.8%
Health Care	5.1%
Industrials	35.6%
Energy	4.4%
Technology	8.8%
Telecommunications	5.1%



RISK DISCLOSURE

Due to the nature of the investments held within the portfolio, clients will be classified as having a growth objective with a high risk tolerance.

Investing in AIM shares traded on the London Stock Exchange will mean that the value of assets, and any income received from them, may go down as well as up and you may not get back all the money invested. There are three main reasons why this might happen:
1) The actual or perceived financial standing and trading well-being of the AIM companies involved may change.
2) The AIM shares themselves are subject to the laws of supply & demand and are capable of significant price movements irrespective of market and corporate factors. Such movements could be a reflection of the company size and marketability.
3) The AIM market itself is capable of large movements due to economic, political and other factors.

AIM is a market designed primarily for emerging smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM shares are not admitted to the official list of the United Kingdom Listing Authority.